

#ecogoodpractices



# 10 REAL-LIFE PROTOTYPES FOR A COMMON GOOD ECONOMY

Ready for today's challenges

An economic system can only become socially just and environmentally sustainable if it has *built-in structures* to prevent harm and to incentivize responsible behaviour. To drive real system change, completely new sustainability tools and approaches are needed - not only in businesses but also banks, cities and regions, schools and other organizations.

The **Economy for the Common Good (ECG)** has been working on repurposing the economic system towards wellbeing for people and nature for over 10 years. It has been prototyping and piloting new economic approaches around the world, which make the *Common Good* the primary goal and purpose of our activities.

**10 international prototypes** illustrate how transformative change can happen on different levels:

- |   |   |
|---|---|
| <b>1</b>   A Common Good <b>COMPANY</b>                   | Example: VAUDE                                    |
| <b>2</b>   A Common Good <b>BANK ACCOUNT</b>              | Example: Common Good Account                      |
| <b>3</b>   A Common Good <b>MUNICIPAL ADMINISTRATION</b>  | Example: Miranda de Azán                          |
| <b>4</b>   A Common Good <b>PUBLIC COMPANY ASSESSMENT</b> | Example: Stuttgart                                |
| <b>5</b>   A Common Good <b>REGION</b>                    | Example: Höxter                                   |
| <b>6</b>   A Common Good <b>PROMOTING LAW</b>             | Example: Valencia                                 |
| <b>7</b>   A Common Good <b>INDEX AND PRODUCT</b>         | Example: Guarromán                                |
| <b>8</b>   A Common Good <b>UNIVERSITY CHAIR</b>          | Example: University of Valencia                   |
| <b>9</b>   A Common Good <b>STUDY PROGRAMME</b>           | Example: University of Applied Science Burgenland |
| <b>10</b>   A Common Good <b>APPLIED COURSE</b>           | Example: University of Applied Sciences Münster   |

# 1 COMMON GOOD COMPANY

Becoming a more sustainable business by using the Common Good Balance Sheet

## WHY

Companies often assess their financial successes but lack tools to measure the social and environmental impacts from their core business activities, leading to detrimental harm or even failed sustainability strategies.

## WHAT

The Common Good Balance Sheet (CGBS) based on the ECG Matrix is a tool for corporate sustainability reporting. It is organised around four thematic areas of **human rights and dignity; social justice and solidarity; environmental sustainability; and co-determination and transparency**. They are applied to five groups of stakeholders: suppliers, owners, employees, customers, and society at large including future generations. Some 800 companies have made use of it voluntarily. The ECG system allows companies to demonstrate how they reach the UN Sustainable Development Goals – an exercise



acknowledged in the SDG Practitioner Manual for SMEs published by the University of Bremen.

## EXAMPLES

The producer of sports equipment VAUDE is applying the highest available ecological standards for textiles. Sparda Bank München has eliminated all bonuses. Grüne Erde cut its budget for flights to zero. Samariterstiftung is focusing on dignity in the care of disadvantaged persons.

## LEARN MORE

- [Good practices](#)
- [How to apply the balance sheet](#)
- [ECG and SDGs](#)
- ["Die SDGs für und durch KMU. Ein Leitfaden für SME" \(German\)](#)

# 2 COMMON GOOD BANK ACCOUNT

For banks interested in sustainable investments and banking services

## WHY

Conventional banks often undermine our efforts to reduce our footprint by investing in unsustainable sectors and by perpetuating a system where an emphasis on finance can fail to acknowledge the true costs being paid by people and planet.

## WHAT

Common good bank accounts are an ethical alternative to existing current accounts on the market. Banks offering such an account guarantee to use all investments exclusively for financing ecological and social projects.

## PROTOTYPES

The Austrian Cooperative for the Common Good helps banks to establish a "Common Good Centre", which is based on a



separate accounting circuit within the banks' ordinary balance sheet. On the liabilities side, it offers Common Good-certified current accounts, business accounts and savings accounts. On the asset side, it grants loans for 100% sustainable investments. Both sides keep balance on a daily basis. A "Common Good Council" watches over the coherence of the loan granting business. Besides a strict legal bank inspection, the common good performance is monitored by an external auditor every year. Besides a strict legal bank inspection, the common good performance is monitored by an external auditor every year.

## LEARN MORE

- [Common Good Account](#)
- [Austrian Cooperative for the Common Good \(German\)](#)



### 3 COMMON GOOD

# MUNICIPAL ADMINISTRATION

Driving sustainability in municipalities and cities by applying the common good balance sheet

#### WHY

More and more municipalities and cities are working for sustainable global development. Yet, few administrations have found a way to systematically assess and improve their own sustainability performance.

#### WHAT

Any municipality or city can become a Common Good Municipality by passing a council resolution in support of ECG and by creating a Common Good Balance Sheet for its administration and departments.

#### PROTOTYPES

The municipality Miranda de Azán (Spain) is a prime example - due to its engagement, young people tend to stay in their



home village in the countryside. In Orendain (Basque Country), all the citizens were asked whether they wished to become a Common Good Municipality. The participation rate was 90 percent, of which 89.6 percent voted in favour. In Barcelona, the district Horta-Guinardó compiled its first Common Good Balance Sheet in 2016, before it decided to also promote ECG to private companies, ten of which were certified in 2019.

#### LEARN MORE

- [Apply ECG as a municipality](#)

### 4 COMMON GOOD

# ASSESSMENT OF PUBLIC COMPANIES

Using public companies to drive positive change

#### WHY

Public companies are compelled to align their objectives with the common good. However, most state- or city-owned companies in the world still only report on financial results instead of social and environmental impacts.

#### WHAT

Legislators at national or municipal level can invite all companies under their legal control to create their own Common Good Balance Sheets. This will highlight the pioneers and serve to promote their achievements. Another option is to reward responsible companies outside of their legal control by publicising their exceptional service to the community or by favouring them when awarding contracts or making purchases.



#### PROTOTYPES

The city of Stuttgart (Germany) has applied the CGBS for two city-owned companies. The city of Münster has decided to do a CGBS for all of its public companies. The Region of Burgenland (Austria) has certified its University of Applied Sciences and the Region of Baden-Württemberg has ordered the CGBS for the state forest.

#### LEARN MORE

- [Economy for the Common Good in Stuttgart](#) (German)



## 5 COMMON GOOD REGION

A whole region dedicated to increase the common good

### WHY

Often, ethical businesses feel somewhat alone with their sustainability efforts or even disadvantaged in the market. A co-ordinated region-wide transition to a common good economy creates lots of synergies and can generate positive feedbacks.

### WHAT

When a range of diverse organisations in a region such as companies, cities and educational institutions all implement ECG tools, positive feedback loops are set in motion and the whole region is bound to flourish. A Common Good region of a province, district, or state, aims to turn as many municipalities as possible into Common Good Municipalities, and to manage and promote the processes for organisations on a regional scale. A Common Good Region, together with Common Good Municipalities, can even ask their respective federal states to become a Common Good State.



### PROTOTYPES

In Höxter, Germany, a first ECG foundation has initiated such a process, in which three cities (Steinheim, Brakel, Willebadessen) were certified as Common Good Cities and a dozen private firms have done the CGBS, amongst them a bank. In addition, the ECG model is taught and applied in the whole region of Höxter.

### LEARN MORE

- [Introduction to the Common Good Region](#)
- [Gemeinwohl-Region Kreis Höxter](#) (German)

## 6 COMMON GOOD PROMOTING LAW

Supporting an ethical economy through legal frameworks

### WHY

Most governments still promote growth-based economic narratives and lack visions of new sustainable economic models. In most countries there are currently no legal incentives to behave in an ethical and ecologically sustainable way, allowing companies to harm societies and the planet without further consequences.

### WHAT

The common good can be included and supported in legal frameworks to advance a more ethical economy. More and more city councils, regional governments, and national parliaments are taking decisions to promote the ECG – in local policies, economic promotion, public procurement, and other fields. Some aim at promoting the general idea as a new sustainable and inclusive narrative of the economy.



### PROTOTYPES

The Valencian Minister of Sustainable Economy, Industry, Commerce and Labour, Rafael Climent, issued a resolution in 2020, which helps non-profit organizations, SMEs and university research institutions which apply, inform about or further develop the ECG model to the value of €700,000. The city council of Cádiz approved an institutional declaration of support of the ECG movement. The European Economic and Social Committee (EESC) issued an opinion on the ECG approving the model and recommending its inclusion in the legal framework of the EU and its member states.

### LEARN MORE

- [Resolució de la Conselleria d'Economia Sostenible de la Generalitat Valenciana](#)
- [Declaración institucional de apoyo a la EBC del Ayuntamiento de Cádiz](#)
- [Own-initiative Opinion of the EESC](#)



# 7 COMMON GOOD INDEX AND PRODUCT

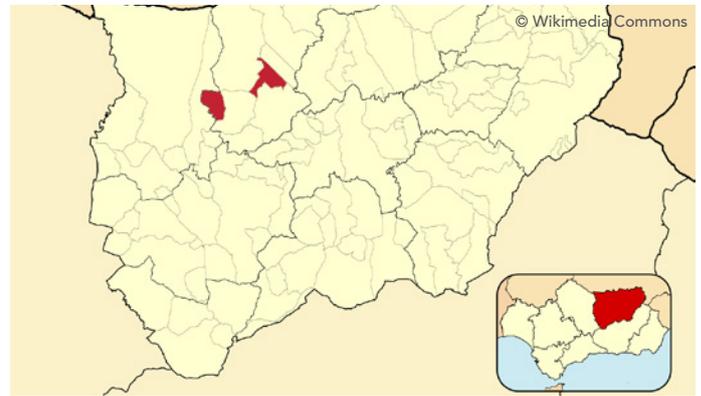
Changing the way we measure wealth and progress

## WHY

Gross Domestic Product (GDP) is inadequate when it comes to measuring human wellbeing and the true value of our actions. Countless economic activities that contribute to the common good are not measured by GDP, such as childcare or activities to support clean rivers, fresh air and social security.

## WHAT

There are alternatives to GDP that really help to realign the goals of the economy with the satisfaction of human needs - without degrading the foundations of life. The Common Good Product (CGP) adjusts economic indicators to measure societal goals. These are defined democratically through a citizens' assembly or economic convention. People can submit their proposals for the most relevant areas to be measured to gauge



quality of life, wellbeing for all and the common good. Of all these proposals, say the top 20, are included in the final CGP or Common Good Index (CGI). The CGI could be measured using neutral points rather than in monetary terms. Its result would be comparable both across time and place.

## PROTOTYPES

The first municipality that approved a process toward a Common Good Index with the involvement of its citizens is the Andalusian village Guarromán. The process is currently underway.

## LEARN MORE

- [Introduction to the Common Good Product](#)

# 8 COMMON GOOD UNIVERSITY CHAIR

Bringing the new narrative into university teaching and training

## WHY

There are growing concerns that the currently dominant neo-classical school of economics may be contributing to damage to humans, society, and the Planet caused by economic activity. A new approach to economics is urgently needed, one that is both theoretical and practical. The ECG model is holistic, it suitable for all levels: theory, practice, and economic policy.

## WHAT

A university chair in 'Economy for the Common Good' or, alternatively, 'New sustainable economic models', offers courses to disseminate the model(s) and training for consultants and practitioners – from companies to cities and regions. Besides, the scholars engage in research and scientific discourse.



## PROTOTYPES

The University of Valencia was the first to establish an ECG Chair in 2017 with the support of the regional government . It conducts research on the model (first empirical study on 206 ECG balanced companies), trains ECG consultants across the Spanish-speaking world online and has published a practical manual on the practical implementation of the ECG.

## LEARN MORE

- [Website ECG Chair](#)



# 9 COMMON GOOD UNIVERSITY COURSE

## Building the foundation of a reformed economics

### WHY

The more future business leaders learn the „old“ stuff from profit maximization to endless growth, the worse for the Planet and society. The more university courses are offered in sustainable and ethically embedded and responsible economics, the higher the chance for humanity to survive and even have a good life on this Planet.

### WHAT

The course in Economy for the Common Good or Economics for the Common Good teaches a holistic understanding of the economy, related to and embedded in ecology, ethics, political science, history, sociology and psychology. It re-purposes both the economy and economics into the means to serve and satisfy



fy the basic needs of current and future generations respecting both the ecological planetary boundaries and fundamental democratic values.

### PROTOTYPES

The first study 'Applied Economy for the Common Good' is offered by the University of Applied Sciences of Burgenland in cooperation with the Studienzentrum Saalfelden in the region of Salzburg. The first cycle is concluding in spring 2021, the second cycle will start in September 2021.

### LEARN MORE

- [University course "Angewandte Gemeinwohl-Ökonomie"](#)

# 10 COMMON GOOD MODULES AND SEMINARS

## Transforming curricula and applied practice

### WHY

Education at schools and universities on alternative economic models is a key prerequisite for long-term systemic change and short-term action.

### WHAT

More and more educational institutions offer theoretical and practical courses on the ECG model – frequently together with other (of the many existing) alternatives such as Doughnut Economics, Degrowth/Postgrowth, Social and Solidary Economy, Commons, Ecological Economics and others. In some cases, universities cooperate with companies and students can put their theoretical knowledge directly into practice and explore the professional field as sustainability consultants.



### PROTOTYPES

The University of Applied Sciences of Münster developed a course in which students help regional companies to implement the CGBS. The University of Kassel has implemented this prototype and was awarded a prize for it.

### LEARN MORE

- [Fachhochschule Münster – ECG project](#)
- [Universität Kassel – Award for ECG seminar](#)
- [Universität Kassel – Course on ECG](#)

### IMPRINT

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