





#### 10º seminario de investigación CESCO

Lunes 23 de julio, 2018, en el Salón de Grados de la Facultad de Economía, Empresa y Turismo

Announced title: "The role of the Economy of the Common Good. An exchange on what studies are underway"

"The role of the *Economy for the Common Good (ECG)* - an exchange on the search for its scientific foundations"

#### Günter Koch

Presidente de la Asociación Austriaca de Investigación sobre <u>Economía del Bien Común</u>, Ex-Secretario General del "<u>New Club of Paris</u>" y fundador de "<u>Humboldt Cosmos Multiversity</u>" (en Tenerife) <u>www.humboldt-cosmos-multiversity.org</u>

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# **Sequence of the talk**

- 1. Background information
- 2. Own History in Model Development
- 3. Economy for the Common Good (ECG): The current status
- 4. In search for the scientific foundations of ECG



# Many topics, hard to play













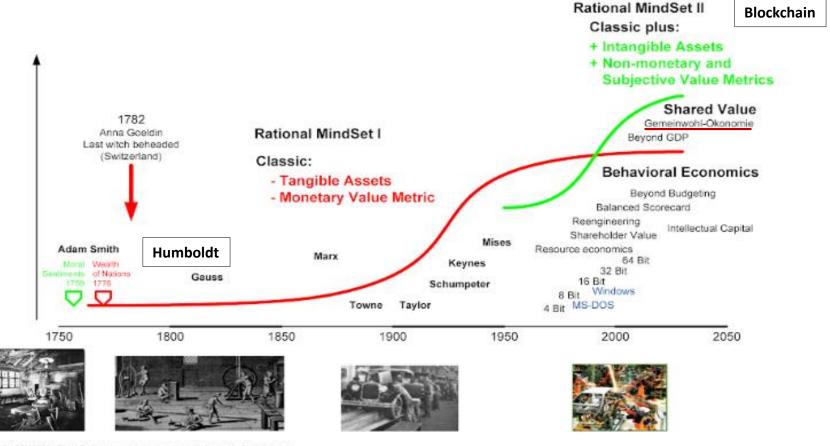
## **Paradigm changes in economics**



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#### Paradigm changes and the evolution of new economic "Theories"

(Theory as a product; standard S-Curve of incremental and disruptive innovation process)





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# 1. Background information









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Erstes Unternehmen 1981 ff

Biomatik GmbH



# Three professional experiences: Entrepreneur, Scientist, R&D Manager

1. Entrepreneur (1980 – 1993) 2. Scientist (1975 ff)

European Software Institute





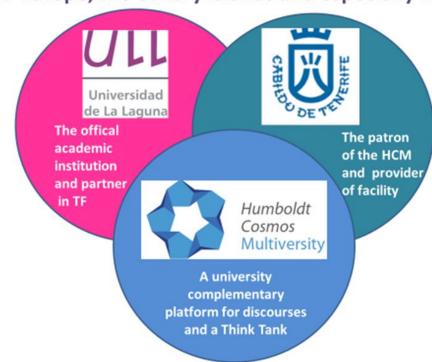




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A triangle of cooperation for adding value to the future of Europe, the Canary Islands and especially Tenerife





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## Achievements and examples of recent engagements



Since inauguration > 30 events

> 200 participants







Mission: Interdiscisplinary workshops in basic sciences, natural sciences, politics technology, art, new economy, philosophy, ...

Examples of recent subjects (2015 / 2016)

- philosophy & art: "Los Hijos de la Tierra"
- Economy of Common Good (Chr. Felber)
- Translational East West discourse
- New social services (in cooperation with the Technical University of Cologne)







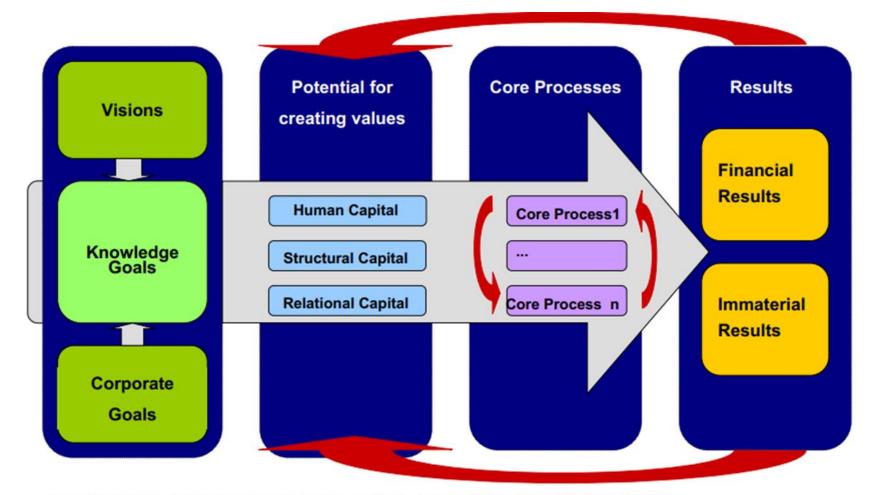


## 2. Own History in Model Development

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The "Intellectual Capital Report" model – as applied to Austrian Universities

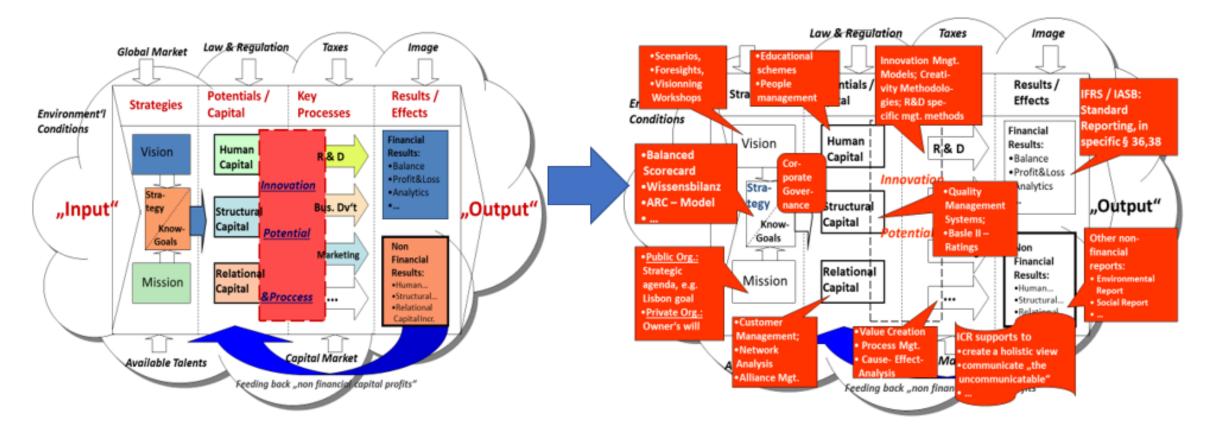




A key project in Intellctual Capital Reporting: RICARDIS Report by a EU High Level Expert Group



Generalisation of my ICR model and associations of its elements with other models as one contribution to the European RICARDIS Report to the European Commission





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# The most famous indicator framework model: UN's Sustainable Development Goals



Each "Box" in such models is substantiated by a set of criteria – as is the case with UN's 17 SDGs



INDICATORS			
6.1.1	Proportion of population using safely managed drinking water services		
6.2.1	Proportion of population using safely managed sanitation services, including a hand-washing facility with soap and water		
6.3.1	Proportion of wastewater safely treated		
6.3.2	Proportion of bodies of water with good ambient water quality		
6.4.1	Change in water-use efficiency over time		
6.4.2	Level of water stress: freshwater withdrawal as a proportion of available freshwater resources		
6.5.1	Degree of integrated water resources management implementation (0-100)		
6.5.2	Proportion of transboundary basin area with an operational arrangement for water cooperation		
6.6.1	Change in the extent of water-related ecosystems over time		
6.A.1	Amount of water- and sanitation-related official development assistance that is part of a government-coordinated spending plan		
6.B.1	Proportion of local administrative units with established and operational policies and procedures for participation of local communities in water and sanitation management		

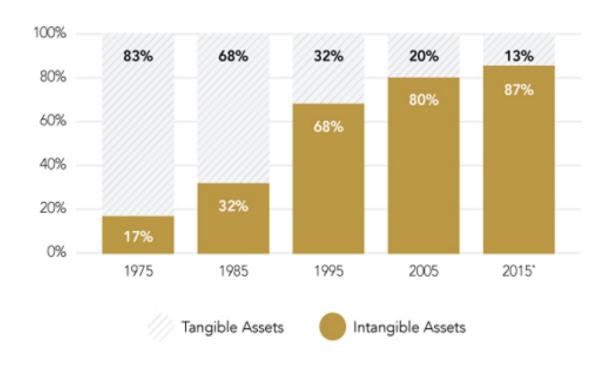


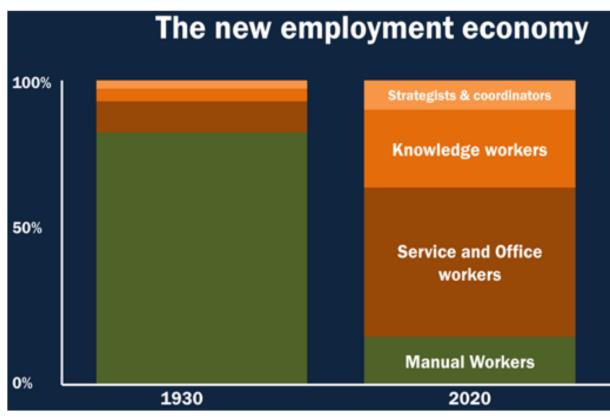
## The big structural changes today



The transition into the knowledge society – in business, in the working space and in economy

#### COMPONENTS of S&P 500 MARKET VALUE







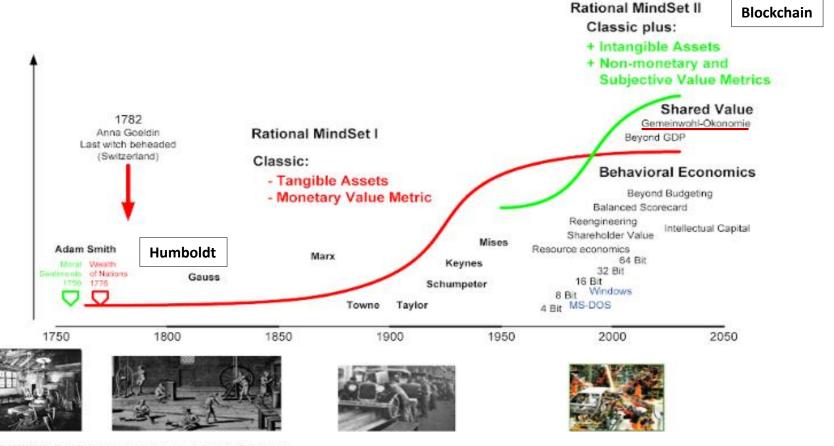
## **Paradigm changes in economics**

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#### Paradigm changes and the evolution of new economic "Theories"

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## **Future of Economics**



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Models in economy and economics for "re-inveting economy"



#### **History: Austrian School of Economics**



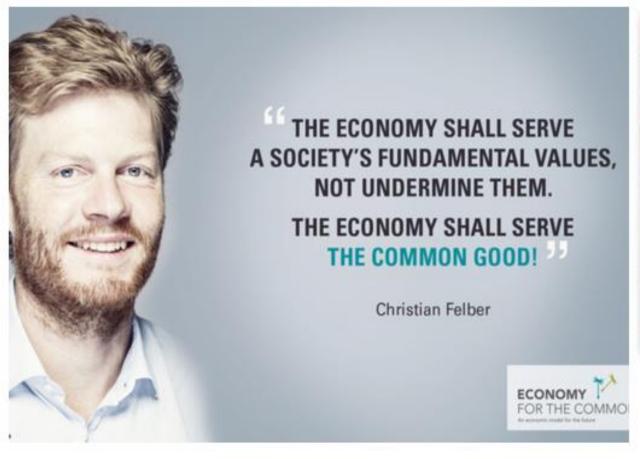
#### Clasical "Austrian"=

- **Homo Economicus**
- Neo classic / liberal
- A . V. Hayek
- L. v. Mises
- J. Schumpeter
- P. Drucker





## The development of a model for analyzing a company's competence in "Economics for the Common Good" (ECG)





The ECG Editorial Team, also know as the Matrix Development Team (MDT).



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# The operational model for analysis on "Economics for the Common Good" (ECG)



#### COMMON GOOD MATRIX 5.0



VALUE	(All the Control of t	SOLIDARITY AND	ENVIRONMENTAL	TRANSPARENCY AND	
STAKEHOLDER	HUMAN DIGNITY	SOCIAL JUSTICE	SUSTAINABILITY	CO-DETERMINATION	
A: SUPPLIERS	A1 Human dignity in the supply chain	A2 Solidarity and social justice in the supply chain	A3 Environmental sustainability in the supply chain	A4 Transparency and co-determination in the supply chain	
B: OWNERS, EQUITY- AND FINANCIAL SERVICE PROVIDERS	<b>B1</b> Ethical position in relation to financial resources	<b>B2</b> Social position in relation to financial resources	B3 Use of funds in relation to social and environmental impacts	B4 Ownership and co-determination	
C: EMPLOYEES, INCLUDING CO-WORKING EMPLOYERS	C1 Human dignity in the workplace and working environment	C2 Self-determined working arrangements	C3 Environmentally- friendly behaviour of staff	C4 Co-determination and transparency within the organisation	
D: CUSTOMERS AND OTHER COMPANIES	D1 Ethical customer relations	<b>D2</b> Cooperation and solidarity with other companies	D3 Impact on the environment of the use and disposal of products and services	D4/Customer participation and product transparency	
E: SOCIAL ENVIRONMENT	E1 Purpose of products and services and their effects on society	E2 Contribution to the community	E3 Reduction of environmental impact	E4 Social co-determination and transparency	

#### Compulsory indicators

Relevant environmental accounts should be produced, depending on the activity of

Environmental accounting | measured in

- Greenhouse gas emissions | kg
- Transport (and its CO2 equivalent) | km or kg
- Fuel consumption (and its CO2 equivalent) | litres or kg
- Electricity consumption (and its CO2 equivalent) | kWh or kg
- Gas consumption (and its CO2 equivalent) | kWh or kg
- Heating energy consumption (in relation to average temperatures) | kWh/°C
- Consumption of drinking and rain water | m3
- Use of chemicals (toxic and non-toxic) | kg
- Paper consumption | kg
- Other consumables | kg
- · Artificial lighting | lumen, kWh
- · Pollutant emissions and other environmental impact | in accordance with standard impact categories

Impact category	Parameter	Evaluation points
Climate change: CO2-equivalent gas emissions	1 par employee	up to 2 t/employee: 0 points per t above this +1 point each
Fine particle and inorganic emis- sions	pg / m3	<2 µg / m3: -1 point <10 µg / m3: -0.5 points <20 µg / m3: -0.1 point = 20 µg / m3: +10 points
Osone depletion Chloroftyorocarbon emissions	log CPC-11 equiva- lant	# applicable: +1 point
Envisions that contribute to acid- fication	mol H+ appivalent	If applicable: +1 point
Evolutions that contribute to pho- tocherrical pollution (organic compounds, NOx, SOx)	kg NMVOC equiv- elent (non-methone solstile organic com- pounds)	tf-applicable: +1 point
lorising radiation	kg of U-235-equive	If applicable: +1 point
Toxicity: Emission of toxic aubidances	CTU - comparative toxic senits	If applicable: 41 point
Eutrophisation use of agricultural fertilises	Land (mpl N equivalent) Water dig P/N equivalent)	Crypers: agriculture: 0 points: non-organic agri- cul sulsi: +1 point all urbers: if applicable +1 point
Land consumption	West-over-Year in- crease in by C	# > 10%: +1 pairs
Resource depletion: Water and mineral consumption	water in 1000 m3/ MA mineral, fossil: An- ti-minry equivalent	+ 1 point / 1000 m3 # applicable: +1 point

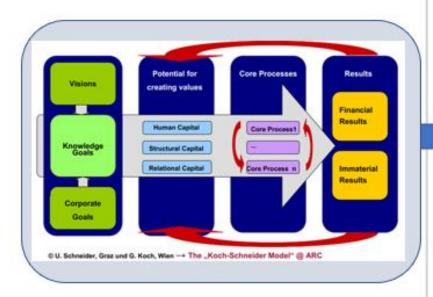


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# **Merging Models**



Knowledge as a basic competence for ECG compatible management?



#### **COMMON GOOD MATRIX 5.0**



VALUE		SOLIDARITY AND	ENVIRONMENTAL	TRANSPARENCY AND
STAKEHOLDER	HUMAN DIGNITY	SOCIAL JUSTICE	SUSTAINABILITY	CO-DETERMINATION
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## Extending the 17 SDGs Matrix by an 18th field?



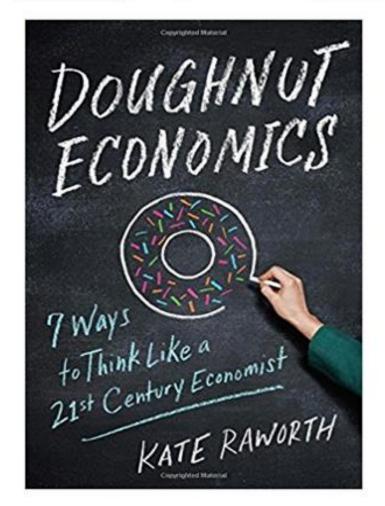
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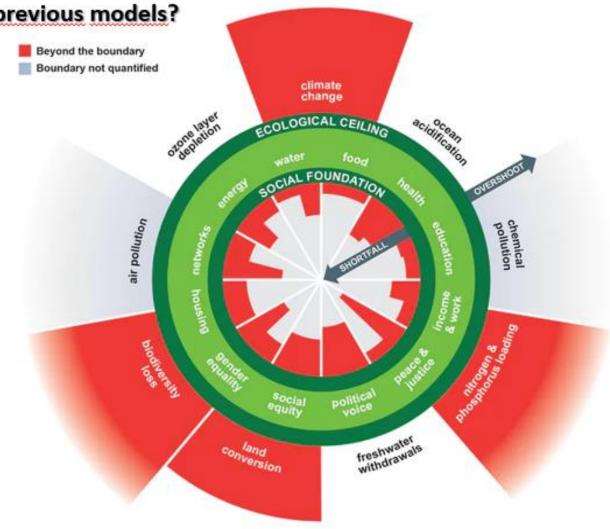


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## 3. ECG: The current status



The Research Association related to the (Founding) Association of the "Economy for the Common Good" was foundet in 2017 and became effectively operational in 2018 by constituting its Advisory Board



Forschungsverein der Gemeinwohl-Ökonomie



# Forschungsverein der Gemeinwohl-Ökonomie Österreich

Sitzung zur Konstituierung des Beirates des GWÖ-Forschungsvereins am 30. Mai 2018 von 16:00 bis 18:30 Uhr im Büo des GWÖ-FV im Impact Hub Wien, Lindengasse 56, 1070 Wien



## The ECG model covers most of the value aspects in society and politics



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#### Theoretical basis

"In a real 'economy', money is only a means to an end. If we were to measure economic success according to that end, human creativity would generate an increase in common good. Economy and value would then be in harmony."

Christian Felber, author of "Change everything. Creating an Economy for the Common Good"

#### La economía del bien común

Christian Felber



Un modelo económico que supera la dicotomía entre capitalismo y comunismo para maximizar el bienestar de nuestra sociedad

Prólogo de Juan Carlos Cubeiro

Más de 25.000 ejemplares vendidos en Alemania

The ECG is a holistic model that seeks to integrate the economy into the social, cultural and ecological setting of European society. As can be seen in the attached table, the ECG model reflects the fundamental values of various economic proposals:

ECG VALUES / MODELS	Human dignity	Solidarity/ Cooperation	Ecological sustainability	Social justice	Democracy
Social Economy	х	х	х	х	х
Circular economy			Х		
Collaborative economy		х			х
Functionality Economy		х	х		
Resource-Based Economy			х	х	
Blue economy			х		



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# Stakeholders and stakeholding institutions







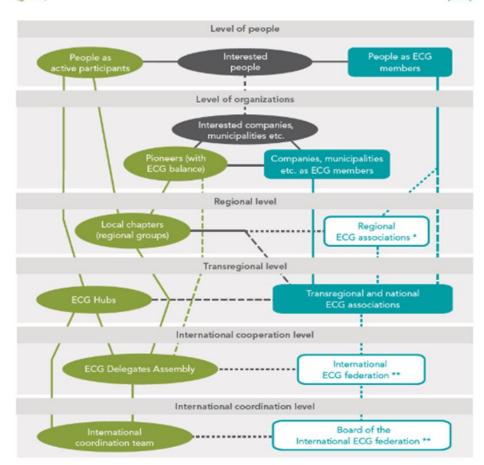
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International structure of the Economy for the Common Good (simplified overview)



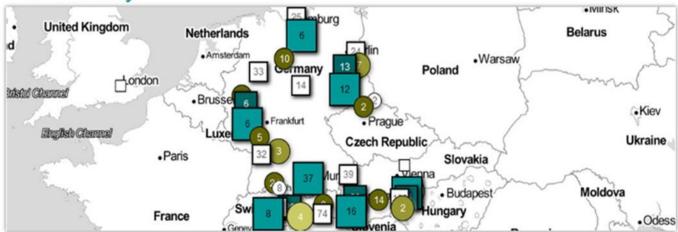
#### Structure of the movement

Legal structure





#### Community



#### A global community develops

The ECG idea spreads from Austria to Germany, Switzerland, Italy, Spain, and to the Benelux countries, than to the UK, Scandinavia and countries in Eastern Europe. It has also reached Latin America, the USA, and Africa.

The ECG community cooperates on various levels:

Ambassadors	Many prominent figures from various fields support the Economy for the Common Good
ECG businesses	About 400 companies have published their Common Good Balance Sheet or are ECG-members.
Associations	The 21 ECG Associations create a legal and financial basis for the work of the movement.
Local chapters	Thousands of people are actively engaged in more than 100 regional groups (local chapters) on a voluntary basis
Hubs	13 hubs work over the borders on the implementation of our vision



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In a first instance, "Economy for the Common Good"
is a bottom-up movement, based on the broad commitment of
its supporters, as well as from politics, most prominently
by the Euroeam Economic and Social Committee
(EESC) of the European Parliament.

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# 4. In search for the scientific foundations of ECG





#### Economy for the Common Good's Laboratory

The Economy for the Common Good - LabECG - is oriented to support the implantation of the Economy for the Common Good's model in the Companies, Institutions and Local Administrations of the Valencian Community. It offers services of technical advice, investigation and ftraining in the university area. Also, it offers academic and scientific criteria to all companies, organizations and institutions interested in the implementation of the ECG model. Moreover, it acts as a nexus of union with the Valencian Association for the Promotion of the Economy for the Common Good. We are a multidisciplinary team of professors from the Universitat de València in collaboration with professors from other universities and training centres.

#### Services offered:

- » Technical advice in the implementation of the principles and values of the ECG and the Common Good Sheet.
- » Technical support for the creation of new projects on Economy for the Common Good.
- » Specialized training inside the model and tools of the Economy for the Common Good.
- » Celebration of Seminars, Workshops and Conferences about the ECG.
- » We offer facilities with the purpose of celebrating Forums, Conferences, etc. that consists on ECG topic.
- » Realization of studies and reports about the Economy for the Common Good

# Example of a publication



Home > Social and solidarity economy in the 21st century, a concept in evolution, co-operatives, 8 Corporations and Economy for the common good

Social and solidarity economy in the 21st century, a concept in evolution: cooperatives, B Corporations and Economy for the common good

I november 2016

Social and solidarity economy in the 21st century, a concept in evolution: co-operatives, B corporations and Economy for the common good it is a dosser written up by Vanessa Campesi-Ciliment, assistant lecture in the Department of Business Administration at the University of Valencia.

All forms of social organization that have existed throughout human history have suitsfed human needs in different ways. That is, they have given different assesses to the three basic operations considered by Economics. What is produce?", "how it produce it?" and "for whom to produce it?" The only test that all forms of social operations have in common is there consideration of enterprese as the basic until dispublication for produce and services.

Therefore, the way decisions are made in firms — the power game florever determining which interests are given priority over others — in key to understanding how the three above mentioned personness are resulted. As such, faced with various proposals salling for an encountry that prioritizes people over saptial, we need to consider attended very air which believes can appear to

In light of the above, this paper reviews the side range of business models that criticate or question the principal of investor-owned firms, is organizations whose main goal is not be make apport whatever the cost. The paper provides an owneries and comparison detailing the origins of such business models, which include to operatives, below managed firms, 8 Coyss, and Essensery for the common good.



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#### A selection of German Universities and Research Institutes engaged in ECG research

- ▶ Institut für ökologische Wirtschaftsforschung (IÖW) ▶ Cusanus Hochschule ▶ Netzwerk Plurale Ökonomik ▶ Wuppertal Institut für Umwelt, Klima, Energie
- Europa Universität Flensburg

Finanzen im BUND ... u.v.a.m.

- ➢ Hochschule Bremen
- Vereinigung für ökologische Wirtschaftsforschung (VÖW)
   Vereinigung für Ökologische Ökonomie (VÖÖ)
   Institut für Zukunftsfähige Ökonomien (ZOE)
   Fachgebiet Umwelt- und Verhaltensökonomik der Universität Kassel
   Institute for International Political Economy (IPE) der Hochschule für Wirtschaft und Recht Berlin (HWR)
   Konzeptwerk Neue Ökonomie
   Think Tank 30 Deutschland (tt30)
   Wirtschaftsuniversität Wien (Department Sozioökonomie)
   AK Wirtschaft und





#### Mission for the R&D Association as currently operating in Austria

- Creating a survey on academic ventures related to the ECG
- Establishing a database on academic publications in ECG, as well as on ongoing study projects
- Developing a consultative environment from and with academia
- Mediating and matchmakings between students in search of a topic for their study work and of advisors
- General information services on events, projects, news: currently a newsletter is published quarterly

#### **Future Plans**

- Engaging in congruent complementary academic conferences and contributing to their publication(s)
- Running own academic events, starting with workshops, extending to a first scientific conference in autumn 2019 in Bremen, Germany
- Conceiving an open, ECG related scientific magazine / journal, following the model of "nature.com specials"





The World Capital Institute is an independent International Think-Tank, established with a purpose of furthering the understanding and application of knowledge capital as the most powerful leverage for development.

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http://www.worldcapitalinstitute.org/content/call-papers-tenerife-2018n

# THE 11TH KNOWLEDGE CITIES WORLD SUMMIT KCWS-2018 20-22 NOVEMBER 2018, TENERIFE, CANARY ISLANDS, SPAIN Organised by the World Capital Institute, ULL and the Humboldt Cosmos Multiversity

Summit Theme: Knowledge islands

#### **Summit Topics\***

- Knowledge islands, cities and regions
- Local knowledge: clusters, hubs, precincts, districts, communities and regions
- Knowledge economy and society
- Capital Systems and Knowledge Markets
- Alternative Economic Cultures & The Anthropocene
- Knowledge citizens, democratic participation and political action
- Knowledge, creativity, science, innovation and technology policy
- Knowledge-based businesses, industries and services

<sup>\*</sup>Other topics relevant to the Summit will also be considered



# Thank you for your attention !!!





www.humboldt-cosmos-multiversity.org
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