Economy for the Common Good

Bank for the Common Good

Univ.-Lektor Mag. Christian Felber

www.christian-felber.at
www.gemeinwohl-oekonomie.org
Reembedding Economy
Reembedding Economy

Ecosphere

Human Societies

Economy
Constitutional Goal

„The whole economic activity serves the common good.“

Bavarian Constitution, Art. 151
Constitutional Goal

„The creation of Capital is not an end in itself, but a means of the national economy."

_Bavarian Constitution, Art. 157_
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*
Constitutional Goal

„The Swiss Confederation (...) shall promote the common welfare.“

Art. 2, Constitution of the Swiss Confederation
Constitutional Goal

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

Preamble, Constitution of the United States
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
Pioneer Entrepreneurs
Constitutional Goal

„The whole economic activity serves the common good.“

Bavarian Constitution, Art. 151
New rules of the game

old:

- Common Good
  - competition
  - financial profit

new:

- Common Good
  - cooperation
  - common good
Measure economic success differently
Measure economic success differently

National economy (macroeconomics)

Gross Domestic Product

Enterprise (microeconomics)

Financial profit
Measure economic success differently

National economy (macroeconomics)

Gross Domestic Product > Common Good Product

Enterprise (microeconomics)

Financial profit
Measure economic success differently

National economy (macroeconomics)
Gross Domestic Product > **Common Good Product**

Enterprise (microeconomics)
Financial profit > **Common Good Balance Sheet**
## COMMON WELFARE MATRIX 4.0 (2012)

<table>
<thead>
<tr>
<th>Stakeholder ▼</th>
<th>Value ▲</th>
<th>Human dignity</th>
<th>Solidarity</th>
<th>Ecological Sustainability</th>
<th>Social Justice</th>
<th>Democratic Co-determination &amp; Transparency</th>
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<tr>
<td>A) Suppliers</td>
<td></td>
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<td>A1: Ethical Supply Management</td>
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<td>B) Investors</td>
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<td>B1: Ethical Financial Management</td>
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<td>C) Staff Incl. Owners</td>
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<td>C1: Job quality and Equality</td>
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<td>C3: Advancing and demanding eco-friendly behavior</td>
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<td>C5: Transparency and co-determination</td>
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<td>D) Customers / Products / Services / Business Partners</td>
<td>D1: Ethic sales</td>
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<td>D4: Social design of products/services</td>
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<td></td>
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<td>D5: Raising social and ecological standards</td>
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<td>E) Social Environment: Region, sovereign, future generation, global fellow human beings, animals and plants</td>
<td>E1: Social effect and Impact of products/services</td>
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<td>E3: Reduction of impact on the environment</td>
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<td>E4: Minimizing distribution of profits to external persons</td>
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<td>E5: Social transparency and co-determination</td>
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<td>Negative Criteria</td>
<td>Violation of ILO-norms and standards/human rights</td>
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<td>Hostile takeover</td>
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<td>Massive environmental pollution</td>
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<td>Unequal remuneration for women and men</td>
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<td>Non-disclosure of shareholdings and subsidiaries</td>
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</tbody>
</table>
Clear visibility

- 1600 – 0 Common Good points
- 1 – 250 Common Good points
- 251 - 500 Common Good points
- 501 – 750 Common Good points
- 751 – 1000 Common Good points
ECG label

Empresa pionera de la ECONOMÍA DEL BIEN COMÚN con Balance auditado

2012/MBC 4.0.1

78,7%

www.balanceEBC.org/123456

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Legal Incentives

- Tax cuts
- Lower tariffs
- Lower interest rates for the bank loan
- Priority in public procurement
- Cooperative research with public universities
„Bank for the Common Good“

- Common good = goal
- Conservative business model
- No distribution of profits to owners
- Exit of capital income
- „ecosocial Basel IV“

www.mitgruenden.at
LISTA DE PRECIOS

Un café .... 2'80€

Por favor, un café .... 1'80€

Buenos días, cuando puedas, me pones un café .... 80 cts.
„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
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
Negative feedback mechanisms

- Limitation of income inequality (20 times)
- Limitation of private property (10 million €)
- Democratization of companies (> 250 employees)
- Maximum/minimum heritage („democratic gift“)
Top manager: minimum wage
Top manager : minimum wage

- Austria 1000 times
Top manager: minimum wage

- Austria 1000 times
- Germany 5000 times
Top manager: minimum wage

- Austria 1000 times
- Germany 5000 times
- US industry 65,000 times
Top manager: minimum wage

- Austria: 1000 times
- Germany: 5000 times
- US industry: 65,000 times
- US financial industry: 360,000 times
Equal global rights for all

Ecological Footprint (hectars per person)

<table>
<thead>
<tr>
<th>Country</th>
<th>Ecological Footprint</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>9.5</td>
</tr>
<tr>
<td>EU</td>
<td>4.9</td>
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<tr>
<td>Österreich</td>
<td>4.7</td>
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<tr>
<td>Deutschland</td>
<td>4.4</td>
</tr>
<tr>
<td>Japan</td>
<td>4.3</td>
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<tr>
<td>Welt-Durchschnitt</td>
<td>2.2</td>
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<tr>
<td>Nachhaltigkeitsgrenze</td>
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<tr>
<td>China</td>
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<tr>
<td>Peru</td>
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<tr>
<td>Kambodscha</td>
<td>0.5</td>
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<tr>
<td>Somalia</td>
<td>0.2</td>
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</tbody>
</table>

Global sustainability

Ecological Footprint (hectars per person)
Development of Democracy

Democracy

- representative democracy
  - main stage
- direct democracy
  - complementary stage
- participatory democracy
  - permanent process

Fundament/oxygen = cives ≠ „idiotes“
Growing movement

- 1614 enterprises are supporters
- 200 pioneer companies
  - Implement the CGBS
- 100 „energy fields“
  - Vienna, Alto Adige, Berlino, Barcelona, ...
- Consultants, auditors, speakers, redactors, embassadors, IT specialists, ...
Growing movement
Going Spain ...
ECG Colombia ...

National Meeting in Cali, April 27th, 2014
Common Good Municipality

1. Implement CGBS in public companies
2. Promote “Pioneer companies“
3. Develop a local „Life quality index“
4. Start a „Democratic Convention“
5. Connect to a „Common Good Region“
AUF DEM WEG ZUR GEMEINWOHL-REGION VINSCHGAU
PRÄSENTATION DER GEMEINWOHLBILANZEN
„The whole economic activity in the region serves the common good of the people in Salzburg.“

Agenda of the Government
2013 - 2018
Participate

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

info@common-welfare-economy.org
Thank you for your attention!

www.christian-felber.at

www.common-welfare-economy.org

www.gemeinwohl-oekonomie.org
Benefits for pioneer companies

1) Sense
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
Full system change

- Common Good Company
- Common Good Hub
- Common Good Stock Market
- Common Good Region
- Common Good Trade Zone
3 consequences

- Companies are liberated from dog-eat-dog-competition and from the compulsion to grow
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“
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
Property obliges.
Its use shall serve also the common good.“

German „Grundgesetz“, Art. 14
Private Property is for noone an unconditional or unlimited right. The right to property must not be used at the cost of the common good. “Populorum Progressio“
Social Enzyklika, Sn 23-24
Gemeinwohl-Ökonomie

- PionierInnen
- BeraterInnen
- AuditorInnen
- RedakteurInnen
- ReferentInnen
- BotschafterInnen
- Vereinsvorstand
- IT-Team
- Wissenschaftlicher Betreuer
- UnterstützerInnen
- Energiefelder
- KoordinatorIn
Bisherige Unterstützer

Bisher haben 630 Unternehmen/UnternehmerInnen unterzeichnet.

Die mit einem Löwenzahn-Sächchen gekennzeichneten Unternehmen erstellen als PionierInnen die Gemeinwohl-Bilanz. Unternehmen, welche die Bilanz erstmals 2011 erstellen, sind mit einem blauen Sächchen gekennzeichnet; jene, die 2012 hinzukommen, mit einem zinnobrioten.

<table>
<thead>
<tr>
<th>Firmenname</th>
<th>Branche</th>
<th>Beschäftigte</th>
<th>Staat-PLZ Ort</th>
<th>Webseite</th>
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<tr>
<td>MÄRKISCHES LANDBROT GmbH</td>
<td>Bio-Lebensmittelhersteller</td>
<td>45</td>
<td>D-12057 Berlin</td>
<td><a href="http://www.landbrot.de">www.landbrot.de</a></td>
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<tr>
<td>Astrid Meyer</td>
<td>Coaching - Beratung - Training</td>
<td>1</td>
<td>D-71638</td>
<td><a href="http://www.astridmeyer.com">http://www.astridmeyer.com</a></td>
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<td>Gestoria Busquets</td>
<td>Asesoría de empresas</td>
<td>4</td>
<td>E-07002 Palma de Mallorca</td>
<td><a href="http://gestoriabusquets.es">http://gestoriabusquets.es</a></td>
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<td>Gronau Photographie</td>
<td>Photographie+Verlag</td>
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<td>D-82362 Weilheim</td>
<td><a href="http://www.fotogronau.de">http://www.fotogronau.de</a></td>
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<tr>
<td>Haiku</td>
<td>Descanso:Camas y cojones naturales</td>
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<td>E-20180 Oyarzun, Guipuzcoa</td>
<td><a href="http://www.haiku-tuton.com">http://www.haiku-tuton.com</a></td>
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<td>Eu.In Srl</td>
<td>Engineering</td>
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<td>I-01100 Trapani, Sicilia</td>
<td><a href="http://www.euin.it">http://www.euin.it</a></td>
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<td>Werbeagentur d:signery</td>
<td>Kreativwirtschaft</td>
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<td>A-5310 Mondsee</td>
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<td>Digital Age Service</td>
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<td>E-08226 Terrassa</td>
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<td>Design your Life</td>
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<td>Lichtstudio Eisenkell GmbH</td>
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<td>A-6134 Vomp</td>
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<td>Buchbinderei Fuchs</td>
<td>Papierverarbeitung (Handwerk)</td>
<td>26</td>
<td>A-5760 Saalfelden</td>
<td><a href="http://www.speisekarten.at">http://www.speisekarten.at</a></td>
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<td>Gráfiques Montserrat</td>
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<td>E-28823 Coslada</td>
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<td>Sylvie Blaser</td>
<td>Wohnungsgenossenschaften</td>
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<td>A-8020 Graz</td>
<td><a href="http://www.dynami.de">http://www.dynami.de</a></td>
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<td>Dinamis</td>
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</tbody>
</table>
Thank you for your attention!

www.christian-felber.at

www.economia-del-bene-comune.org

www.gemeinwohl-oekonomie.org
German Government Agreement 2009

- Competition: 81
- Growth: 30
- Democracy: 6
- Solidarity: 4
- Dignity: 3

Nennungen
“Competition is the most efficient method we know. “

Friedrich A. von Hayek
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
„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
The Economy for the Common Good

old:

Common Good

▲

competition

▲

financial profit

new:

Common Good

▲

cooperation

▲

common welfare
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!
MOSAIK DER ZUKUNFT

CAP: Community Supported Agriculture
GEN: Global Ecovillages Network
TCM: Traditionelle Chinesische Medizin
Public debt + Private wealth (Spain)

Millonen €

Public debt: 0,8 billons
Public debt + Private wealth (Spain)

Public debt: 0,8 billons

Private financial wealth: 1,8 billones
Public debt + Private wealth (Spain)

- Private financial wealth: 1.8 billions
- Public debt: 0.8 billions
- Private total wealth: 4 billions

Millonen €
Economy for the Common Good

A democratic alternative is growing

Univ.-Lektor Mag. Christian Felber

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