

ECONOMY

FOR THE COMMON GOOD

An economic model for the future

This economics teacher, writer and dancer was the initiator of the **Economy for the Common Good** (ECG) and co-founder of the anti-globalization organization **ATTAC** Austria in 2010



Foto: Robert Gortana

What is the origin of the word Economy?

The Greek philosopher Aristotle differentiated between

“Oikonomia”: the art of sustainably managing the house (money only serves as a means); and

“Chrematistike” which is the art of making money (money and profit maximization become the bottom line).

▶ **What is the Economy for the Common Good?**

▶ It is an **alternative regulated economic model** and **political movement** which combines **social, environmental and democratic** ideas and proposals from all around the World **focusing on dignity and rights of nature (including human beings)** instead of financial capital.

Nowadays

MARKETS BEHAVIOR GUIDED by



PROFIT MOTIVATION and
COMPETITION

~~Human Relations growth~~

ECG proposal

MARKETS BEHAVIOR GUIDED by



COOPERATION and SOLIDARITY

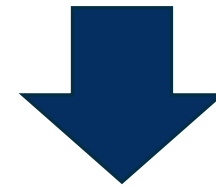
Human Relations growth



Current definition of **SUCCESS**

MACRO LEVEL (Countries)

MICRO LEVEL (Companies)



INDICATORS

GDP (Gross Domestic Product)

FINANCIAL PROFIT

MONEY? WELFARE?

CURRENT INDICATORS (GPD/Financial reports)

Fair? Unfair?

Environmental friendly? Destroying it?

Equality? Human Rights violations?

Real democracy? Dictatorship?

Sustainable products? Weapons?

Peace? War?

Trust? Fear?

...

ECG proposal

**REDEFINITION OF
SUCCESS**



**CONTRIBUTION to
COMMON GOOD**

HUMAN BEINGS and **NATURE!**

How can we measure the contribution to the Common Good?

HUMAN DIGNITY

SUSTAINABILITY

COOPERATION AND SOLIDARITY

SOCIAL JUSTICE

PARTICIPATORY DEMOCRACY

COMMON GOOD MATRIX 4.1

This version is valid for Common Good Balance Sheets generated in 2013



ECONOMY FOR THE COMMON GOOD

An economic model for the future

STAKEHOLDER	VALUE	Human dignity	Cooperation and Solidarity	Ecological Sustainability	Social Justice	Democratic Co-determination and Transparency
A) Suppliers	A1: Ethical Supply Management Active examination of the risks of purchased goods and services, consideration of the social and ecological aspects of suppliers and service partners					90
B) Investors	B1: Ethical Financial Management Consideration of social and ecological aspects when choosing financial services; common good-oriented investments and financing					30
C) Employees, including business owners	C1: Workplace quality and affirmative action Employee-oriented organizational culture and structure, fair employment and payment policies, workplace health and safety, work-life balance, flexible work hours, equal opportunity and diversity	C2: Just distribution of labor Reduction of overtime, eliminating unpaid overtime, reduction of total work hours, contribution to the reduction of unemployment	C3: Promotion of environmentally friendly behavior of employees Active promotion of sustainable lifestyles of employees (mobility, nutrition), training and awareness-raising activities, sustainable organizational culture	C4: Just income distribution Low income disparity within a company, compliance with minimum and maximum wages	C5: Corporate democracy and transparency Comprehensive transparency within the company, election of managers by employees, democratic decision-making on fundamental strategic issues, transfer of property to employees	90 50 30 60 90
D) Customers / Products / Services / Business Partners	D1: Ethical customer relations Ethical business relations with customers, customer orientation and co-determination, joint product development, high quality of service, high product transparency	D2: Cooperation with businesses in same field Transfer of know-how, personnel, contracts and interest-free loans to other business in the same field, participation in cooperative marketing activities and crisis management	D3: Ecological design of products and services Offering of ecologically superior products/services; awareness raising programmes, consideration of ecological aspects when choosing customer target groups	D4: Socially oriented design of products and services Information, products and services for disadvantaged groups, support for value-oriented market structures	D5: Raising social and ecological standards Exemplary business behavior, development of higher standards with businesses in the same field, lobbying	50 70 90 30 30
E) Social Environment: Region, electorate, future generations, civil society, fellow human beings, animals and plants	E1: Value and social impact of products and services Products and services fulfill basic human needs or serve humankind, society or the environment	E2: Contribution to the local community Mutual support and cooperation through financial resources, services, products, logistics, time, know-how, knowledge, contacts, influence	E3: Reduction of environmental impact Reduction of environmental effects towards a sustainable level, resources, energy, climate, emissions, waste etc.	E4: Investing profits for the Common Good Reducing or eliminating dividend payments to extern, payouts to employees, increasing equity, social-ecological investments	E5: Social transparency and co-determination, Common good and sustainability reports, participation in decision-making by local stakeholders and NGO's	90 40 70 60 30
Negative Criteria	Violation of ILO norms (international labor standards) / human rights -200 Products detrimental to human dignity and human rights (e.g. landmines, nuclear power, GMO's) -200 Outsourcing to or cooperation with companies which violate human dignity -150	Hostile takeover -200 Blocking patents -100 Dumping Prices -200	Massive environmental pollution -200 Gross violation of environmental standards -200 Planned obsolescence (short lifespan of products) -100	Unequal pay for women and men -200 Job cuts or moving jobs overseas despite having made a profit -150 Subsidiaries in tax havens -200 Equity yield rate > 10 % -200	Non-disclosure of subsidiaries -100 Prohibition of a works council -150 Non-disclosure of payments to lobbyists -200 Excessive income inequality within a business -150	

**HIGH CONTRIBUTION
CONTRIBUTION
TO THE COMMON GOOD**

(Fair Trade, ecological and local sustainable products...)



LEGAL/FINANCIAL BENEFITS

**VAT/CUSTOM TAX REDUCTIONS
TAXES/CUSTOM**

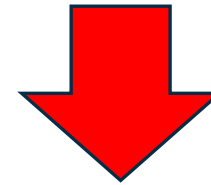
PRIORITY IN PUBLIC OFFERS

**REDUCED LOAN'S INTERESTS
LOANS**

NO

THE COMMON GOOD

(Workers' abuses, environmental damage, unfair distributions...)



**Corporate
Social
Responsibility**

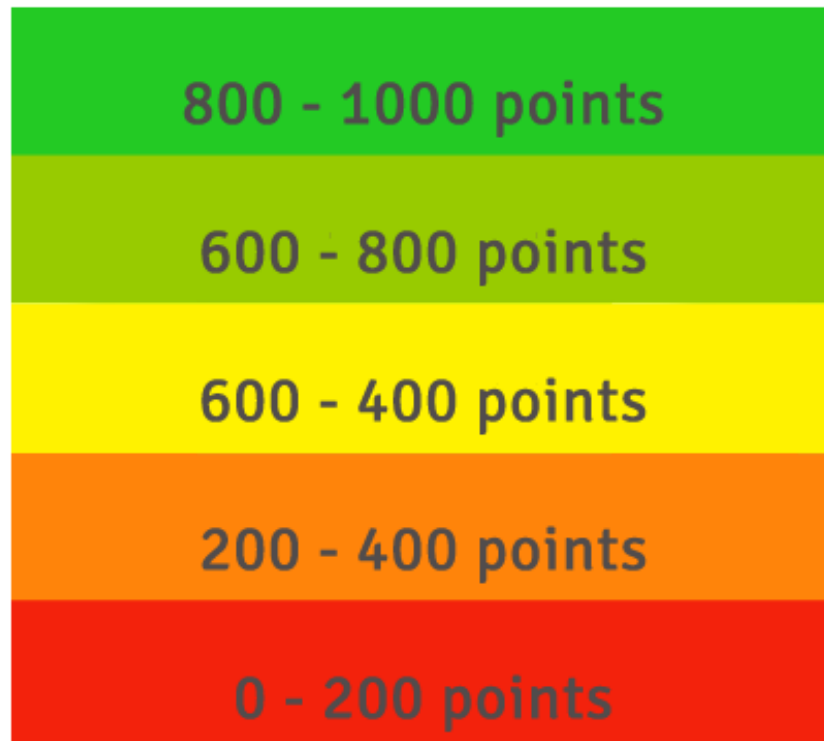
NO LEGAL/FINANCIAL BENEFITS

HIGHER

NO ACCESS TO PUBLIC OFFERS

NO REDUCTIONS IN

Product Labelling



SOME PRACTICAL PROPOSALS

- >> **To give more power to citizens (empowering active participation): right to change the constitution, to replace the government, to stop an unfair law, or to initiate a new law**
- >> **To limite private property**
- >> **To limite income of individuals**
- >> **To limite size of banks (to avoid the need of “saving” banks in times of crisis)**
- >> **To regulate bank credits (to warranty real and beneficial investments)**
- >> **To forbide hostile takeovers/merges of companies or donations to political parties**

ECG is **REAL, MEASURABLE** and its **APPLIED TODAY** by individuals, companies and municipalities all around the World.

It is combined and inspired by other alternatives as social, solidary or collaborative economy, common goods, time banks, free interest economic systems, permaculture and many others.

**What to do next?... JOIN
US!**

HOW?

Contact the local group in your city and if it does not exist, start your own!

More info: www.ecogood.org/en or www.thenextsystem.org/the-economy-for-the-common-good