

The Macau Manifesto

for The Economy of Francesco, Assisi, November 2020

A synthesis of thinking towards the New Economic Paradigm based on the Macau Ricci Institute Symposium at the University of Saint Joseph, Macau, 15-16 October 2020

EXECUTIVE SUMMARY

Our challenge in drawing together concepts and ideals for the New Economic Paradigm and sustainable models of economy was to ground thoughts in the realities of our time and to identify thought and action towards the goal of economic transformation. We identify three thematic platforms for action by all who have the influence to support those without influence.

1. SUBSIDIARITY ECONOMICS

Subsidiarity in reforming economics highlights communitarian solutions and posits that the most effective solutions will emerge from dialogue and voluntary cooperation involving the existing institutions of local communities.

Actions to develop Subsidiarity Economics

1. *Credit Cooperatives: Develop Microbanking.* Microloans can enable the poor to come together in business models which combine social and economic cooperation
2. *Tech developers: give voice to the disenfranchised.* Innovative examples are already seen in Africa with BitPesa and Kiva Protocol, Africa's first blockchain and decentralized digital identity implementation.
3. *Large companies: give and invest.* Large companies can support and autonomy and decision rights to be made at every level in the company and enable small communities to overcome social and environmental challenges.
4. *Investors: Use ethical or ESG (Environmental, Social and Governance) investment filters.* Investment innovation that empower individuals and communities to set enterprises which are often communitarian in nature and enable access to trade and enterprise.

2. WELLBEING FOR ALL

Wellbeing for All offers a vision of solidarity across cultures and borders that sets aside traditional prejudices against the others who do not share in our prosperity, whether those prejudices are based on race, creed or colour. If the New Economic Paradigm is to fulfil its promise, we must learn to trust empowerment strategies that are open to all people, and not just to those who are near and dear to us personally.

Actions to develop Wellbeing for All

1. For the Business Enterprise: Becoming Progressive Social Institutions.

Promote wellbeing through the *UN Guiding Principles on Business and Human Rights*. Truly recognise, respect, protect and promote the equal dignity of individuals in every situation.

2. For Governments: “Softer” Borders and Climate Action.

Transnational cooperation and evidence-based public discourse to address the plight of refugees requires the creation of more open border policies and transnational networks for collaborations to change the discourse on migration.

3. For NGOs: Educate and Innovate.

A challenge to NGOs to innovate with multi-stakeholders in a greater level of collaboration to design solutions that meet the wellbeing needs of the poor and the disenfranchised.

3. COMMON GOOD ENTREPRENEURSHIP

A market oriented economy can only work for the Common Good if the majority of actors in the system are able to restrain the instincts for greed and over-consumption and choose to both invest and consume in the interests of the Common Good – for the good of all, especially the underprivileged and those without the same power to invest or consume.

Actions to develop Common Good Entrepreneurship

1. For Boards: Transparent Governance.

Common good corporate governance requires the practice of transparency, compliance and public accountability to stakeholders and internal leadership competence, balance, commitment and integrity. We call on Boards to be accountable for Total Value Creation: economic, environmental and social governance capitals.

2. For Investors: Ethical and ESG Commitment.

Wealth not only creates the economic basis for institutions and people, but also exerts an influence on the structures of a society to address environmental and social impacts.

3. General Management: Action for Social Justice in Supply Chains.

Organisational managers should ensure that policies give guidance to employees and suppliers to respect human rights, social justice and care for ecosystems.

4. Marketing Management: From Consumption to Consummation.

Marketers are encouraged to reimagine the role of marketing from driving consumption to enabling consummation. Marketers are encouraged to reimagine the role of marketing from driving consumption to enabling consummation, redirecting people's needs, wants and desires and the processes, products and services that fulfil them.

5. Governments: Regulation and Taxation Enforcement.

Governments have a unique role in leading people and industries towards carbon zero economies and the massive shift away from dependency on fossil fuels. Governments have failed to keep up with the ingenuity of corporate and individual wealth creators' tax avoidance regimes which have the effect of removing revenues that would otherwise be taxable through supranational financial transfers.

The MRI Symposium recognised that there was a need for a change of heart. That change of heart at the individual level must flow into communities and institutions. As we enter the so-called Decisive Decade to mitigate the risk of a climate change catastrophe we must move into an emergency pace of action and minimise the cost to the most disadvantaged.

FOREWORD

How might we enact sustainable and integral development, protect our natural environment and its resources and economically empower the world's poorest?

The Macau Ricci Institute Symposium at the Ilha Verde Campus of the University of Saint Joseph gathered 27 presenters in October 2020 to address this most fundamental question of our shared life on this planet. The presenters shared their expertise and experience to answer this question and to make our contribution to the work of The Economy of Francesco streaming conference in November 2020.

Our voice is modest but our ambition is high to join with the voices of so many advocating new solutions to the sufferings caused by the contemporary economic paradigm.

Our challenge in drawing together concepts and ideals for the New Economic Paradigm and sustainable models of economy was to ground thoughts in the realities of our time and to identify thought and action towards the goal of economic transformation.

We use “new” in the sense of a paradigm shift which addresses the structural weaknesses of the economics that confront us today. We recognise that societies and economies are shifting all the time and we note the positive changes and attitudes by people, communities, NGOs, companies, governments and the United Nations to advance socially and environmentally sustainable economic models at macro, meso and micro levels.

It is not simply “new” versus “old” economics. Economics is dynamic and describes the way individuals, organisations and nations utilise their resources and talents in maintaining both essential and non-essential goods and services. The economic paradigm is our contemporary world: ever-changing, ever-complex, and yet, infused with the simple joys and tragedies of life.

The Macau Manifesto gathers the contributions from the MRI Symposium into an agenda of three platforms for change which we believe will contribute to the paradigmatic shift in economics that is already happening. These change platforms are:

1. SUBSIDIARITY ECONOMICS
2. WELLBEING FOR ALL
3. COMMON GOOD ENTREPRENEURSHIP

1. SUBSIDIARITY ECONOMICS

In the New Economic Paradigm, subsidiarity comes to the fore to give an economic voice and power to the individual and the community. Subsidiarity is the principle that a central authority should have a subsidiary function, performing only those tasks which cannot be performed at a more local level.

The dominance of geographical borders has created different levels of decision-making power that rests with provinces, regions, or municipalities. But in many cases, the units are too large or too small to effectively promote cooperation in practice especially in circumstances in which problems concern several entities in total or partly.

Subsidiarity in reforming economics highlights communitarian solutions and posits that the most effective solutions will emerge from dialogue and voluntary cooperation involving the existing institutions of local communities.

Subsidiarity is an enabler of freedom for the individual and communities. Sen (2000¹) suggests that the individual's determination is of utmost importance in self-formation. There are three essential facets of freedom: (i) "control freedom", which explains the individual is free from constraint; (ii) "freedom as power," which describes the individual's capacity to take action, and, (iii) "agency freedom", which shapes one's will to act. However, the right circumstances need to be created to enable the individual and communities to be free from constraints and helped to take action through educational support projects and targeted investments for micro enterprises.

Subsidiarity focuses on the micro-economics of sustainable livelihoods for individuals and communities. The New Economic Paradigm calls governments to intervene in capital markets to ensure that those currently excluded, the poor and the disenfranchised, are empowered with access to resources and capital to move from subsistence and deprivation to share in goods and resources.

Subsidiarity requires an investment or subsidy by governments and NGOs and those moral agents who have access to capital, but that capital and its allocation must not be used (either in effect or intent) to create dependencies that are contrary to the principle of subsidiarity.

Actions to develop Subsidiarity Economics

1. Credit Cooperatives: Develop Microbanking

Subsidiarity, achieved through credit unions and other credit cooperatives, must also include reflection on recent successful experience with microbanking as a way to distribute capital to prospective entrepreneurs, while maintaining the necessary circulation of capital, that is, through loans and their repayment, enabling more distribution. The Grameen Bank, first opened in Bangladesh, depends on empowering local networks and organizing them as

¹ Sen, A. (2000). *Development as Freedom*. New York, NY: Anchor Books.

accountability structures ensuring the compliance of all participants. “If I obtain a loan because I have been approved for it by the members of my local community, I am more likely to pay it back, when any default would result in foreclosing opportunities for other members of the community to qualify for their own loans.”

Microloans can enable the poor to come together in cooperative business models which combine social and economic cooperation so that mutual help will not be merely occasional or sporadic but continuous. The purpose of economic cooperation is to improve the lot of the economically weak through working together. A cooperative is a tool through which economic cooperation can be practiced and people can effectively work together in the different fields of economic activities.

Cooperatives empower people at the heart of economic decision-making in and through their organisations. The Asian Confederation of Credit Unions (ACCU) manages USD 422 Billion for the purpose of helping members to improve their lives. 300,000 volunteers make personal sacrifice in favour of their communities to create enterprises and opportunities for young people.

In these examples we can see how solidarity is forged and developed for the participants at the subsidium levels.

2. Tech developers: give voice to the disenfranchised

Digital technologies are helping to engage individuals into markets and new economies. The growth and presence of Alipay has been a forerunner of digital technology innovation giving a voice and presence to those otherwise excluded from mainstream banking services. It could be argued that its success has paved the way for these other more recent attempts to do something similar elsewhere.

In Africa BitPesa has emerged as a digital foreign exchange and payment platform designed for “frontier markets” with the claim that businesses are offered the fastest and most cost-efficient way to make and receive payments in African currencies. For the many in Africa, identity is a problem as many children do not have their births registered and thus cannot access any public service including banking. Kiva, a financial services charity, has launched a blockchain platform to create online identities for Sierra Leone residents using the biometric data to create a digital Kiva wallet for micro-lending and repayments.

3. Large companies: give and invest

Large companies can support and enable small communities to overcome social and environmental challenges. Following Typhoon Hato in Macao in 2017 the six major companies in the Macao resort and entertainment industry provided labour and physical resources to restore the destroyed parts in the city after the disaster. In 2020, Danone made €250 million available cash flow for extended payment terms and credit to farmers, suppliers and smaller customers in its global ecosystem.

Subsidiarity practiced in enterprises ensures that employees have the right tools, training, and experience to carry out their tasks encouraging them to achieve success in their work. The authors of the *Vocation of the Business Leader* (2015²) point to the need to define the realm of autonomy and decision rights to be made at every level in the company, leaving

² Pontifical Council (2015). *Vocation of the Business Leader*.

these as wide as possible. Limits should be set such that decision-making responsibilities do not exceed a person or group's ability to access the information required to make the decision, and so the consequences of the decisions would not overstep their realm of responsibility.

4. Investors: Use ethical or ESG investment filters

Subsidiarity economics needs socialised investors who are concerned to ensure that companies in their funds meet ethical and/or ESG (environmental, social and governance) criteria. Investors such as the Austrian and German Bishops prioritise financial investments to promote cooperation among stakeholders. As new economic role models, they have the potential to improve overall ethical standards and change the world.³ They apply negative exclusionary criteria (non-demand), which highlight engagement in ethically unacceptable behaviour and investments (e.g., pornography, gambling, atomic energy, drugs, etc.), further, best-in-class approaches (demand) or "cooperation in the good", which pushes for a bold cultural and economic transformation.

Impact and ethical investment funds, such as Steyler Fair Investment Bonds, empower individuals and communities to set enterprises which are often communitarian in nature and enable access to trade and enterprise that opt for justice, peace, and integrity of creation.

2. WELLBEING FOR ALL

The COVID-19 pandemic makes evident the need for a global social commons for all. It makes us aware that health is the most precious element in the universal common good and that it is globally vulnerable. It also makes us aware that we are all in the same boat as one human family. The virus doesn't know or respect any frontiers. To stop the pandemic nations must cooperate beyond their borders. We feel a greater sense of interdependence: we are all vulnerable, we are connected globally for the best and the worst. We should, therefore, give up our collective short-term thinking and understand solidarity as an intragenerational and intergenerational challenge.

The COVID crisis makes us aware that we have to rethink and to reshape our present economic paradigm to take account of the poor, the natural environment and future generations. The concept of wealth creation should be extended to include natural, human and social capital. Public wealth creation is required to generate wellbeing for those without wellbeing.

The ideal of *Wellbeing for All* calls for attention and action towards those who do not enjoy wellbeing, notably the poor, the disenfranchised and refugees. Pope Francis has made

³ "Financial Investments as Cooperation: Ethical Investment Guidelines of the Austrian Bishops' Conference and the Religious Orders of Austria", published in: *Amtsblatt der Österreichischen Bischofskonferenz* Nr. 74 (1st January 2018); *Changing the World through Investment? An Aid to Orientation on ethically-related Investment. A Study by the Group of Experts on 'World Economy and Social Ethics'*. German Bishops' Conference Research Group on the Universal Tasks of the Church, Bonn, July 2010.

clear that poverty in our world today is not a natural condition to be endured like typhoons and earthquakes. Poverty is the result of systemic failure in the corruption of economic systems and their manipulation to favour the interests of some groups over others. The rich are no more moral or deserving than are the poor.

The universal virtue that motivates this concern is the instinct and responsibility that each of us shares to honour human dignity. Self-formation, precious to western and eastern cultures, has an indispensable role to play in promoting wellbeing and drawing educational resources from both western and eastern cultures.

Wellbeing for All offers a vision of solidarity across cultures and borders that sets aside traditional prejudices against the others who do not share in our prosperity, whether those prejudices are based on race, creed or colour. If the New Economic Paradigm is to fulfil its promise, we must learn to trust empowerment strategies that are open to all people, and not just to those who are near and dear to us personally.

Creating the New Economic Paradigm is, for some, a spiritual struggle, that calls on everyone to repent their complicity in unjust social structures in order to work with all others to discover new ways of sharing our gifts and resources. Ignacio Ellacuría, the Salvadoran Jesuit priest and philosopher, described the hope for civilization as “not simply the creation of a new world economic order, in which the relations of interchange are more just, but a new civilization, built no longer upon pillars of hegemony and domination, on accumulation and difference, on consumerism and a falsified well-being, but rather upon pillars that are more human and more Christian”.⁴

Wellbeing for All in Ellacuría’s vision is “a universal state of affairs in which are guaranteed the satisfaction of fundamental necessities, the freedom of personal choices, and a context of personal and communitarian creativity which would allow the apparition of new forms of life and culture, new relationships with nature, with others, with oneself and with God.”

In his encyclical *Laudato Si’* (2015), Pope Francis speaks of an integral approach to a new economic system that takes into account our relationship with the environment and ecology, the relationship with the poor and social justice, and the relationship of respect for others and fraternity. Chinese scholar and environmental activist Liao Xiaoyi⁵ praised the encyclical and its many similarities with the “ecological civilization” that China is promoting in recent years.

We are challenged to respond to the call to “restore the various levels of ecological equilibrium, establishing harmony within ourselves, with others, with nature and other living creatures, and with God” (*Laudato Si’*, 210). The connectedness of everything has its content and characteristics or *Yuanrong*, “圓融”(Chinese translation of Integral) in all relationships with all things. We recognise the most demanding need of our integral life in our Common

⁴ Ignacio Ellacuría (2000). ‘El reino de Dios y el paro en el tercer mundo’, *Escritos Teológicos*, volume 2, 300.

⁵ Liao Xiaoyi, a former professor of the Chinese Academy of Social Sciences, founder of an NGO, Global Village of Beijing, in the 2008 earthquake aftermath of China. She proposed a new sustainable living approach and founded many rural community projects called “Happiness and harmony” Homelands in collaboration with local provincial officials. She is also the recipient of prestigious local and international awards for her contribution to conserving traditional culture and the ecosystem. Cf.: Angela Moriggi, “Chinese Women at the Forefront of Environmental Activism: Wang Yongchen, Liao Xiaoyi and Tian Guirong,” *DEP (Deportate, Esuli e Profughe) Journal*, Issue 35, 2017, 206-227.

Home is to reduce greenhouse gases to limit global temperature increases to no more than 1.5C.

The Symposium discussed the Philippines as an example of the potential catastrophe that awaits some countries if no immediate actions are taken with international agreements following on the commitments made at COP21 in Paris⁶. The geographic location of the Philippines is already suffering from an increase in catastrophic flooding due to its vulnerability to climate change. Silliman University in the Philippines provides an example of how public institutions can play their part as communities to improve environmental wellbeing. The University is addressing the problem of climate change throughout its operations and point to the creation of alternative favourable economic returns that sustain environmental project goals such as time and energy reduction in waste collection; stream of biodegradable wastes sustain organic fertilizer production; recycling supports the local household economy and reduces the destruction of primary sources of products like trees and mineral deposits. Tapping alternative forms of energy like solar energy save costs on light and power, savings that allow Silliman University to allocate more funding to improve teaching and learning services.

The New Economic Paradigm challenges all actors in society to achieve a more just society based on the principles of the dignity of each person and respect for their Common Home which is the basis for developing cultures of solidarity, mutual respect, entrepreneurial drive and subsidiarity.

Actions to develop Wellbeing for All

1. For the Business Enterprise: Becoming Progressive Social Institutions

Perhaps the most useful starting point for a company accepting its responsibility to promote wellbeing for all are the *UN Guiding Principles on Business and Human Rights*, which constitute the authoritative global standard in this field. It includes all 30 human rights listed in the International Bill of Rights and the ILO core conventions: civil, political, economic, social, cultural rights and the right to development. Human rights are identified as *minimal ethical standards* indispensable for everyone to live and work with dignity on Earth. As minimal requirements, they can open and guarantee a wide space for an immense diversity of cultural and ethical values and norms.

For the religious, the “community of mankind” is a matter of faith and has been underlined in the Bible and key documents of the Church such as *Pacem in Terris* (1963) and *Gaudium et Spes* (1963). The challenge has been re-emphasised by Pope Francis in *Fratelli Tutti* (2020):

When the dignity of the human person is respected, and his or her rights recognized and guaranteed, creativity and interdependence thrive, and the creativity of the human personality is released through actions that further the common good. Yet, by closely observing our contemporary societies, we see numerous contradictions that lead us to wonder whether the equal dignity of all human beings, solemnly proclaimed seventy years ago, is truly recognized, respected, protected and promoted in every

⁶ <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>

situation. In today's world, many forms of injustice persist, fed by reductive anthropological visions and by a profit-based economic model that does not hesitate to exploit, discard and even kill human beings. While one part of humanity lives in opulence, another part sees its own dignity denied, scorned or trampled upon, and its fundamental rights discarded or violated.⁷

Beyond their accountability for human rights, businesses in the New Economic Paradigm will need to develop into progressive social institutions which respect nature by exploring economies that promote sustainability through recycling, think of future generations and take into account the common good of society. Danone is already demonstrating a number of features of a progressive business institution in adopting the French *Entreprise à Mission* model to prioritise stakeholders such as workers, community, environment, and customers. Danone Manifesto Ventures' and the Danone Ecosystem Fund are tangible examples of social investments made to benefit the wellbeing of all.

Wellbeing-orientated businesses aim to create human, social and ecological wellbeing in an interlinked way. Their business models and operations are based on wellbeing creation instead of wealth creation. Wealth is a stock defined in one-dimensional, financial terms. Wellbeing is a flow defined in holistic, multidimensional terms that include material and non-material aspects of human and non-human functioning.

The trajectory of businesses toward wellbeing creation is a multifaceted, complex phenomenon. It can be assessed only by multidimensional measures using criteria related to appropriate ownership structures and effective governance mechanisms, adequate incentive systems, phasing out business strategies that rely on creating economic externalities to sustain themselves⁸, organizational identity, relationships with the local community, technology employed, production systems, supply chains, information systems, investors, and net income generated. The growing use of ESG data points on companies by investors is already beginning to offer these multidimensional measures.

2. For Governments: “Softer” Borders and Climate Action

Despite globalization and transnationalism we face a “new era of walls”. Migratory pressures are increasing contributing to economic inequality, political instability and climate change. The COVID-19 pandemic has illustrated the need for trans-border/transnational collaboration in order to address global issues, among them the ongoing refugee crises that demand greater focus for the sake of individual and family wellbeing.

For the *Wellbeing of All*, the New Economic Paradigm must be based on “softer” borders. Transnational cooperation and evidence-based public discourse to address the plight of refugees requires the creation of more open border policies and transnational networks for collaborations to change the discourse on migration. Uganda is showing the way to softer borders for refugee management with its integrative and liberal policies.

Refugees and the disfranchised of our world are in need of wellbeing help. As Galbraith (1979⁹) said, “Migration...is the oldest action against poverty. It selects those who

⁷ *Fratelli Tutti*, 2020, 22. http://www.vatican.va/content/francesco/en/encyclicals/documents/papa-francesco_20201003_enciclica-fratelli-tutti.html

⁸ Benedict XVI (2009): “It is likewise incumbent upon the competent authorities to make every effort to ensure that the economic and social costs of using up shared environmental resources are recognized with transparency and fully borne by those who incur them, not by other peoples or future generations.” *Caritas in Veritate*, no. 50.

⁹ Galbraith, J. K. (1979). *The Nature of Mass Poverty*, Cambridge, MA: Harvard University Press.

most want help. It is good for the country to which they go; it helps to break the equilibrium of poverty in the country from which they come. What is the perversity in the human soul that causes people so to resist so obvious a good?”

Whilst 189 countries have signed up to the UNCC Climate Agreement in 2015, many have made slow progress in their commitment to report against their first “nationally determined contribution” (NDC). The people of the world in so many ways have expressed their desire for regulated engagement by government to enforce the reduction of greenhouse gas emissions to mitigate the effects of climate change for the wellbeing of all. It is a primary responsibility of a government to protect its people and requires international collaboration, reporting and accountability to the Paris Agreement.

3. For NGOs: Educate and Innovate

The New Economic Paradigm challenges NGOs to innovate with multi-stakeholders in a greater level of collaboration to design solutions that meet the wellbeing needs of the poor and the disenfranchised.

Educational NGOs and institutions should include applying the resources of the wisdom traditions which emphasise justice and wellbeing for those beyond one’s own family and especially of the most disadvantaged. The Confucian classic, the Great Learning¹⁰ (*Daxue*), puts forward three objectives to “manifest one’s bright virtue, loving the people, stopping in perfect goodness”. The Eight Steps are: to investigate things, extend one’s knowledge, make one’s intention sincere, correct one’s mind, cultivate one’s personal life, regulate one’s family, govern one’s state, and settle the world at peace and harmony.

3. COMMON GOOD ENTREPRENEURSHIP

Ethically oriented consumers and investors have the potential to pave the way for a revolution in the economic paradigm in transforming monetary and economic structures and in driving the development of a praxis that serves people and the planet.

We see the failings of predatory free market practices: inequality, economic dislocation, financial short-termism, corruption and exploitation. Whilst human freedoms to trade with one’s talents and resources is a private good, societies accept the need to share the cost of providing public goods (good of non-excludability and non-rivalry) and, in less obvious way, acknowledge the need for interventions in the cause of what might be loosely named as social justice, collective development and ecological protection. Unlike private and public goods, the good of the Commons relates to all human behaviours, including economic behaviour, that is taken to benefit those beyond immediate transactions and relations.

A market oriented economy can only work for the Common Good if the majority of actors in the system are able to restrain the instincts for greed and over-consumption and choose to both invest and consume in the interests of the Common Good – for the good of all, especially the underprivileged and those without the same powers to invest or consume.

¹⁰ The Great Learning, (trans. Muller, 1992). 在明明德、在親民、在止於至善。

Exclusively self-interested behaviours make collective action for public wealth impossible and generate free-rider problems.

The purpose of the economy, and thus of the business enterprise, is the creation of wealth in a comprehensive sense: natural assets and liabilities, physical and financial capital, healthy and educated people, and trustworthy relations between economic actors. The limited focus on financial and economic measures (with the common understanding of profit) distorts the meaning of profit (and its maximisation) and misleads decisions about wealth creation. Creating sustainable wealth is the true purpose of economic life which transcends the growth of (material) resources by focusing on people and sustaining nature.

Mainstream economics has failed to acknowledge the intrinsic value of nature. It suggests valuing environmental goods and services on the basis of a market value determined by competing economic actors. Nevertheless, there is no algorithmic solution to nature's allocation problems. Decisions and policies related to nature and society require making qualitative and multi-perspective considerations and wise and responsible management.

In the New Economic Paradigm, wealth creation is re-conceived to be generating sustainable wealth for the wellbeing of all and the safeguarding of all natural resources and ecosystems. Sustainable wealth is measured by an organisation's financial performance, the quality of its management and governance policies and practices and its impact on the relevant public goods and 'public bads' (social and ecological). Organisational purpose is focussed and accountable for an organisation's natural assets and liabilities, physical and financial capital, healthy and educated people, and trustworthy relations between economic actors.

Common Good Entrepreneurship activates the three components of corporate (moral) responsibility:

- The **subjects** of responsibility ("who is responsible?") are business enterprises conceived as "moral actors" – to the extent they are "corporate actors" (Coleman 1991).
- The **contents** of responsibility ("for what one is responsible?") consist in creating wealth and respecting human rights.
- The **addressees** of responsibility ("toward whom is one responsible?") are not only shareholders and other stakeholders, but also society at large, future generations and nature.

In light of these three components of moral responsibility, companies must demonstrate continual improvement in public wealth creation, measuring it and reporting it.

The increasing sophistication, alignment and reporting of ESG measures at individual company-level is becoming a tool, amongst others such as the GRI, to promote corporate transparency in the management of manufacturing and supply chains. For small and mid-sized enterprises, the B Impact Assessment has been used by over 4,000 companies worldwide to become Certified B Corporations, or B Corps¹¹. These companies must meet

¹¹ B Corp certification offers companies a standardised independent assessment without the expense of auditors and a stringent pass-fail benchmark. B Corps must enact a governance mechanism, such as changing a company's constitution, to ensure that the interests of all stakeholders and not just shareholders are balanced in decision-making.

rigorous standards that require them to consider the impact of their decisions on their workers, customers, suppliers, community, and the environment.

Prioritising the Common Good highlights the incompatibility of the prevailing Consumer Society with the capacity of the Earth to provide raw materials for this consumption and absorbing its waste outputs, most notably greenhouse gas emissions. A new economic framing must expand the imaginative horizons of producers of goods and services and marketing functions as well as consumers. Importantly, any such new framing must also allow for an inclusion of the needs of people historically with no access to the consumer society as well as the needs of future citizens. The New Economic Paradigm must be able to inspire societal hope and spur entrepreneurial innovation.

Common Good Entrepreneurship requires a paradigmatic shift from consumption and its marketing machinery to *Consummation* defined as “the act of making something complete or perfect” (Oxford Shorter Dictionary). Consummation evolves marketing driven consumption in three important ways.

1. Consummation signals a shift from the positioning of brands of products and services in the marketplace to brands conveying and advocating foundational existential statements of purpose in society.
2. Consummation spurs a new form of innovation from devising new products and services by addressing or creating consumer needs to imagining and designing products and services that address wider social needs or both simultaneously.
3. Consummation heralds a move from communications that primarily drive awareness of the features of a branded product or service to the dissemination of relevant messages that inspire people to think or behave differently.

Consummation-inspired marketing has the potential to refresh the role of marketing as a creative, respected and influential positive force in enterprise and as part of a new economic paradigm geared toward “The Consummate Society.” It can drive a shift to a higher level of excellence in global value chains, redirecting people’s needs, wants and desires and the processes, products and services that fulfil them.

Prioritising the Common Good means recognising that business enterprises are morally responsible to act with justice, supporting systems that promote fairness and solidarity. The wisdom traditions teach us that the supreme good of every person and community is to attain *eudaimonia* (human flourishing). The Confucian Entrepreneur uses Confucian values and principles to avoid unethical wealth and profits, cultivating culture and learning to bring good to society. S/he is people-centred, combining the spirit of a scholar with the talents of a merchant. The Focolare Movement’s Economy of Communion shows us how businesses can promote fairness and solidarity in producing goods and services which are needed for human flourishing.

Profits are necessary for business viability and growth, but some profits should be used to invest in social development. To bring governance and accountability to this goal some companies place a limit on the distribution of profits in their constitution. The Social Enterprise Mark¹² now accredits companies in 10 different countries who have limited profit distribution to 49% with the remainder being invested in the organisation’s social purpose

¹² <https://www.socialenterprisemark.org.uk/>

activities. B Corp also requires its accredited companies to include a commitment to balance the interest of all stakeholders in board decision-making.

Prioritising the Common Good cannot happen without a spiritual turning towards the good of others beyond the individual. The MRI Symposium referenced a range of wisdom and spiritual resources to challenge economic agents to promote the virtues of empathy, altruism, and respect for nature and future generations.

Actions to further Common Good Entrepreneurship

1. For Boards: Transparent Governance

Common good corporate governance includes transparency, compliance and public accountability to stakeholders and internal leadership competence, balance, commitment and integrity. These principles should underpin governance regimes and practice to the end that external and verifiable ethical standards for the common good are integrated in corporate decision-making.

An enterprise's legal directors are accountable for its actions and impacts. They represent the firm's legal person as distinct from all other stakeholders, including shareholders.

Beyond their fiduciary duty to act in the long-term interests of the company, directors can choose to use all means to conduct business operations with ethical and legal responsibilities for the organisation and its impacts on society at large, future generations and nature. Prioritising the Common Good will increase public as well as private wealth creation. This responsibility calls on Boards to be accountable for Total Value Creation: economic, environmental and social governance capitals.

2. For Investors: Ethical and ESG Commitment

The investment of money is not ethically neutral. Wealth not only creates the economic basis for institutions and people, but also exerts an influence on the structures of a society. The world of financial investment largely obeys the rules governing the interaction between supply and demand. By investing, you create demand. By excluding certain markets and suppliers, you remove demand from those segments.

According to FCLT Global (Focusing Capital on the Long Term), most institutional investors seek information on issues to better understand risks that could affect companies' ESG performance over time. Incorporating ESG data, despite their shortcomings, into the investment process is a useful tool for managers of fund portfolios to deliver strong and sustainable financial performance. Whether for greenwashing purposes or genuine commitment, or both, investment and fund managers have increased their use ESG data in the selection of fund portfolios of companies. We urge them to make a genuine commitment to ESG goals.

The rationale for using ESG strategies by investors is the attraction of a longer-term investment view for profitable success by building resilience capacity and productivity. Pre-competitive sector initiatives have demonstrated how shared interest or "creating shared

value” brings about cooperation for resilience and productivity and address environmental and social impacts.

3. General Management: Action for Social Justice in Supply Chains

Corporate responsibility complements but does not replace the individual responsibility of business leaders. Organisational managers should ensure that policies give guidance to employees and suppliers to respect human rights, social justice and care for ecosystems. The UN Guiding Principles on Business and Human Rights (UNGP, 2011¹³), with 30 internationally recognised human rights are relevant as the minimal ethical requirements for business and economic ethics in the global and pluralistic world. The UNGP’s Reporting Framework is supported by two kinds of guidance: implementation guidance for companies that are reporting, and assurance guidance for internal auditors and external assurance providers.

4. Marketing Management: From Consumption to Consummation.

Marketers are encouraged to reimagine the role of marketing from driving consumption to enabling consummation redirecting people’s needs, wants and desires and the processes, products and services that fulfil them.

5. Governments: Regulation and Taxation Enforcement

Governments are “subjects of responsibility” to promote *Common Good Entrepreneurship* through regularly updated regulation and accountability for an organisation’s impact on people and the environment. Evidence suggests that fine and extra fine particulate matters found in the environment have hazardous effects to public health. Following the carbon pricing regime, stringent regulations should be adopted by governments to make polluting corporations pay (thus acknowledging the true costs of their business activities. This may require that a levy be enforced on polluter corporations, and the money raised be used to subsidise the healthcare system of communities in regions and countries affected by the adverse effects of pollution.

Inter-governmental treaties are currently a global way of enforcing a just tax enforcement that can incentivise small scale entrepreneurship, compete with multinational corporations who can locate their activities in the most financially advantageous locations. For example, the *OECD Model Tax Convention*, a model for countries concluding bilateral tax conventions, plays a crucial role in removing tax related barriers to cross border trade and investment. It is the basis for negotiation and application of bilateral tax treaties between countries, designed to assist businesses while helping to prevent tax evasion and avoidance. Under OECD/G20 agreements, over 135 countries are collaborating on minimum standards to counter treaty abuse and to improve dispute resolution mechanisms. *Common Good Entrepreneurship* calls for greater fiscal alignment and enforcement between jurisdictions, but progress is slow.

As we enter the decisive decade, governments have a unique role in leading people and industries towards carbon zero economies and the massive shift away from dependency on fossil fuels, the role for government goes beyond taxing citizens and corporations to invest

¹³ <https://www.ungpreporting.org/framework-guidance>

in net zero carbon projects, and toward the promotion of investment in climate risk mitigation innovation at a level of cooperation internationally beyond the existing economic paradigm.

CONCLUSION

Preparing for Difficult Change

This Manifesto identifies three platforms for global economic change. Changing our current economic and technological paradigms is possible. In *Laudato Si'*, Pope Francis sketches a path for conversion at the individual and community level. But such change cannot simply be an individual change of heart: it must lead to a change of communities and structures.

An important step in changing the economic paradigm is to name the steps involved in transforming an individual change of heart into changes of communities and changes of structures. “A healthy politics is sorely needed, capable of reforming and coordinating institutions, promoting best practices, and overcoming undue pressure and bureaucratic inertia” (*Laudato Si'*, 2015, 181).

A common thread in the MRI Symposium was the need for a change of heart (*metanoia*). Merely tinkering with the present structures will not bring about the necessary change. That change of heart at the individual level must flow into communities and institutions.

The building of communities, traditions, and institutions has not happened quickly. As we enter the so-called Decisive Decade to mitigate the risk of climate change catastrophe we must move into an emergency pace of action and minimise the cost to the most disadvantaged. Any new paradigm will not be a single “silver bullet”, but a complex web of interacting movements for change.

There are wonderful signs of hope. Among these are the business operating principles of the Economy of Communion’s cooperatives and their community funding with high levels of self-government, ethical investment programmes, even for small projects to positively impact the environment.

The urgent challenge to protect our common home includes a concern to bring the whole human family together to seek a sustainable and integral development, for we know that things can change. The Creator does not abandon us; he never forsakes his loving plan or repents of having created us. Humanity still has the ability to work together in building our common home.

Pope Francis, *Laudato Si'*, 2015,13.