

# Non-safety is out of price!

- especially in times of crisis

**Paul WEBER**  
Director of the Labour Inspectorate  
Grand-Duchy of Luxembourg

**Secretary-General of IALI**

# The bad habits which create competition and short term economic growth

- 1. Greed, a behaviour of addiction which requires satisfaction of my desires (richness, sensual pleasure, health or fame,...).**
- 2. Trouble, my dissatisfaction with what is (desire of revenge or punishment of the people or circumstances,...).**
- 3. Fear and distress in front of the insecurities of life (loneliness, loss of money, loss of the house, fear of dying,...)**

# Comparison interest / natural growth

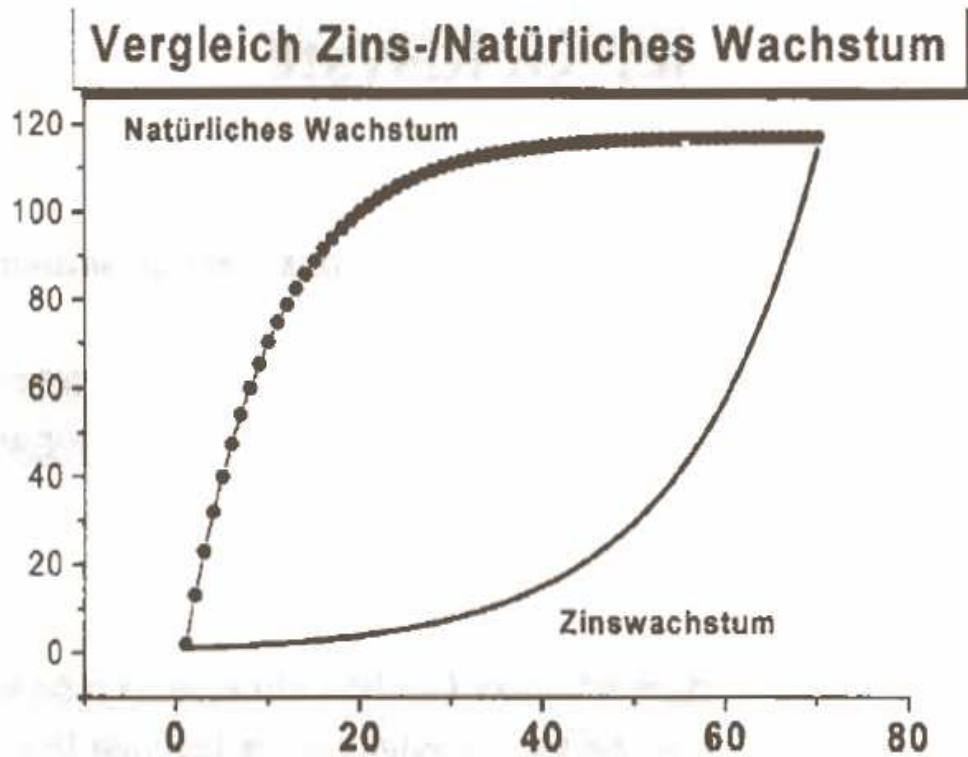


Abb. 1: Beschleunigtes und natürliches Wachstum

**(2008: 684 Bio derived products / world GDP 69,5 Bio)**

## The seven sins:

1. Cumulated interests
2. Shareholder value
3. Quarterly reports
4. Leverage
5. Stock options
6. Short sellings
7. Mergers and acquisitions

# Economic growth and finance capital return

- money used as a good to increase wealth

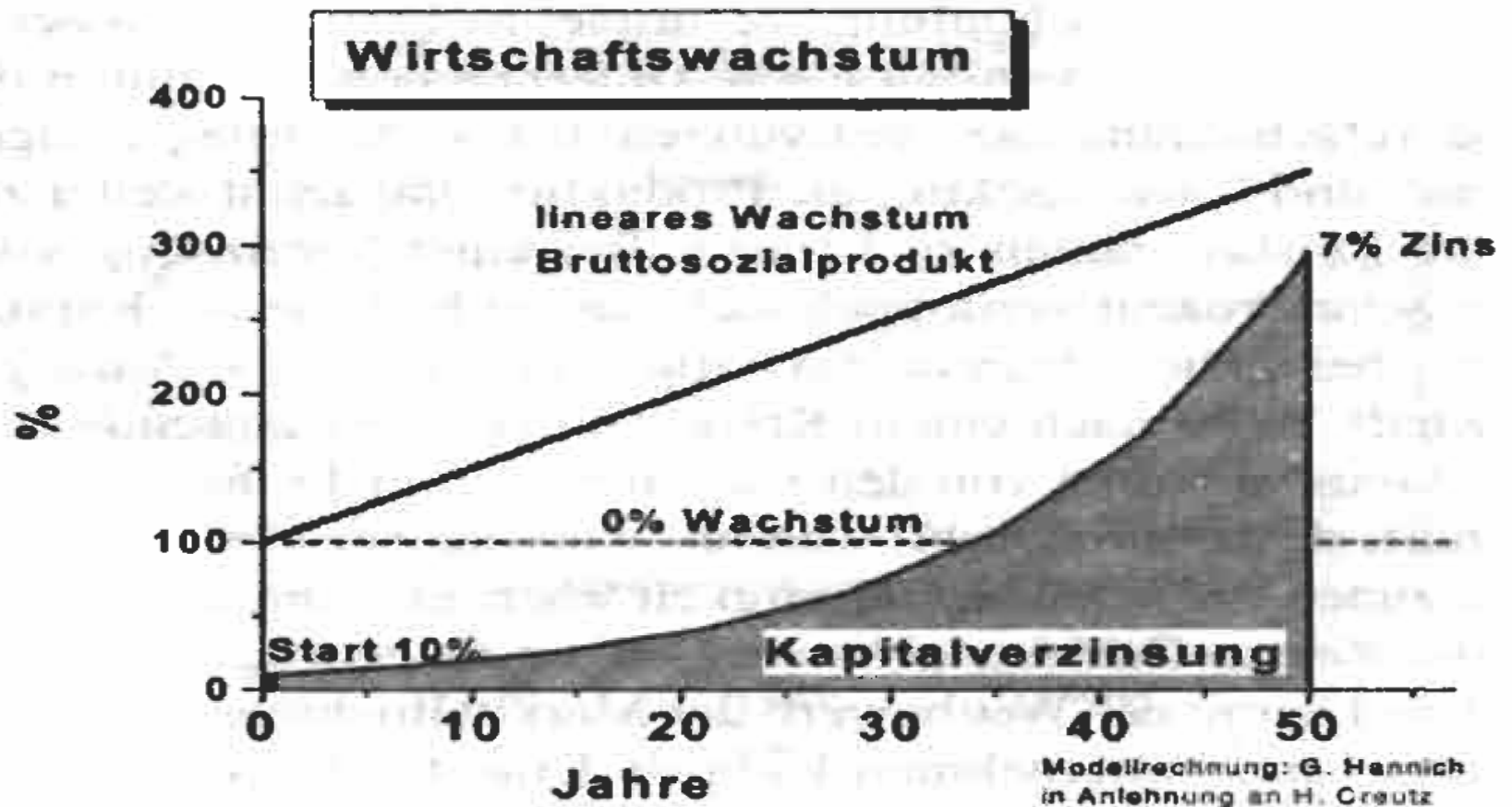


Abb. 14: Entwicklung der Kapitalverzinsung

## Doubling time of the capital/debts

Interest rates (Cumulated int.)	Doubling time (years)
2,5%	~28
5,0%	~14
10,0%	~7
15,0%	~5

The capital placed at **5%**  
during 50 years  
multiplies per **11,5**  
the capital placed at **15%**  
during 50 years  
multiplies by **1 084**

## « Modern » Culture

- **Cash flow**
- **Monthly reports**
- **Monthly salary cheque**
- **Spending of money**
- **In the last minute**



# The war as a consequence of the interest system



*Abb. 27: Der Krieg als Folge des Zinssystems*

# Cultural Mutation

## New-Deal J. M. Keynes (1929) « Traditional » Culture

- culture of co-operation
- mutual respect
- long term care for renewable resources
- equality (between people, sexes, humans and nature)
- tripartism – employer, worker, government

## Neo-cons. Milton Friedman Chicago school corporatism

- culture of competition
- domination
- exploitation for a quick buck, short term
- power, concentrated wealth, dominators, prisons
- privatisation, liberalisation, stabilisation after crisis

**Corporatism of Chicago:**  
~ 100 countries since 1989 in opposition  
to « Développementarism »

## The worker's well-being: «ILO-Tripartisme»

**Success and profit for all  
participants: there are no  
losers**

**Selling, buying,  
merging,  
restructuring, PAO**

**To whom belongs the  
enterprise?**

**Employer**  
(economic growth,  
productivity,  
competitive edge,  
success, quality)

**30-50% inner termination  
of the contract, de-  
motivation**

**3x new shareholders  
in 2 years**

**" win - win - win "  
Success and  
profit for  
everyone**

**Public authorities**  
(health protection at  
work, working conditions,  
safety of the equipment  
in the workplace)

**Worker**  
(salary, working hours,  
reduction of workload,  
social security cover,  
work satisfaction)

# Adam Smith, Hero of Globalisation



Ernst von Weizsäcker

Source: Christmas Card 2000 of the Adam Smith Institute, Int'l Div., London SE1 7SP

# Finance industry, derived financial products

## The securitization of debts

### Aus Schulden werden Wertpapiere

#### Weiterverkauf von Krediten

Die Bank verkauft ein Hypothekenportfolio an eine eigens zu diesem Zweck gegründete Gesellschaft. Die Gesellschaft „verbriefte“ die Kredite Tausender Bankkunden zu handelbaren Wertpapieren, zu „Asset-Backed Securities“ (ABS).

#### Die Vermarktung

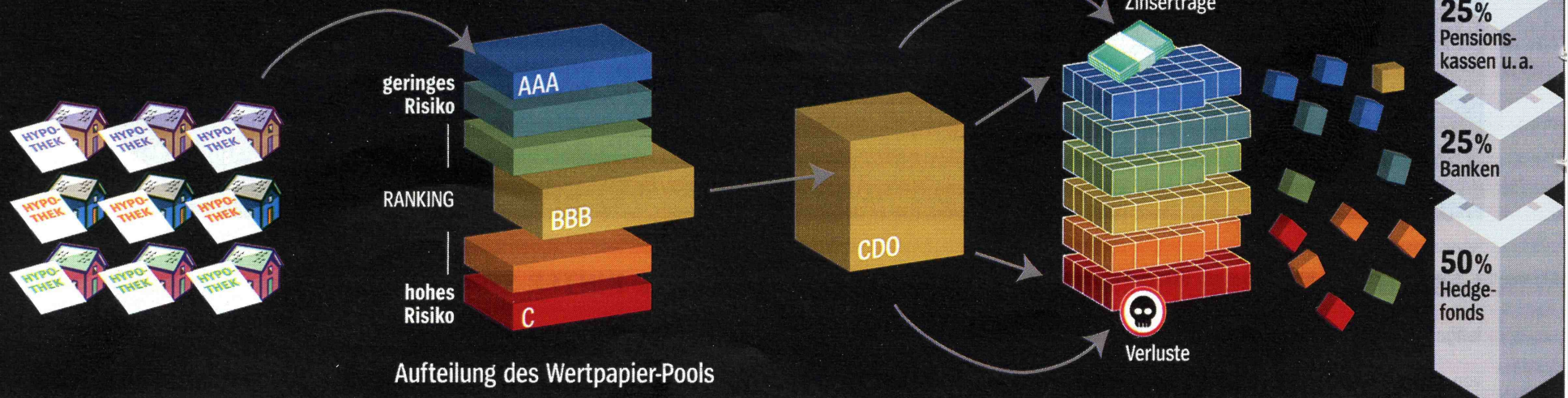
Die Wertpapiere im Pool werden von Rating-Agenturen nach Bonität bewertet. Je besser das Rating, desto sicherer die Zahlungsflüsse, je schlechter, desto höher das Verlustrisiko, aber auch die Verzinsung.

#### Neustrukturierung

Assets des Portfolios werden neuerlich auf Zweckgesellschaften verteilt und nach Risikoklassen tranchiert, es entstehen „Collateralized Debt Obligations“ (CDOs). Die Kette zwischen dem ursprünglichen Kredit und seiner Weitervermarktung wird brüchig.

#### Verkauf in alle Welt

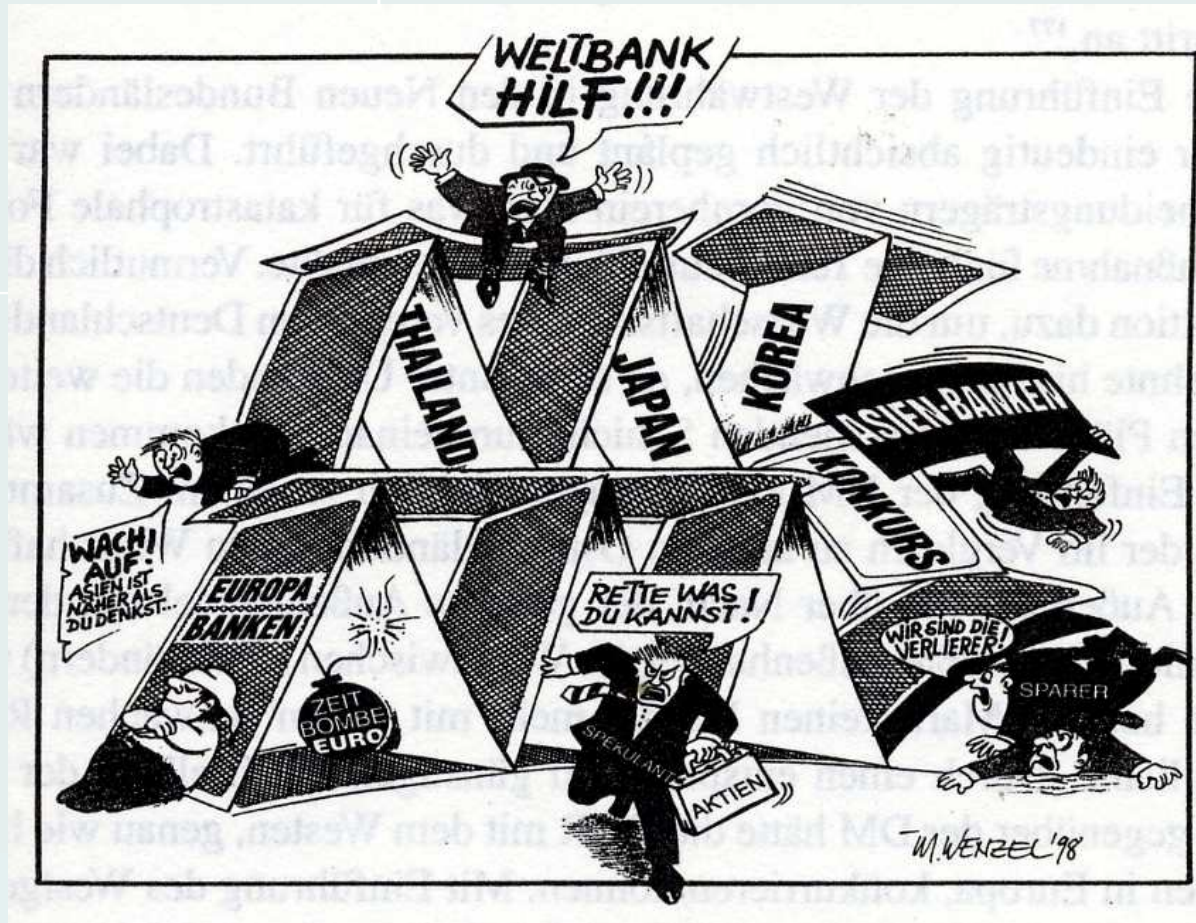
Großinvestoren in aller Welt kaufen Anteile an den CDOs. Die riskanten Tranchen machen bei Kreditausfällen als Erstes Verlust, Erträge werden von oben nach unten verteilt.



DER SPIEGEL

**ABS=Asset Backed Securities CDO=Collateralized Debt Obligations**

# The « credit crunch » and financial system failures – « recession », « downturn », 20 Mio jobs loss in one year (Juan Somavia)



# Financial resources versus indebtedness (FMI, WTO, WB, EBI, ...)

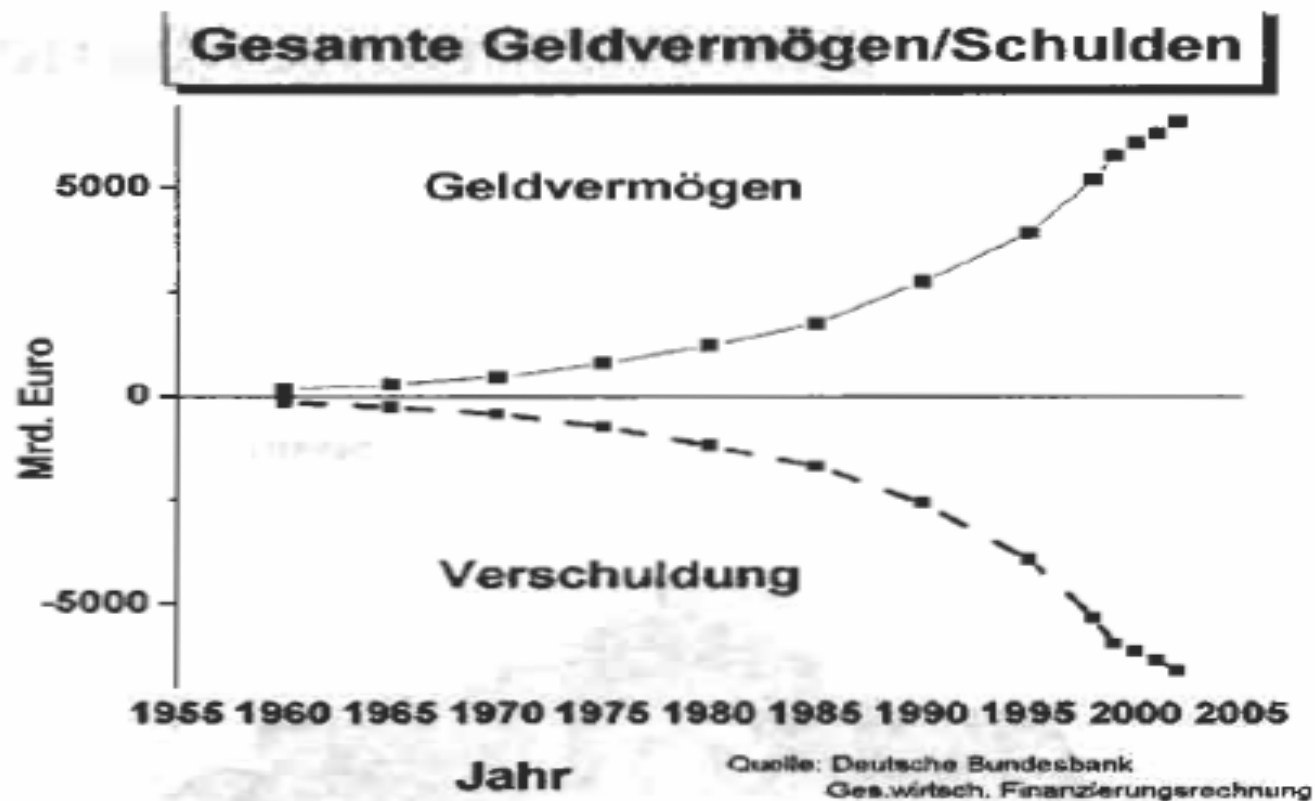
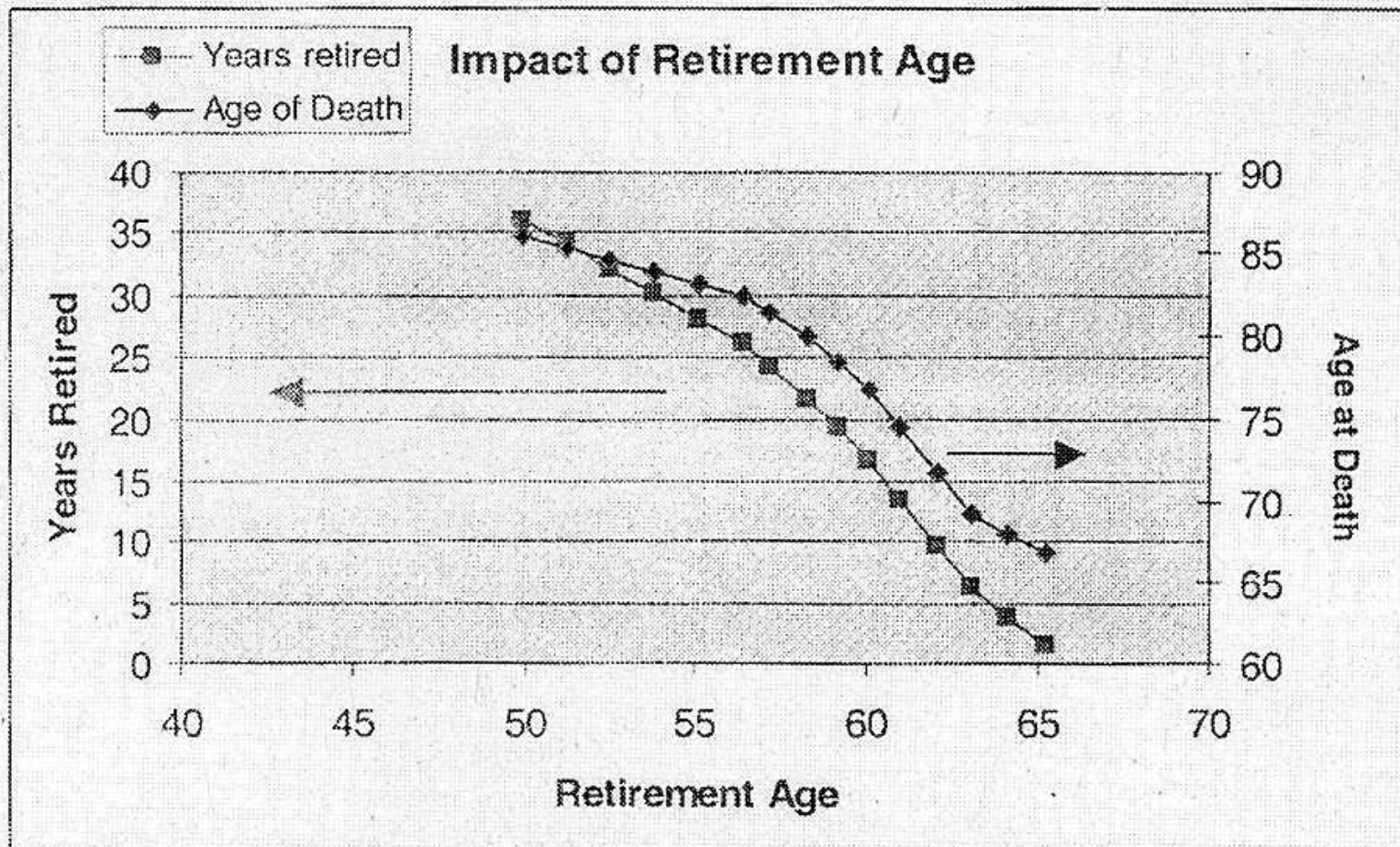


Abb. 3: Entwicklung der gesamten Geldvermögen/gesamten Verschuldung in Deutschland

# Actuarial Study Of Age At Retirement vs. Life Span



# Actuarial Study Of Age At Retirement vs. Life Span

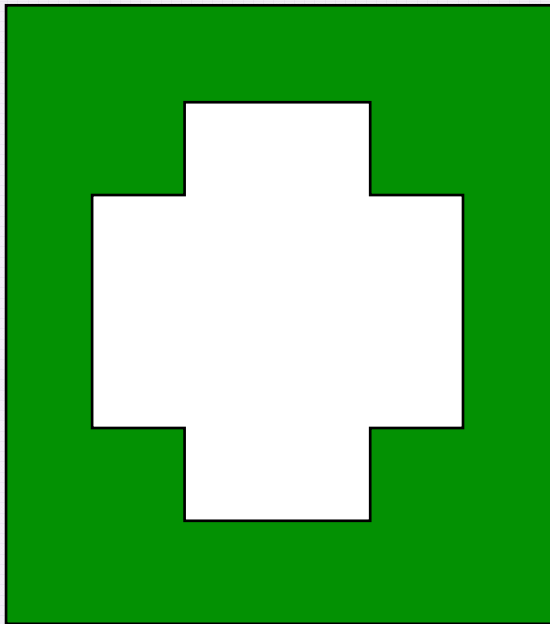
Age at retirement	Average age at death
49,9	86,0
55,1	83,2
60,1	76,8
65,2	66,8

« An important conclusion of this study (BOEING USA) is that for every year one works beyond the age 55, one loses two years of life span on average. »

Sing Lin, Ph. D.

## Industrial average percentage of work related accidents

More than 12 accidents  
per 100 employees in  
Luxembourg



### DuPont (global)

Only 0.04 accidents  
per 100 employees

### DuPont (Luxembourg)

Only 0.038 accidents  
per 100 employees (1989-1998)



***All Injuries are Preventable***

# **Costs for one single occupational accident (slight injury > 1 day off)**

- **Direct and indirect costs**




- **Total cost per accident**



• **25.000 EURO**

Source : DuPont

# Turnover required to offset injury costs\* (slight injury > 1day off)

	Average company	Your company
• No. of employees	100	
• No. of injuries	12	
• Costs per injury	25,000	
• Total costs	300,000	
• Profit margin	10%	
• Turnover to offset costs	3,000,000	
• Employee annual premium	3,000	

# Levels of efficiency to manifest success

<b>Crisis</b>	<b>Origin</b>	<b>Creativity Cognition</b>	<b>Absolute</b>	<b>Liberty Freedom Here and now</b>
<b>Depression</b>	<b>Feelings</b>	<b>Wishes Intention Intuition Emotions</b>	<b>Future</b>	<b>Success / Fulfilment</b>
<b>Recession</b>	<b>Thoughts</b>	<b>Mind Psychic Energy "Soft ware"</b>	<b>Present</b>	<b>« just do it »</b>
<b>Deflation/ Inflation</b>	<b>Practical Experiences</b>	<b>Environment Behaviour Matter / Solid Press / News</b>	<b>Past</b>	<b>Don't invest any energy</b>

# **Non-safety is out of price!**

## **- especially in times of crisis**

- 1. In order to survive, we have no other choice than inventing a new way to live together.**
- 2. First law of freedom: "A man can neither wound morally or physically another man, nor, by his inaction, allow that a man is wounded." (I ROBOT – Isaac Asimov)**
- 3. "It is possible to pull the world out from the hands of the crazy people" (Patti Smith). The future is not written down. We have the obligation to take it in possession.**
- 4. Playing working, as we went in former times to playing, we go for working, without stress, with the idea of amusing ourselves.**

