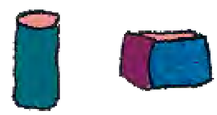
MANAGING THE COMMON GOOD

ANALYSIS

Geoffroy Lauvau
PhD in Politics

The current convergence between a political crisis and an economic crisis seems to be leading to an impasse in which social relations can no longer be forged for the common good. However, some indicators suggest there is cause for optimism about our collective capacity to become more aware of the issues and inspire us to work together for the common good. Contrary to popular prejudice, the business world could well be the springboard.



Thomas Piketty's book *Capital in the Twenty-First Century* is a surprising bestseller: over a thousand pages, written in arcane language and jam-packed with technical jargon, contradict many of the principles and procedures of contemporary capitalism, assuming we see capitalism as a model that generally relies on shareholder-led wealth management in the context of an increasingly financialised and dematerialised economy. The book joins the ranks of a more widespread critique of the 'Washington consensus', i.e. of the ultra-liberal turn that the global economy took in the 1980s, which became the core principle of the IMF's and World Bank's economic policies in the 1990s. The book's premise, backed by essays from other renowned economists such as Joseph Stiglitz and Amartya Sen, can be seen as a condemnation of the free market economy. This opens a chasm in the fundamental question of the direction of the economy, in other words the way that growth of inequalities weakens the social contract to the point of making it difficult for people with different standards of living to coexist in the same society. This difficulty is all the more pressing because of the decline of the welfare state and because discredited politics are prompting the resurgence of a worrying communitarianism (especially religious and sectarian) at the heart of modern secular society where the decline of religious belief sounds the death knell for traditional morality.

SOCIETY ON A QUEST FOR SOCIABILITY

It sometimes seems as if the notion of common good has fallen by the wayside, and that ultimately neither economic leaders nor society have an interest in improving things as this would not be beneficial to wealth production nor would it instil a climate of confidence in society. At the same time, and this is the assumption that underpins this article, perhaps it would not be so crazy to see in this need for meaning something more than coincidence and that we would all benefit by seizing the opportunity to build a bridge between the angst of an economy that has lost the certainty of wealth and the concerns of a society seeking sociability. This is no far-fetched assumption: if being able to provide for the common good is a fundamental issue for society in a world where this can no longer be done by the structures traditionally responsible for it (morality, the market and the state), why envisage common or shared responses to the tensions arising from the economy, morality and politics? This hypothesis is intuitively defendable because the progressive disconnection between the dynamics of production and wealth management and the construction of a social compact will only end up producing a society full of distrust, whereas the principle and thesis underpinning capitalist society are indelibly linked to the idea that political and economic freedoms can and must work in concert.

–>

THE DEVELOPMENT OF A COLLECTIVE ETHIC

Some pointers give rise to optimism about our collective capacity to become more aware of the problem and encourage us to work for the common good.

Firstly, the political and economic illusions that the state could manage the common good are a thing of the past: the collapse of communism and the end of a strictly Keynesian interventionist management of the economy show that it is no longer conceivable to make the state the judge and arbiter of social values and behaviours. In return, now that belief in the markets' ability to self-regulate and the fantasy of virtuous egotism have been discredited, people and institutions are starting to assume a duty of responsibility for their actions.

Alongside this, the development of a collective ethic, bolstered by a burgeoning ecological awareness and recognition of the perverse effects of growth in the context of globalisation, are forcing people to see that the earth is a planet they have to share and that managing the common good is now a necessity rather than a luxury.

Furthermore, in a 'postmodern' context, in which everyone's connection to their own wellbeing is no longer strictly consumerist and individuals are often seeking quality of life over quantity of money, nurturing the common good seems to be an emerging phenomenon for society in general and the business world in particular.

These three pointers (mistrust of the state and the market, awareness of a collective ethic, and the search for quality of life) have not gone unheeded. Efforts to make corporate social responsibility the norm are the visible face of a fundamental dynamic addressing the business world's connection with the common good.

"It seems as if the notion of common good has fallen by the wayside, and that ultimately neither economic leaders nor society have an interest in improving things."

Geoffroy Lauvau, *PhD in politics*

But a new way of promoting the common good cannot just involve labelling and ranking companies for their practices, especially if the effect of labelling is often only a PR device to cover up much less constructive operations.

If companies are now being asked to work for the common good, it is in the sense that they are profoundly human organisations whose environment has changed; this means that human resource management must take account of the fact that the corporate world is not only a place in which everyone can develop and flourish, but also a party that must play a key role in society.

MANAGING THE COMMON GOOD VERSUS MANAGEMENT OF THE COMMON GOOD

Two major themes could help enlighten the corporate path towards the common good.

On the one hand, beyond the play on words, managing the common good does not mean the same thing as management of the common good. "Management" denotes a static science, a theoretical top-down wisdom giving the boss of the company a patriarchal decision-making role. But as demand increases for ever-greater employee involvement in the strategic decisions of companies and perhaps even a greater share of responsibility for the company's actions among the various parties involved, there are now good reasons to challenge the idea of patriarchal management. "Managing" the common good has also become a key way for companies to stop thinking of themselves as strictly pyramid-shaped institutions, especially as decentralising their decision-making procedures can be economically beneficial (cf research by Marc Fleurbaey on corporate democratisation in his book C*apitalism or Democracy*). Managing requires the company to become aware of the good it can create in an environment.

This is how the German codetermination model works. It has been enshrined in law since 1951 and is considered to be one of the reasons for Germany's economic success. Analysing this model from today's standpoint is interesting because it provides an example of consensual governance where taking employees' views into account enables the company to be managed more flexibly and effectively. Research into new ways of managing offers a variety of examples. By analogy, and despite criticism that a company can renege on its model of governance, Google represents a pioneering company in new ways of working with its employees; for example, paying particular attention to employees' well-being (chill-out areas and an in-house game culture) and allowing them time and space to develop innovation potential (engineers can spend 20% of their time on personal research projects). You don't have to live in dreamland to see that businesses will be better able to build and manage a new narrative for the common good if employees can (re)forge a sense of wellbeing through their work.

A CHALLENGE FOR CORPORATE DEVELOPMENT

On the other hand, demands for social responsibility are forcing business to take a stance on society, especially as economic behaviour is being drastically altered to adopt collaborative economic practices. The paradigm shift that is evolving – reflected in in new ways of sharing (carpooling), consuming (Uber), recycling (circular economy), funding (KissKissBankBank) or selling (Airbnb) – is no longer a fringe phenomenon, and the need to manage a more multi-dimensional common good represents a challenge for corporate development. Managing the common good really needs to be taken almost at face value, i.e. to some extent sacrificing a personal good or relationship that competes with the common good. A company can then partially see itself as an organisation which manages common goods, and its role is to give everyone the means to access something shared. Managing the common good therefore represents a huge challenge for companies in global capitalist economies. ■

THE SHARING ECONOMY

The sharing economy is the term used for a peer-to-peer-based approach to sharing access to goods and services in contemporary capitalism. It covers the functional economy (sharing and recycling instead of exclusive ownership of goods and services), collaborative consumption (swapping, exchanging and sharing), peer production (producing jointly and encouraging collective access to products), collaborative lifestyles (living and working together), peer-to-peer financing (loans between individuals or crowd funding), and free culture (free access to cultural goods). Although these new approaches are a contrast to traditional ownership-based capitalism, they may reflect less of an ethical mindset where the market players suddenly become virtuous, than adjustments to the capitalism crises that are forcing individuals to alter their economic behaviour. This in itself makes engaging with the sharing economy more profitable. But it can have a moral dimension too if we see the sharing economy as a network economy backed by new technologies favouring ethical awareness, especially in the context of ecological threat.