

## Achieving Happiness through the Economy of Communion

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## Introduction

- In the modern society today, there is so much concern about inequality and in particular about the widening gap between the rich and the poor.
- Various development plans, strategies and programs have been proposed and implemented to address social and economic problems in the many developing countries of the world, yet poverty situation remains unabated if not worsened.

## Introduction

- History tells us that the process of redistributing wealth is very complex and often fails (US philanthropy, European welfare state and communist/socialist state).
- Those are found to be not viable and sustainable due to the absence of reciprocity (and proximity)
- Reciprocity, the key principle of civil society, is the missing element in the main solutions to the wealth gap.
- The Economy of Communion puts into practice reciprocity.

## The Economy of Communion

- Described as a new paradigm of human development addressing social and economic problems of inequality
- Its goal is to live a community where “no one is in need.”
- Reduction of “people in need” is the measure of success in achieving communion.
- Born from an intuition of Chiara Lubich, who in her visit to Sao Paolo, Brazil in May 1991, was struck by the extreme poverty of people who made their home in the many favelas (slums) that surrounded the modern high-rise buildings.
- This made a deep impression on Chiara that moved her to do something concrete with urgency.

## The Economy of Communion

- She posed the challenge particularly to the members of the Focolare Movement, particularly the entrepreneurs to build a new type of economy, where the profits of an enterprise would be channeled towards three goals:
  - *to help the poor*
  - *to form “new men and women” to live and spread the “culture of giving*
  - *to develop the business*
- EoC seeks to address the wealth gap through reciprocity.
- If profits are shared in reciprocity with the poor, then general happiness increases.
- EoC involves a voluntary commitment on the part of the businesses to fulfill the mission of combating poverty by entering into an agreement on the division and redistribution of profits.

## Helping the Poor

- Helping those who are in need, giving them the possibility to live a more dignified life until they find a job, or offering them a job in the business enterprise.
- This starts with the workers in the EoC community improve their standard of living.
  - EoC community is the circle of people covered by the profits that can be shared.
    - This circle can include an adopted poor community.
    - If a community has already achieved a desired distribution of wealth, this part can be shared with other communities in the world which then makes the communion global.
  - Thus, reducing the gap between the “haves and the have-nots” and fosters unity and harmony in the community.

## Formation of “New Men and Women”

- Develop structures for the formation of “new men and women” because without them it is not possible to build a society of solidarity.
- Formation “new men and women” is an activity for the continuous propagation of the culture of giving.
- While love and compassion are the engines for creating the harmonious unity that mark EoC communities, value formation activities need funds to build physical structures, like centers where meetings and seminars are held to strengthen members for their formation in the life of unity and in the culture of sharing.

## Sustainability of the Business

- Re-investment in the enterprise to ensure further expansion/growth
  - This can be in the form of capital equipment to replace aging machinery or money for expansion so that more economic opportunities are created to benefit the workers and to increase the share of profits.
- Entrust to competent people capable of making the enterprise operate efficiently and profitably and to create new jobs in response to poverty.
  - Unemployment is a grave form of poverty because it is also a poverty of purpose, of self-esteem, of social relationships.

## EoC Formula in the Redistribution of Profits

- Those three dimensions of the EoC all contribute to achieving the point of “no one in need”.
- There are no set of rules for determining the three dimensions as these may be equally apportioned or one may be greater than the other two.
- No two industries are alike and the EoC recognizes the need for flexibility.
- The spirit of communion/sharing is not bound by hard and fast rules but exercised in freedom.

## Guidelines for Managing Business Enterprises in the Economy of Communion

The businesses of the Economy of Communion are “for profit” organizations operating in the marketplace to support persons in need and spread the culture of giving.

- *Economy and Work*
- *Relationship with Customers, Suppliers, the Public and Others External to the Company*
- *Ethics*
- *Health and the Value of Life*
- *Harmony in the Working Environment*
- *Training and Education*
- *Communications*

## Economy and Work

- Human person, not capital, is at the centre of the business.
- For business leaders, the primary reward is the happiness gained from transforming the business into a close-knit community.
- Create new jobs that sustain the members and their families while contributing to people in need and society as a whole.
- Attempt to make the best use of each employee’s talents and to create a climate conducive to personal creativity, risk-taking, and fulfillment.
- All members of the organization become stakeholders and work together to define and realize the goals of the enterprise.
- The business is managed well to help spread this Culture of Giving, and for expanding the enterprise.

***Relationship with Customers, Suppliers, the Public and Others External to the Company***

- Work together with suppliers to provide useful and quality products and services at fair prices.
- Work to establish and strengthen good and sincere relations with customers, suppliers, and the community.
- They engage in fair play with competitors and maintain mutual respect when negotiating with suppliers and customers.

***Ethics***

- Enterprise complies with the law and has ethical dealings with various institutions such as tax-authorities, regulatory agencies, labor unions, etc.
- The work of the enterprise provides a means for the inner growth of its members.

***Health and the Value of Life***

- Attention is given to the health and well being of every member of the business making provisions for people with special needs.
- Produces safe and environmentally friendly products and services.
- Throughout the life-cycle of the product or service, the enterprise promotes conservation of energy and resources.
- Working conditions suitable to the type of business are provided, such as, adequate ventilation, lighting, acceptable noise levels.
- Follow appropriate safety practices and respect the capabilities of every worker

***Harmony in the Working Environment***

- The enterprise applies management systems and organizational structures that foster teamwork and personal development.
- Members keep the surroundings of the business as clean and pleasant as possible, so that everyone (employers, employees, suppliers, and customers) feels "at home" and may embrace and spread the same style.
- The work environment is joyful and friendly; mutual respect, trust, and consideration prevail.

***Training and Education***

- Recognizing that the human person is at the centre of the enterprise, the business leaders create opportunities for continuous learning and updating to enable an individual to achieve personal and corporate objectives.

***Communications***

- The enterprise creates a climate, which fosters open and honest communications with opportunities for the exchange of thoughts and ideas between employees and managers.
- It employs modern means of communication and information technology.
- Businesses adhering to these principles remain linked at a local and international level to celebrate successes and to learn from failures.

## ***The Management***

- Business leaders create a vision, objectives, and plans for the enterprise together with all members and carry out their plans using modern, people-oriented management techniques.
- Within the enterprise, the members maintain an atmosphere of mutual respect, trust, and support for each other.
- They meet regularly to review the quality of the relationships, resolve difficult business situations together.
- The process of resolving these difficulties often has positive effects on the members of the enterprise leading to greater creativity, productivity, innovation, and maturity.

## ***Bangko Kabayan Inc.***

- The Ibaan Rural Bank Inc., established in 1957, was the forerunner of the present Bangko Kabayan Inc, a rural bank based in Batangas that has profited from micro-finance.
- Bangko Kabayan grew with the poor folks they financed and has expanded its operations into 12 branches, making Bangko Kabayan, the biggest rural bank in the region.
- BK's main line of business remains the provision of relevant financial services such as microfinance loans, small business loans, savings and current account services, remittance services, micro-insurance products and pensioner loans – for its rural clientele.

## ***Geographical Distribution of the Economy of Communion***

- There are over 750 business entities all over the world that conduct their operations according to the EoC paradigm.

Location	Number of companies	% of Total
Italy	246	32.3%
Western Europe (Note 1)	172	22.6%
Brazil	82	10.8%
Eastern Europe	60	7.9%
Central/Latin America (Note 2)	49	6.4%
Argentina	45	5.9%
North America	45	5.9%
Asia	36	4.7%
Australia	15	2.0%
Africa	9	1.2%
Middle East	2	0.3%
<b>TOTAL</b>	<b>761</b>	<b>100.0%</b>

## ***A Possible Paradigm of Bridging the Wealth Gap***

- The three parts of the EoC all contribute to reaching the point of “no one in need”.
  - *The first part* of the profit is for reducing poverty (indigence and deprivation)
  - *The second part* to form people in the “culture of giving”, which is the highest productivity investment against poverty, because it fights dependence.
    - Only when you start to care for someone else, do you really start to get out from the poverty trap.
  - *The third part* (the growth of the firm): to create new jobs is a very effective response to poverty.

*Thank you very much!*