

Freiburg, 11th March 2016

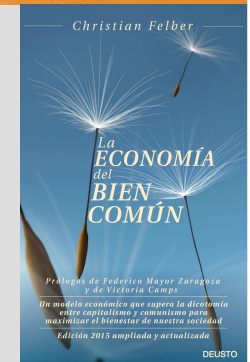
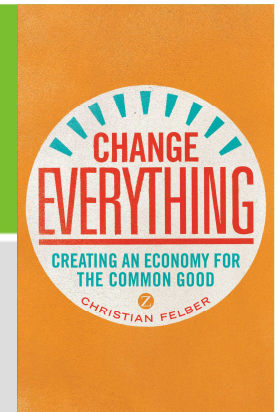
Economy for the Common Good

A proposal for systemic change

Univ.-Lektor Mag. Christian Felber

www.christian-felber.at

www.ecogood.org



CHRISTIAN FELBER

Gemeinwohl
Ökonomie

ERWEITERTE NEUAUSGABE

DEUTICKE

Dinero
Las nuevas
reglas del
juego
Christian
Felber

El nuevo libro del autor de
La economía del bien común

Prólogo de
Paco Álvarez

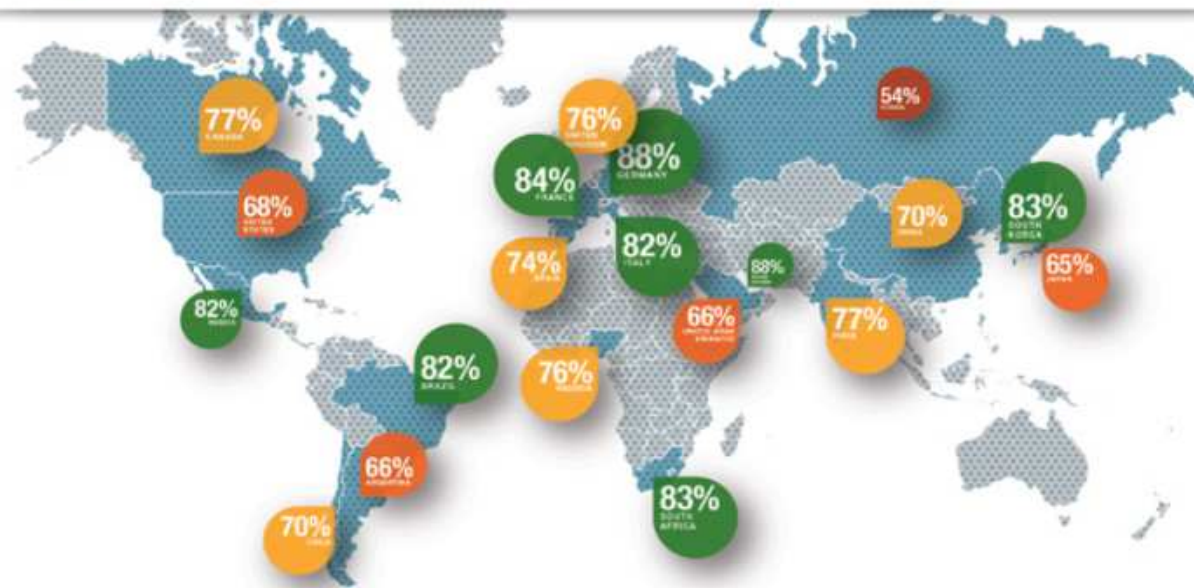


DEUSTO

CHRISTIAN F

Systemic Crisis

72% of people globally say business is failing to take care of the planet and society as a whole



Data from Havas Media/Accenture survey of 30,000 consumers worldwide. Numbers by country represent proportion of respondents answering 'agree' and 'strongly agree'.



Time for a System Change...

„Wish a different economic order“

Germany 88%

Austria: 90%

Bertelsmann Foundation, 2010 and 2012



Landscape of Crisis

- distribution: 1% has the same as 99% (Oxfam)
- hunger: 800 million persons suffer malnutrition
- ecology: „World Overshoot Day“ in August
- meaning: Gallup: 2/3 disengaged at work
- Values: greed, cannibals and vultures
- democracy: 5% say they can co-determine
- power: 147 corporations control world economy



„TAPAS“ more delicious than „TINA“

- Fair Trade
- Ethical banks
- Solidarity Economy
- Commons
- Transition Town
- Blue Economy, Circular Economy
- Degrowth / Post-growth Economics

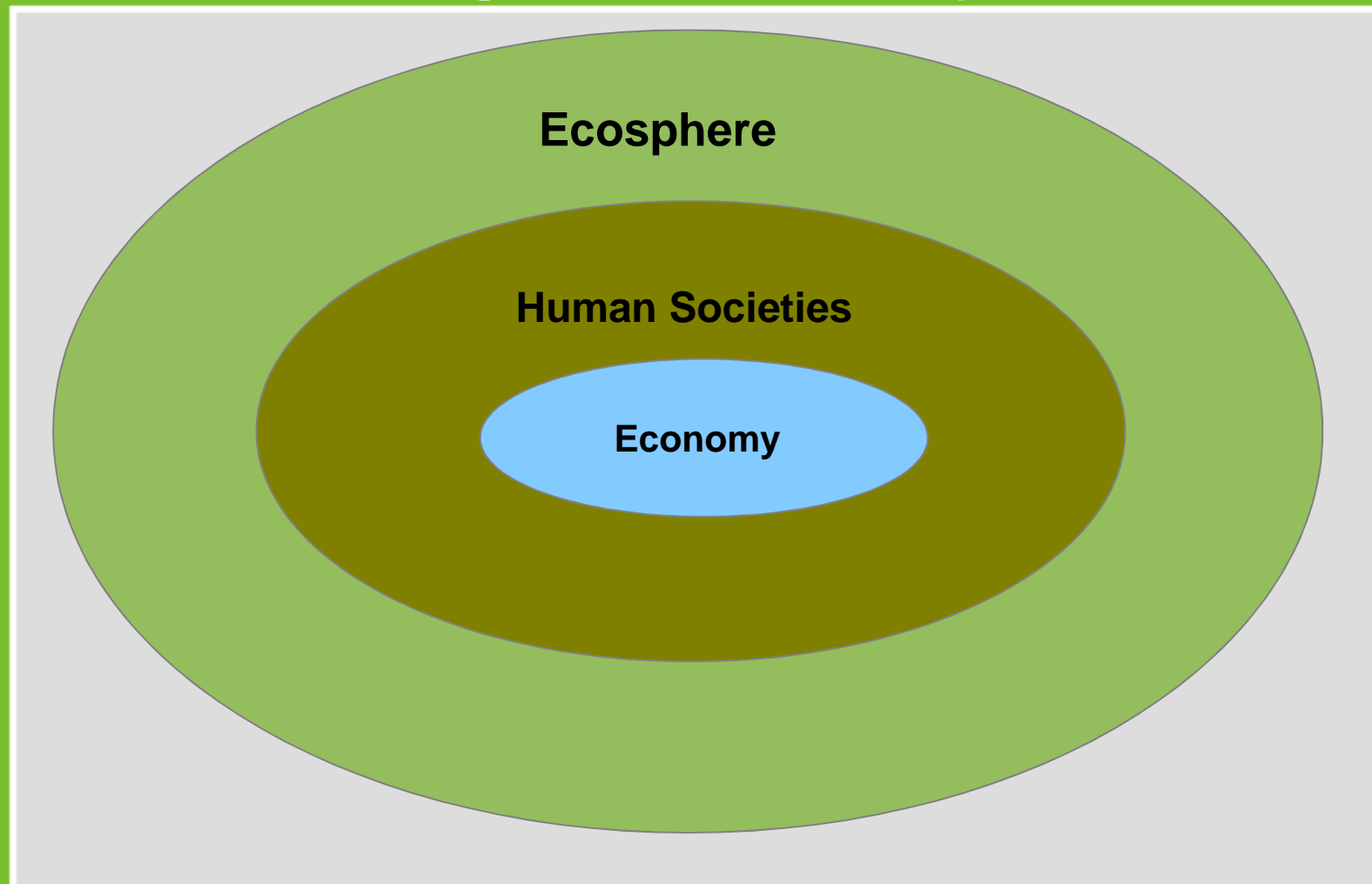


Economy for the Common Good

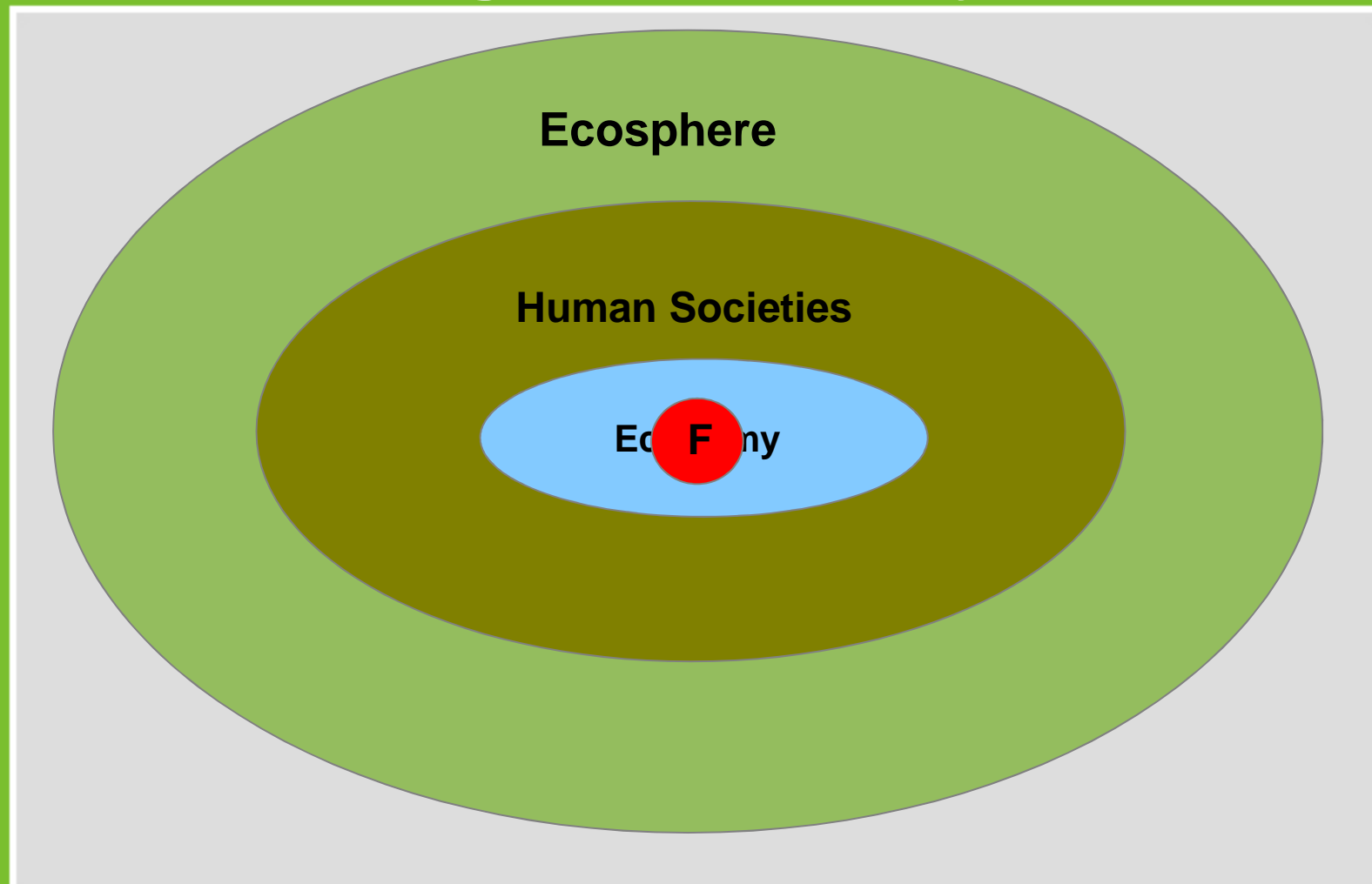
1. MODEL
2. MOVEMENT (fun)
3. PROCESS (effective)



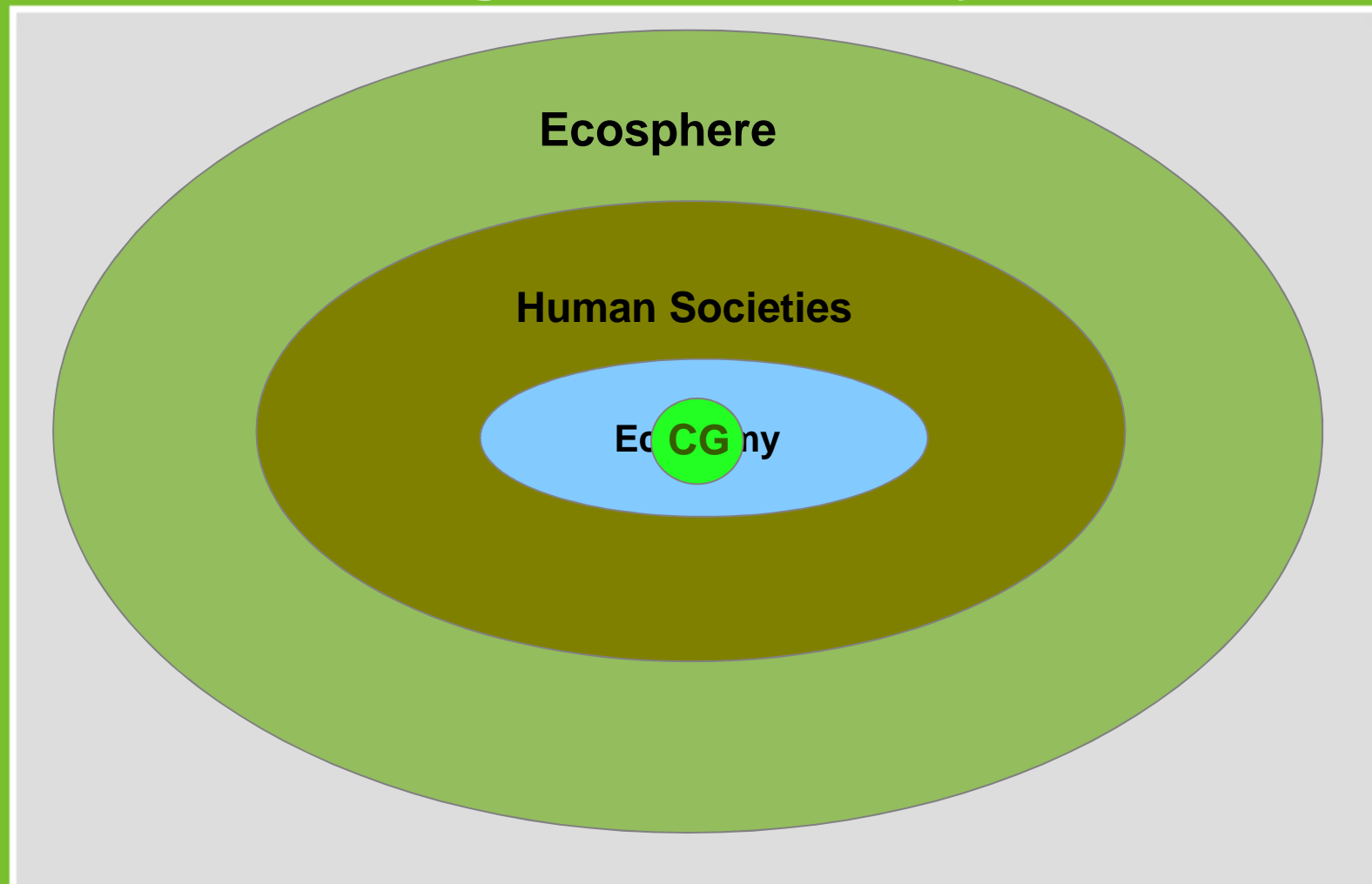
Reembedding the Economy



Reembedding the Economy



Reembedding the Economy



Goal of the Economy

„The economic activity in its entirety
serves the common good.“

Bavarian Constitution, Art. 151



Constitutional Goal

„Property **oblige**s. Its use shall also serve
the common good.“

German Basic Law, Art. 14



Constitutional Goal

„Economic initiative is free, within the boundaries of the common good.“

Constitution of Columbia, Art. 333



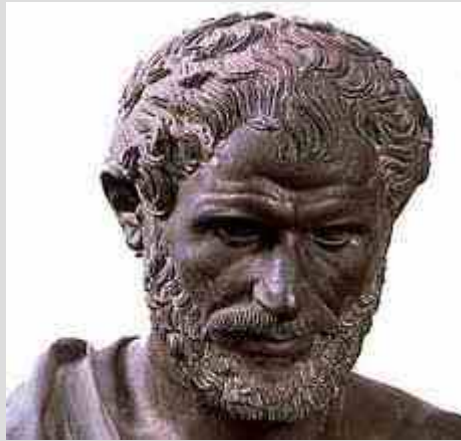
Constitutional Goal

„Formation of capital is not an end in itself, but
a means of the development of the economy.“

Bavarian Constitution, Art. 157



There is nothing new about...



„**oikonomia**“: money is a means → „*sane, natural*“

„**chrematistike**“: money is an end → „*antinatural*“



Measure Economic Success Differently



Measure Economic Success Differently

National economy (macro level)

Gross Domestic Product >

Enterprise (meso level)

Financial profit >

Investment (micro level)

Return on investment >



Measure Economic Success Differently

National economy (macro level)

Gross Domestic Product > **Common Good Product**

Enterprise (meso level)

Financial profit > **Common Good Balance Sheet**

Investment (micro level)

Return on investment > **Common Good Exam**



People Desire a new Goal

„Instead of economic growth (GDP) the wellbeing of people („Gross National Happiness“) becomes the highest goal of economic and social policy.
All other policy goals are subordinated to it.“

Affirmation: 67%

Federal Ministry for Environment of Germany/
Federal Authority for Environment, March 2015



Measure Economic Success Differently

National economy (macro level)

Gross Domestic Product > **Common Good Product**

Enterprise (meso level)

Financial profit > **Common Good Balance Sheet**

Investment (micro level)

Return on investment > **Common Good Exam**



COMMON WELFARE MATRIX 4.0 (2012)



Stakeholder	Value	Human dignity	Solidarity	Ecological Sustainability	Social Justice	Democratic Co-determination & Transparency
A) Suppliers	A1: Ethical Supply Management					
B) Investors	B1: Ethical Financial Management					
C) Staff Incl. Owners	C1: Job quality and Equality 90	C2: Just distribution of labor 50	C3: Advancing and demanding eco-friendly behavior 30	C4: Just distribution of incomes, 60	C5: Transparency and co-determination 90	
D) Customers / Products / Services / Business Partners	D1: Ethic sales 50	D2: Solidarity with business partners 70	D3: Ecological design of products and services 90	D4: Social design of products/ services 30	D5: Raising social and ecological standards 30	
E) Social Environment: Region, sovereign, future generation, global fellow human beings, animals and plants	E1: Social effect and Impact of products / services 90	E2: 40	E3: Reduction of impact on the environment 70	E4: Minimizing distribution of profits to external persons 60	E5: Social transparency and co-determination 30	
Negative Criteria	Violation of ILO-norms and standards/ human rights -200	Hostile takeover -200	Massive environmental pollution -200	Unequal remuneration for women and men -200	Non-disclosure of shareholdings and subsidiaries -100	

Clear Visibility

751 – 1000 Common Good points

501 – 750 Common Good points

251 - 500 Common Good points

1 – 250 Common Good points

- 1600 – 0 Common Good points



ECG Label



Legal Incentives

- Lower Tax rates
- Lower Tariffs
- Lower Interest rates for the bank loan
- Priority in public procurement
- Cooperative research with public universities



„Bank for the Common Good“

- Goal = common good
- No speculation
- No dividends
- Exit of interest system
- Ethical creditworthiness assessment

www.mitgruenden.at



PROJEKT
BANK FÜR
GEMEINWOHL



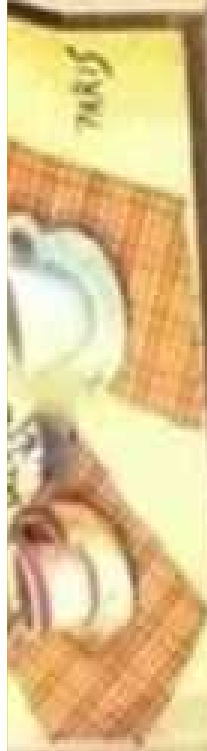
LISTA DE PRECIOS

Un café 2'80€

Por favor, un
café 1'80€

Buenos días, cuando
puedas, me pones

un café 80 cts



New rules of the game

old:

Common Good



competition



financial profit

new:

Common Good



cooperation



common good



2. THE PROCESS



20 core elements

- Values, objectives, success measurement
- Money as a public good
- Reduction of working time & sabbaticals
- Ecological human rights
- Negative feedback mechanisms
- Holistic education
- (...)



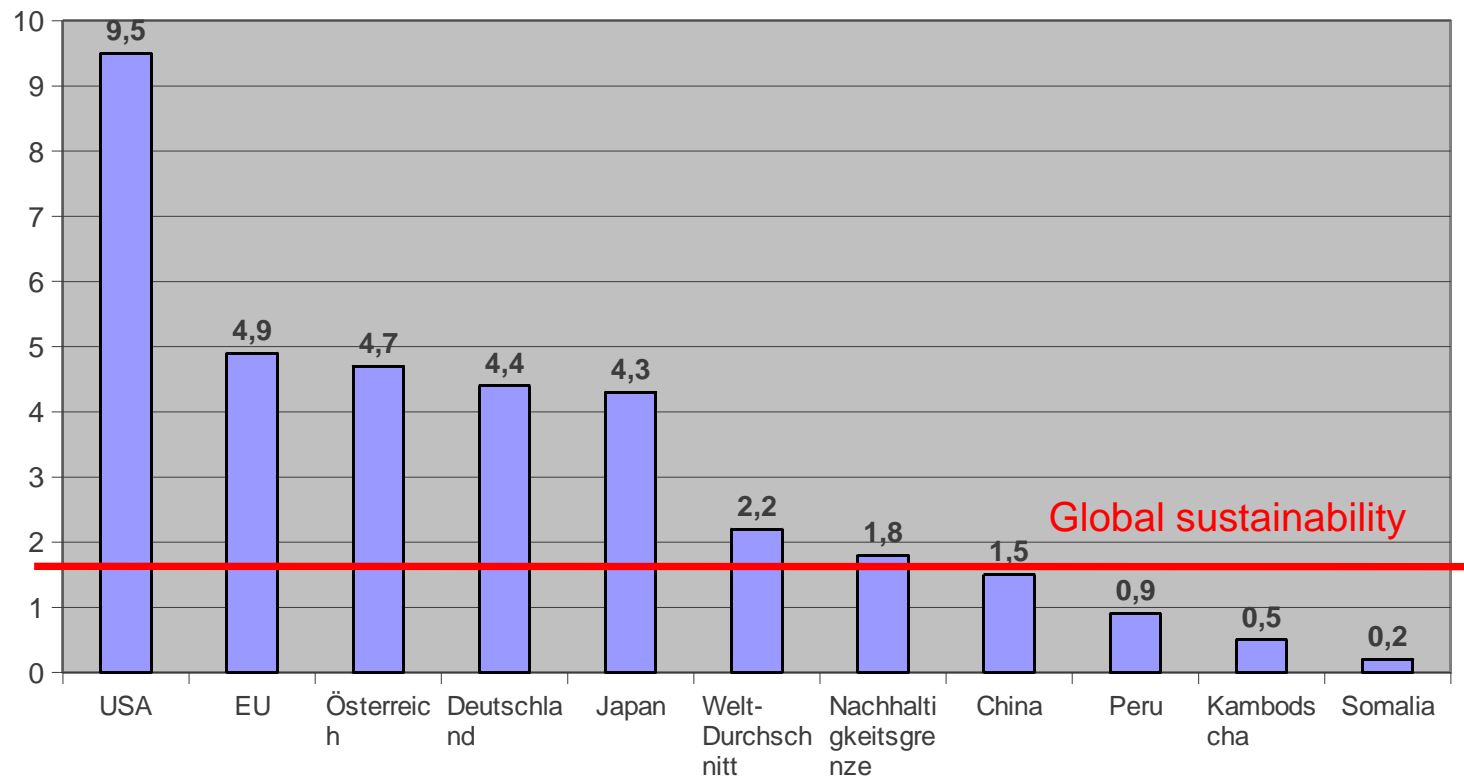
Counterpetition > competition

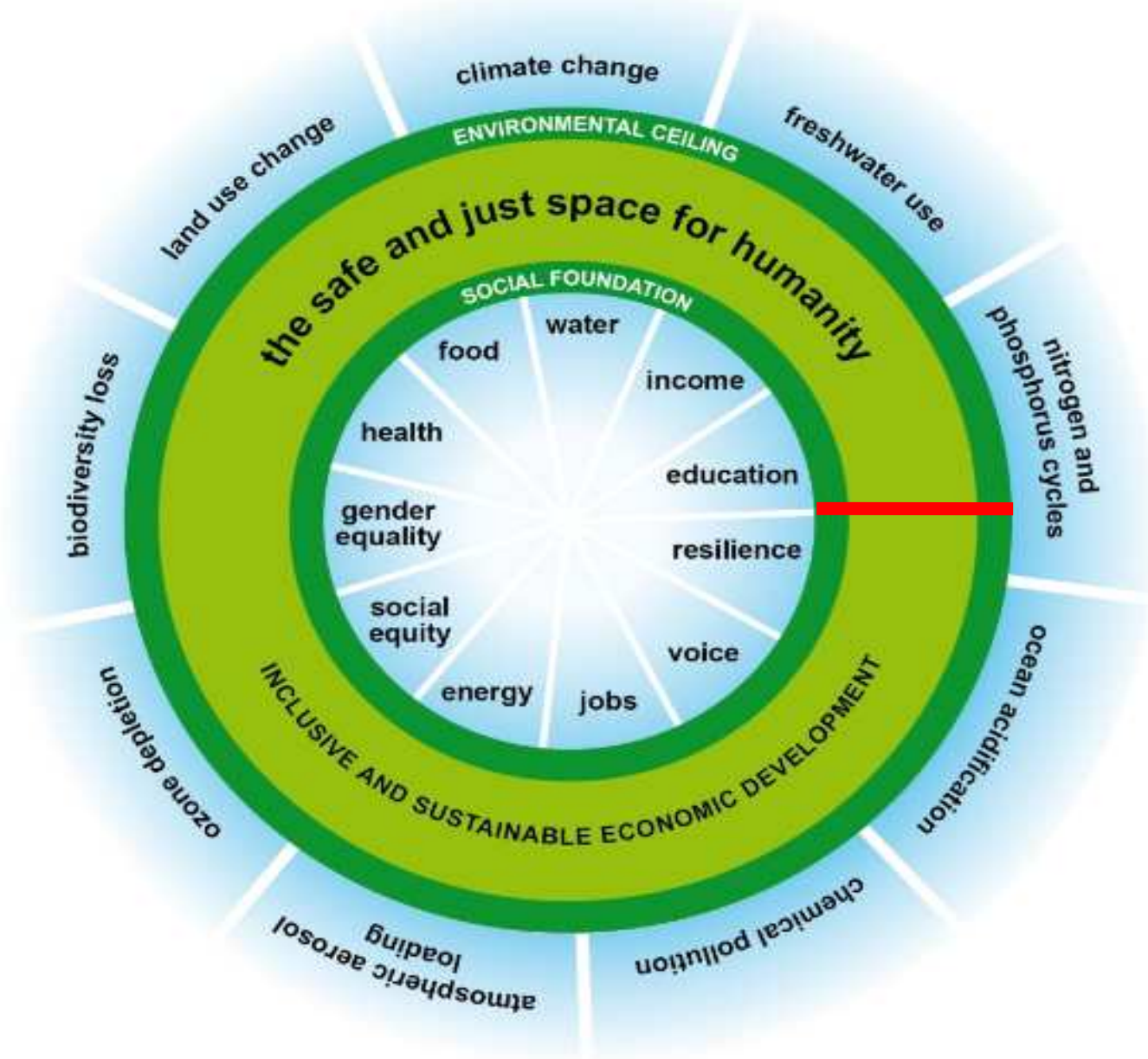
Aktives Schädigen von Mitunternehmen	Unterlassen von Hilfestellungen und Kooperation	Kooperation auf individueller Ebene	Kooperation auf Branchenebene / Systemebene
Preisdumping	Nichtüberlassung relevanter Infos	Unterstützung mit Know-how	Open source, Creative Commons-Lizenzen
Sperrpatente	Unvollständige Information der KonsumentInnen	Finanzielle Hilfe: Liquiditätsausgleich, zinsfreier Kredit	Definition und Anstreben einer optimalen Größe
Feindliche Übernahme	Nichtüberlassung von Restmaterialien	Überlassen von Arbeitskräften	Teilnahme am Branchentisch zur Krisenbewältigung
Massenmediale Werbung	Nichtüberlassung überflüssiger Betriebsmittel	Überlassung von Aufträgen	Beteiligung an egalitärem Produktinformationssystem
Strategische Klagen	Nichtüberlassung freier HR	Gemeinsame F&E	Einspeisen in einen Insolvenzfonds
Schlechtes Bilanz-Ergebnis	Schwaches Bilanz-Ergebnis	Gutes Bilanz-Ergebnis	vorbildliches Gemeinwohl-Bilanzergebnis



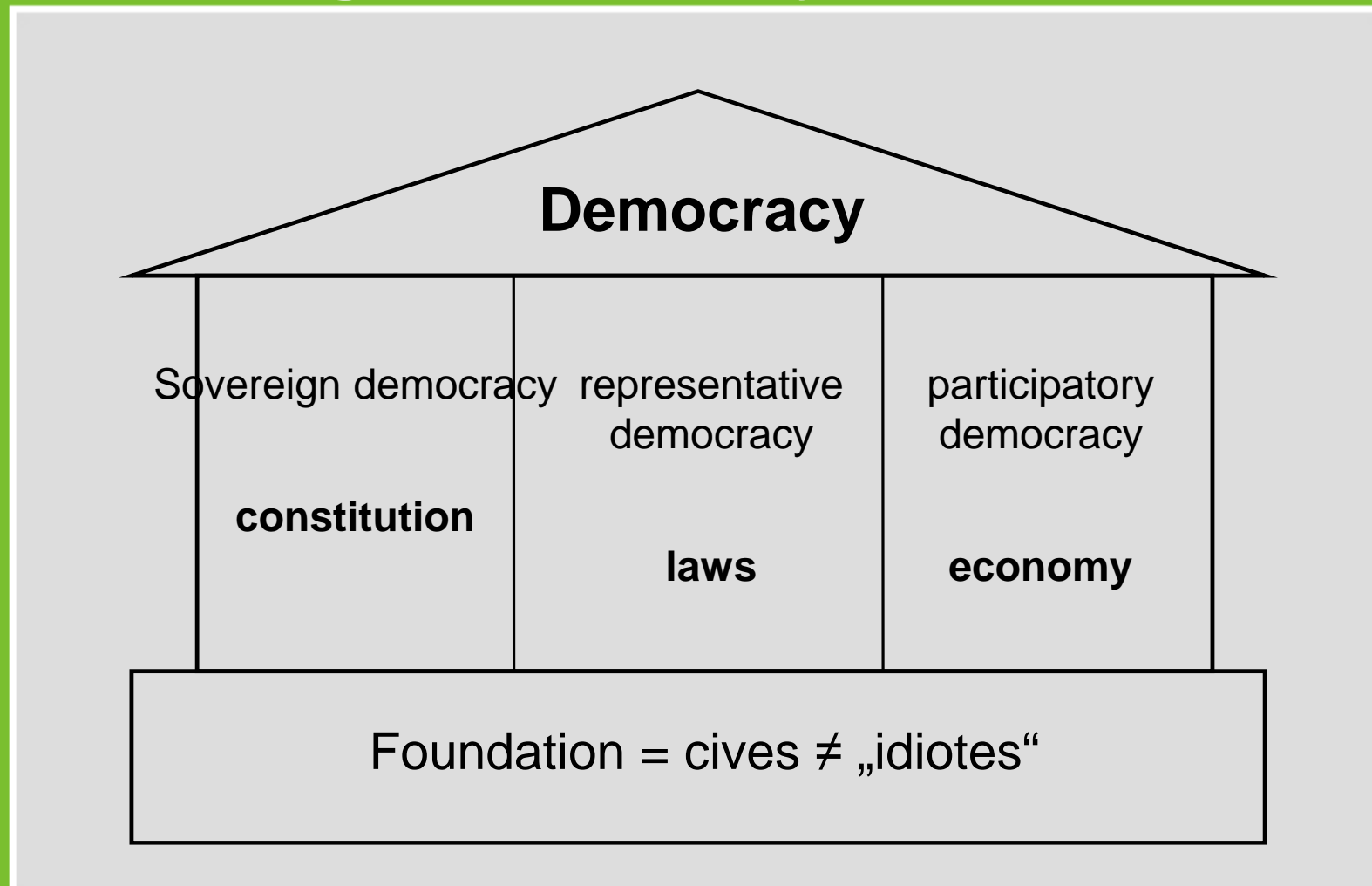
Equal global rights for all

Ecological Footprint (hectars per person)





„Sovereign Democracy“



„Sovereign Rights“

1. Write the Constitution
2. Change the constitution
3. Elect a government
4. Drop a government
5. Stop a law initiative
6. Initiate and adopt a law
7. Issue money
8. Take control over a public good
9. Give a frame mandate for an international agreement



Negative feedback mechanisms

- Limitation of income inequality
- Limitation of private property
- democratization of big companies
- Maximum + minimum inheritance



Top income : minimum wage



20 7 10 4 100 1000
~~15~~ 50 500

4 180
 7 71
10 31
 15 41
 20 68
 50 160
 100 190
 500 220
 1000 alle

Kloster
 Kirchberg
 27.1.2015

~~5~~, 20, 10, 15, 7, 1, 50

2	34
5	23
7	24
10	17
15	20
20	25
50	37

Universität
 Wien,
 27.4.2015
 from 20 nations
 28 students

Top manager : minimum wage

- Sweden 600 times
- Austria 1.000 times
- Germany 6.000 times
- USA 360.000 times



3. THE MOVEMENT



Pioneer Entrepreneurs



CHRISTIAN FELBER



November 19, 2014 2:23 pm

A corporate balance sheet with a little added love

Chris Bryant Author alerts



Fresh path: Anja von Dewitz, chief executive of mountain sports clothing maker Nauze

What is the purpose of business? Many executives would say their task is to maximise returns for shareholders by serving the needs of customers, perhaps with social benefits as a byproduct.

University of Applied Sciences Burgenland



19 associations



CHRISTIAN FELBER

Going Spain ...

ECONOMÍA
DEL BIEN COMÚN



Westminster Palace, UK





MIRANDA
DE AZAN



„The Parliament of South Tirol ...



... mandates the Government (...)

→ to give enterprises with a positive common good balance sheet result priority in public procurement

→ promote Common Good Municipalities with priority“

Bolzano, 18 December 2014





Opinion EESC 17th September 2015

- Include ECG in legal framework of EU and MS
- Measuring Ethical Success (Directive 95/2014)
- Ethical Labelling & Ethical consumption
- Public Procurement according to Values
- Ethical Banks and Stock Markets
- Ethical Internal Market
- Ethical External Trade



European Parliament, 20 October 2015



Participate

- Individuals: found a local group, ...
- Companies: Implement the CGBS, ...
- Communities: start an economic convention, ...
- Universities: Research, Teaching, Application, ...

info@eccogood.org



Stéphane Hessel, ex diplomat, ambassdor



„Get involved for concrete alternatives! Get involved in the Economy for the Common Good!"



Be part of the change!

Thank you for your attention!

www.christian-felber.at

www.mitgruenden.at

www.ecogood.org



New paradigm of money

„Money.

The new rules of the game“



Benefits for pioneer companies

- 1) Meaning
- 2) Organisational development (360 degree)
- 3) Cooperation platform
- 4) Ethical employees
- 5) Ethical consumers
- 6) Subventions
- 7) „First mover advantage“
(„Schubumkehr“ des Anreizsystems tritt ein)



Criteria for a Universal Balance

- 1) **Universal/Holistic**
- 2) **Measurable**
- 3) **Comarable**
- 4) **Comprehensive**
- 5) **Compulsory**
- 6) **External audit**
- 7) **Public/Transparent**
- 8) **Legal consequences**







Growing movement

1. Economic pioneers

- **1891** signatory companies
- Common good banks and stock markets

2. Political pioneers

- Common good municipalities
- Common good regions

3. cultural pioneers

- Schools and universities
- Institutions of art



Constitutional goal

„Economic activity and private initiative are free,
within the boundaries of the common good.“

Art. 333, Constitution of Columbia



Salzburg



„The whole economic activity in the region serves the common good of the people in Salzburg.“

Government Programme 2013 - 2018



Common Good Municipality



Implement CGBS themselves



Promote „Pioneer companies“



Develop a local „Life quality index“



Start a „Democratic Convention“



Connect to a „Common Good Region“



Full system change



Common Good Company



Common Good Hub



Common Good Stock Market



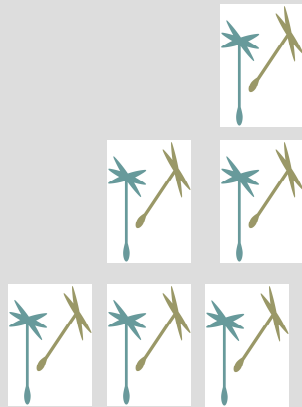
Common Good Region



Common Good Trade Zone



Progressive engagement



supporter

member + „inicial balance sheet“

peer evaluation

Exzternal audit



Which is the goal?

„The business of business is business.“



„The purpose of business is the common good.“



Contemporary natural sciences



„Die Kooperation ist die Chefarchitektin der Evolution.“

Martin Nowak, Harvard



Zeitgenössische Hirnforschung



„Die bisherige Wettbewerbsgesellschaft muss in eine kooperative, verantwortungsbewusste Gesellschaft umgewandelt werden. Das ist die attraktivste, innovativste und wichtigste Aufgabe für den Mann von heute und morgen.“

Gerald Hüther



Property: diversity

Public property	Private property	Collective property	Social property	Use rights
School City Hall Central Bank	Bicycle consumption houses	Seeds software, NGOs	Big companies	Air water, soil

MOSAIK DER ZUKUNFT



CAP: Community Supported Agriculture
 GEN: Global Ecovillages Network
 TCM: Traditionelle Chinesische Medizin

European Treaties

„The Union shall work for the sustainable development of Europe (...) based on a social market economy, aiming at full employment (...) (...) it shall promote social justice and protection.“

Treaty on European Union, Article 3



Profit is a means, not the end

Applications of profits no longer allowed

- financial investments & speculation
- hostile takeovers
- distribution to persons who don't add value
- donations to political parties



„Bank for the Common Good“



- Cooperative founded on April 30th
- 40.000 cooperativists
- Goal: EUR 15 m
- EUR 6 m: License process starts
- Opening: 2015



Member of the cooperative



Association



Public Limited Company

Membership
Corresponding membership

Deposit protection scheme of the private banks
ÖGV – Austrian Cooperative Union

Support in
- Legal
- Compliance

Unlimited Growth?



*„In nature, growth is a means
to achieve the optimal size.“*

Leopold Kohr („Small is beautiful“)



3 consequences

- Companies are liberated from dog-eat-dog-competition and from the compulsion to grow
- „counter-petition“ --> „com-petition“
- More people will start enterprises
 - deeper meaning --> stronger motivation



Egoism is good!



„It is not from the benevolence of the butcher, the brewer, or the baker, that we can expect our dinner, but from their regard to their own interest.“

Adam Smith



Egoism is good!



„It is not from the benevolence of the **teacher**, the **doctor**, or the **parents**, that we can expect our dinner, but from their regard to their own interest.“

Adam Smith



Time for a change...



„Our old economic system will never come back again. Time has come to build a new one.“

Bill Clinton, FTD, Oktober 5, 2012



Pope Paul VI. 1967



„Private Property is for noone an unconditional or unlimited right.

The ritght to property must not be used at the cost of the common good.“

*„Populorum Progressio“
Social Enzyklika, Sn 23-24*



Democratic Energy Provider



- Belongs to the sovereign people (not to the state!)
- Direct election and dismissal of the board
- Needs of population enjoy priority
 - Energy efficiency
 - Renewables
 - Service



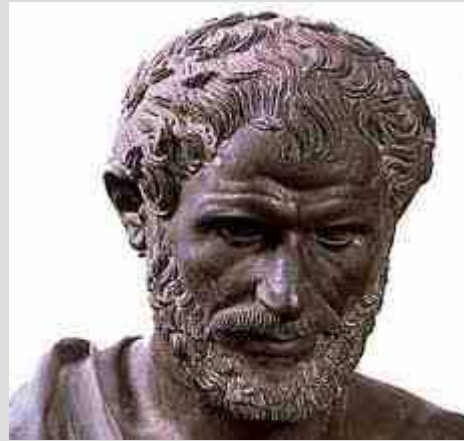
Legal Incentives

- *The more ...*
 - socially responsible
 - ecologically sustainable
 - democratically organizes
 - cooperative with others

... the stronger the legal incentives!



There is nothing new about ...



„Economy that only aims at **financial profit**,
is 'antinatural'.“

„A community is committed to the '**just good**'
that serves all (= common good).“

Aristoteles, „Politeia, Book III, Chap 12



Constitutional goal

„We the people of the United States, in Order to form a more perfect Union, establish Justice (...) promote the **general Welfare**.“

Constitution of the United States, Preamble



Constitutional Goal

- (1) **Private initiative** in the economy is free.
- (2) It must not harm the **general interest**.
- (3) The law determines the economic plans (...) in order that the public and private economic activity can be oriented at the **common good**.

Art. 41, Italian Constitution



New rules of the game

old:

Common Good



competition



financial profit

new:

Common Good



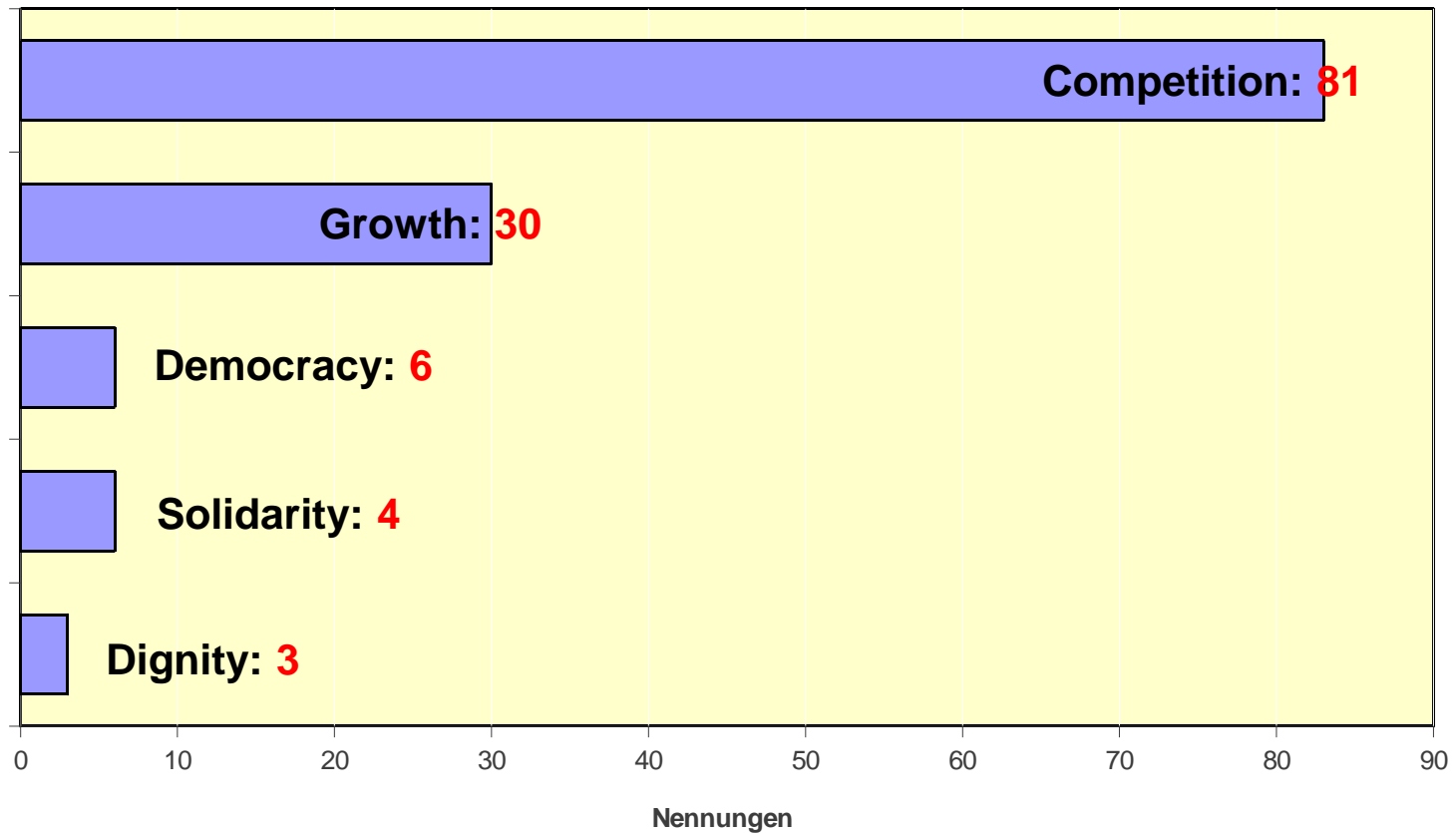
cooperation



common good



German Government Agreement 2009



Competition is the best



„Competition is in most fields the most efficient method we know. “

Friedrich A. von Hayek



Utrecht, 17th February 2015

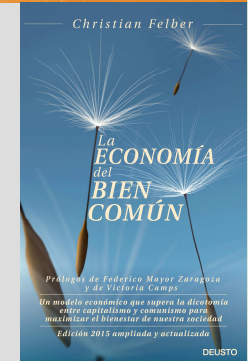
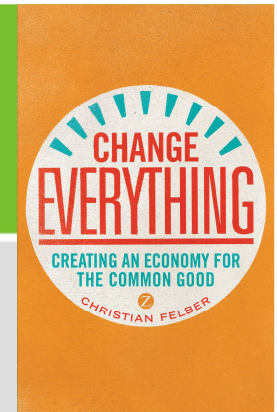
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