



## **Happiness and Profit- Well-being as alternative function for business?**

**Third panel:** Initiatives to promote societal well-being

**Speakers:**

- Annabel Sersch: Ius Iurandum Sangallensis; strengthening values and ethical competence – an initiative from and for students
- Dr. Guenther Reifer: Case in point: Common Welfare Economy (Gemeinwohl-Ökonomie)
- Faciliator: Ernst von Kimakowitz, Humanistic Management Center and University of St. Gallen

**Speaker: Anabelle Sersch**

Annabelle Sersch presented the student initiative Ius Iurandum Sangallensis, which was founded in 2011 in St.Gallen. With the impact and in respect of the current economic crisis the new generation of students does not just take university lectures and books for granted but starts to come up with a lot questions. The vision of the initiative is to make students develop their value awareness, to display their courage and seeing the meaning to act responsible in their careers considering these values as a basic foundation. What do we learn during our business education? What will we be confronted with in corporations? What are the consequences of decisions? The initiative is ready to make the difference. Getting a new approach on how business is done today and in the future. As the name of the initiative symbolizes, it is the “Oath of St.Gallen” the student have admitted to serve in the consciousness of tradition and with the reflection of the noble values that were once taught at the Business School in St.Gallen. The essential line, which emphasizes the initiative best, is: “Following our values makes us happy.”

**Speaker: Günther Reifer**

Günther Reifer presented the “**Common Welfare Economy**” an alternative economic system built on values that promote the common good. It is a tool for economic, political, and social change – a bridge between old and new. The model of the Common Welfare Economy is based on two core elements: the Common Welfare Balance Sheet and the 20 Cornerstones. At the end of this process, economic conventions need to take place, first on a communal level, then on a nationwide level. By popular vote, parts of the model shall be anchored in the constitution. Everyone can contribute to the Common Welfare Economy with their specific skills or interests – either as company, as a consumer, in the circle of Common Welfare Actors or as an Energy Field, in schools and universities or in residential communities. Until June 2012, the number of pioneers has risen from 250 to over 700 companies. 13 countries support the overall process of the Common Welfare Economy already. In eight countries – Austria, Germany, Italy, Switzerland, Liechtenstein, Spain, Argentina and Honduras – Energy Fields (regional support groups) emerged. Additionally, a few communities and small towns already requested to become a Common Welfare Community.

The “Common Welfare Economy” encompasses three approaches: Market values and social values should no longer oppose each other. The same values that contribute to fulfilling interpersonal relationships should be rewarded in the economy. Conformity with the constitution. The economy should function in accordance with the values and objectives established by the constitutions of western democracies, which is currently not the case. Economic success should no longer be measured with monetary indicators (financial profit, GDP), but by what is really important, i.e. utility values (basic needs, quality of life, communal values). The Common Welfare Economy is fundamentally built upon those values that enable fulfilling interpersonal relationships: confidence building, responsibility, empathy, mutual support and cooperation. Such humane and sustainable behavior will be measured by means of a „Common Welfare Balance Sheet“ and awarded through numerous incentives and “systemic reinforcement”: market forces will be shifted towards ethical behavior. Today, the sole measure for entrepreneurial success is financial profit. In the Common Welfare Economy it is not just money that matters, but the Common Welfare Balance Sheet. That way, all humans and animals can thrive. So When all companies change today, the political system will change and also customers behaviour. Happiness and profit would be connected.

## **Q&A**

### **Q: How important is the organization of a company? Is it more difficult for larger companies?**

Günther Reifer: The majority are small companies. However, we have four or five companies with over 1000 employees that already joining the process. It is more difficult right now for multi-national corporations to implement the matrix.

### **Q: Do you see the necessity to break down the big companies?**

Günther Reifer: This is an important point, which is still in discussion. If companies are too big, they cannot focus on common welfare. So the system has to change towards smaller, regional and local. Big companies should be owned by employees and not shareholders. The objective of businesses should change from focusing on profit to focusing on people. The „Common Welfare Balance Sheet“ is a tool to measure humane and sustainable behavior and start a change in consciousness.

### **Q: Inter-Company comparability: How do you adjust the points? Who decides that? What is right and what not?**

Günther Reifer: These core values were developed by actively engaged entrepreneurs. There are two levels of evaluation: In a group of entrepreneurs (Peer-Evaluation) and Audit (Common Welfare Auditor – equivalent to the auditors who presently check financial balances. Verification and attestation takes place.) The process has just started and is not finished. Everybody is able to design it through participation and feedback. The points and the certificate are not the most important part but to learn from each other through questions and conscious processes.

### **Q: There are a lot of initiatives on the market like GRI or other sustainability or Eco balances. Do you measure the purpose for all living being?**

Günther Reifer: The question is: What are the requirements for a universal balance? It is important that the results satisfy the following eight criteria:

1. *Liability*. Countless CSR instruments have demonstrated that voluntariness does not lead to the intended target.
2. Holistic approach. It would be too little to just measure the ecological aspects or the quality of the work.
3. Measurability. The results are measured and objectively evaluated.
4. Comparability. All companies should have the same goals/indicators, otherwise successfulness can not be rewarded.
5. Understanding. Not only consultants and Auditors should understand the common welfare balance, but everyone. The customers, the employees, the interested public.
6. Public. The published report should be accessible to everybody and available online.
7. External Audit. To make sure that companies do not evaluate themselves.
8. Consequences. Companies that contribute more to the community, should be rewarded in some respect.

One big advantage:

It is comparable and can be developed. By constantly integrating feedback, we readjusted the model and will continue do so in the years to come.

