

AHRC awards £700,000 for a project on 'Responsibilities, Ethics and the Financial Crisis'

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We are pleased to announce the award of a major new project funded by the AHRC. The project team includes Tom Sorell (Principal Investigator), Andrew Mullineux and [Karen Rowlingson](/staff/profiles/social-policy/rowlingson-karen.aspx) (Co-Investigators) and [Lindsey Appleyard](/staff/profiles/social-policy/appleyard-lindsey.aspx). The project starts in May 2012 and will last for 3 years.

The project will explore the impact of the global financial crisis on the way that the risks of consumer lending, including mortgage lending, were spread - notably through a market in securitized debt; overconfidence in the strength of house prices; and conflicts of interest among institutional lenders and those responsible for analysing credit risks.

The financial crisis is particularly important in the UK, where financial services constitute one of the largest economic sectors and one of the biggest sources of tax revenue. This project seeks to enlarge the public understanding of the crisis and the understanding among officials, regulatory and consumer bodies of the ethical issues raised by the crisis, specifically, how responsibilities for what has gone wrong create obligations to some of those badly affected by the crisis. The project addresses the question of which institutions are responsible; and the question of whether individuals, including ordinary consumers and sub-prime borrowers, are also partly to blame. Starting from some of the specialist literature on the causes of the crisis, including the financial management literature, it considers which institutions have the primary responsibilities. The project will contribute with regulatory and taxation proposals from its finance experts. But it will also consider bank irresponsibility from the point of view of the defining purposes of banks and from the standpoint of the philosophical business ethics and the theory of corporate social responsibility. It will also investigate the ethical aspects of different forms of lending to people on low incomes.

Further information

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