



TWT Gazette

November 2009
Issue 1

Index

- 1** Global Crisis Analysis
Weltfinanzkrise –
Eine Analyse

About / Über

TWT

Trans World Technologies (TWT) is a commercial network with expert contacts and project experience in many countries around the globe.

Besides consulting, project development and foreign marketing support TWT is working on analysis, studies and articles concerning current economic, technological and political questions.

Market Information, Contacting, Interest Representation, Sales Support, Technical Services, Teaming and Financing solutions are typical services offered from TWT

TWT Berlin is the TWT contact for Germany and the EU.

TWT Berlin is a business unit of
TWT GmbH Trans World Technologies, Berlin, Germany

The TWT Gazette format is published by
TWT International.

TWT International c/o
TWT GmbH Trans World Technologies
www.twt-info.com
contact@twt-info.com

Global Crisis Analysis

After one year of global crisis it is time for a reasonable analysis and outlook

Since more than 12 month the media and publications are full with rumors, reports and prognosis regarding the economic downturn and its recovery. TWT does not believe in information flooding but information filtering allowing for calm and reasonable analysis. In this context we last year have given once information on our position and 12 month later would now like to provide additional bearing.

From today's point of view the coming of the crisis was not a surprise. The most important lesson in so far for the future is to have an effective warning and information system allowing for good measurement of developing situations. Similar to the military definition of C4ISR or so-called command and control, communications, computers, intelligence, surveillance, and reconnaissance a system is required which effectively works and will allow us to take effective countermeasures prior any crisis. The world's financial community in 2008 obviously failed in this and one really wonders what all the finance experts in politics, banks, universities etc. were paid for after all. In simple conclusion their majority was either conspiring, ignorant or stupid. Unfortunately the same may be true for many from the rest of us. Partially from greed and partially from carelessness we trust promises and accept risk in areas unknown to us too easily. This in it self might be already considered not wise. The real problem lies however in the fact that too many people want to involve in benefits without work meaning in most cases risk without control. We should understand that the 2008/2009 global crisis is nothing

really new. When we look to modern history economic slump and especially crises in the financial markets are something normal and quite regular.



Black Thursday of October 1929 often is cited as the mother of global financial crises. Looking this way to the United States and recognizing its role as today's world leader one has to recognize that in its history there were already earlier events e.g in 1857 after the Crimean War and another Black Thursday in 1873 when US markets collapsed and banks failed. In so far the US markets have a tradition of volatility and dynamics for which many of the foreign investors were and remain ill prepared as now in the real estate bubble. Globalization and standardization trends almost automatically destroy national and regional safeguards and segmentation of markets. This lack of protection together with people's greed and the decline of the manager's business ethics probably is the core of the present problem. Capitalist and market economy rules principally are intact. But as Max Weber already stipulated "...unlimited greed for gain is not in the least identical with capitalism and is still less spirited. Capitalism may even be identical with the restraint, or at least a rational tempering of this irrational impulse...." the challenge will be to return to more seriosity in the individual's basic approach to business. Fair enough probably will remain the credo of John D. Rockefeller saying "... get all the money you can get, get it honestly, keep all you can and give all you can, but give it wisely." The issue finally is not more but better regulation; - individually and institutionally. *Dirk P. Schneider*