



TOWARD A SOCIALLY RESPONSIBLE ECONOMY

OUR ECONOMIC SYSTEM BASED ON LIBERALISM AND EXTREME COMPETITION IS SHOWING ITS LIMITATIONS. WITH CONSUMERS SEARCHING FOR THE LOWEST PRICES AND INVESTORS THE HIGHEST PROFIT MARGINS FINANCIAL VARIABLES HAVE BECOME THE SOLE PERFORMANCE OBJECTIVES. **TEXT BERNARD MICHE - TREASURER OF THE UIA AND CEO OF FINERGIE SPRL**

system made us lose sight of the long-term logic of the concept of 'sustainable development'.

BUT WHAT IS A LOGIC OF SUSTAINABLE DEVELOPMENT?

A logic of sustainable development rests on a management balance based on 4 axes (see graphic).

The economic system must evolve to integrate new parameters of the management of social, environmental and innovative performance.

To evolve towards an economic system which integrates a logic of sustainable development, we must teach the leaders this new mode of governance. The balance of management exists at the point of intersection between these four axes.

In order to achieve this, the system of competition must evolve to a system of collaboration based on ethics and the implementation of a management paradigm which empowers the actors of the company.

THE KEY TO SUCCESS: HUMAN CAPITAL AND THE INTEGRITY OF MANAGERS

With this intention, it is necessary to imple-

ment participatory management based on an ethical framing of 'management'; one based on respect, co-operation and support of the individuals who take part in it.

The foundations of such a system are the ethics of communication and compromise leading to an ethics of decision-making which respects all the parties involved. It is necessary to build the 'knowledge of being' in order to influence or instigate the knowledge of production.

Managers must integrate new parameters in their decisions: intergenerational equity and spatial equity.

Indeed, economic development must take into account the impact of decisions on our future generations in terms of social justice, environmental resources and their renewal.

Considering the complexity of the current situation, we are obliged to modify our behavior by implementing cooperation as the functional process as opposed to competition.

The only manner of achieving this is to build an organization where the talents and expertise of each individual is at the service of a collectively determined goal / shared common interest.

This system has overemphasized short-term profit in a context of overconsumption. Such a dynamic pushes corporations to relocate the production of goods and services to locations where low wages may be paid and the cost of doing business is not influenced by concerns about social and environmental conditions.

The impact of this type of management is devastating in terms of human resources and social organization. We are currently reaching a limit and the planetary financial system is wavering. Every day we are presented more alarming figures: stock exchange crash, bankruptcy of major financial institutions, high rise in unemployment and the number of bankruptcies, reduced credit available to businesses, global recession...

WHICH LESSONS DO WE NEED TO DRAW AND HOW CAN WE REMEDY THIS SITUATION?

The short-term vision generated by this

RESULTS OF SOCIALLY RESPONSIBLE ECONOMIC DEVELOPMENT

The results are considerable and underpin a sensibility in economic action:

- It reinforces the leadership of the managers by their values
- It empowers the individuals of the company
- It evolves to a bidirectional participative management
- It activates the collective intelligence of the company
- It enables the optimization of the motivation, commitment, engagement and the creativity of all, based on the diversity of the members
- It introduces innovative practices of meeting facilitation, co-operation and dialogue
- It trains and empowers individuals
- It stimulates co-creation around a 'shared vision'

OBSTACLES TO BE ADDRESSED

- Fear of change
- Can raise emotive reactions because one treats relations of power (skepticism, enthusiasm, concern, relief)

- Can generate discomfort in those not accustomed to owning their responsibilities

ROLE OF ASSOCIATIONS

The role of associations will be critical in this context. They are a source of knowledge thanks to their ongoing work. Up to this point in time they have played the role of a warning signal on certain problems regarding social and environmental justice. Now, they will become an important stakeholder at the side of the economic world, offering their expertise in search of the right decisions.

They will have also a key role of consistency control to verify the truth of corporate statements concerning ethics of management and durable development strategy. They will validate the reality of the information communicated by the companies.

Civil society will thus come to articulate itself with the economic world to offer its knowledge and to collaborate in global well-being by serving the economic world.



Bernard Miche

ASSOCIATIONS WILL HAVE A KEY ROLE OF CONSISTENCY CONTROL TO VERIFY THE TRUTH OF CORPORATE STATEMENTS CONCERNING ETHICS OF MANAGEMENT AND DURABLE DEVELOPMENT STRATEGY

CONCLUSION

Humanity is at a crossroads. The current economic model is in danger and will generate more and more instability but we have the choice to direct it towards sustainable economic development grounded in ethics and values. We all are responsible for the future.

For more information on UIA: www.uia.org
 For more information on Finergie: www.finergie.be

