



**Alterra
Impact
Finance**

Investing for
quality of life

‘The Positive Economy- Back to the Future: In search of universal values’

Lake Baikal

July 25th, 2017

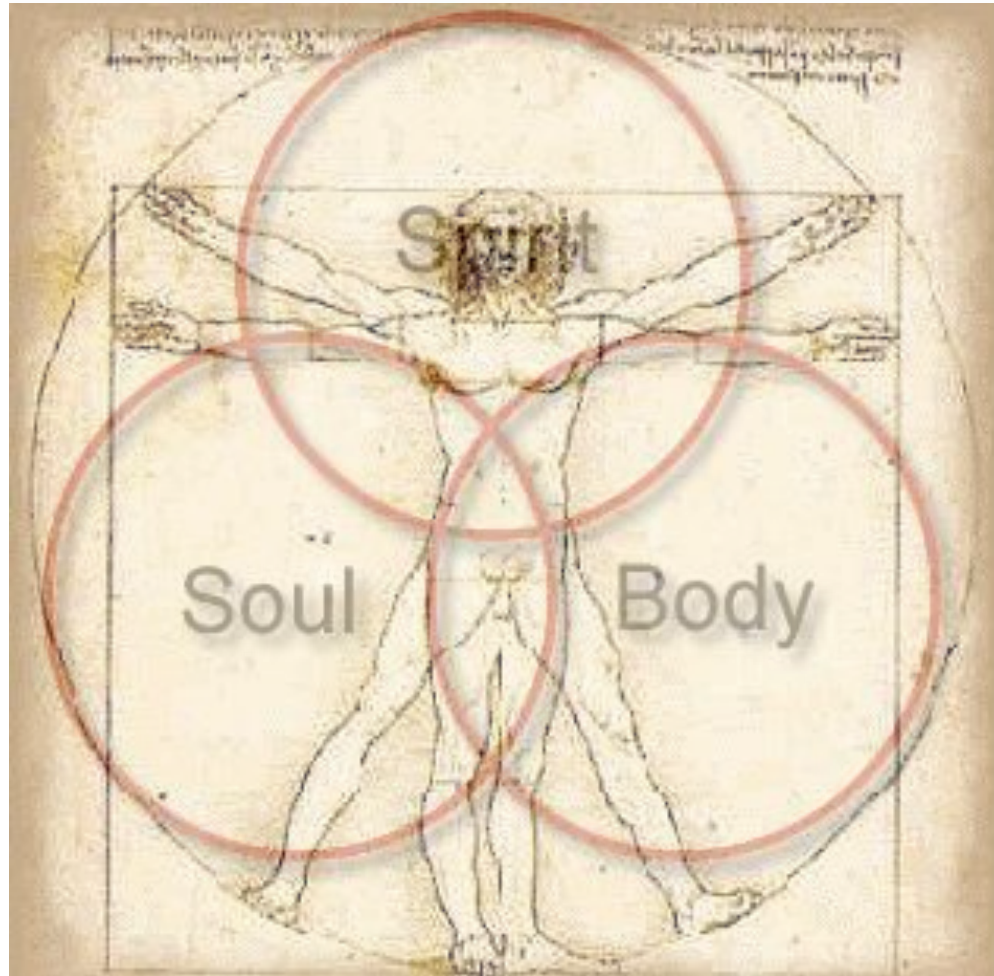
Cornelius Pietzner

1) What is the purpose of economy?

- To manage the “household”
- To maximize the well-being (happiness) of the greatest number of people in a society thru the management of resources and production of goods and services.



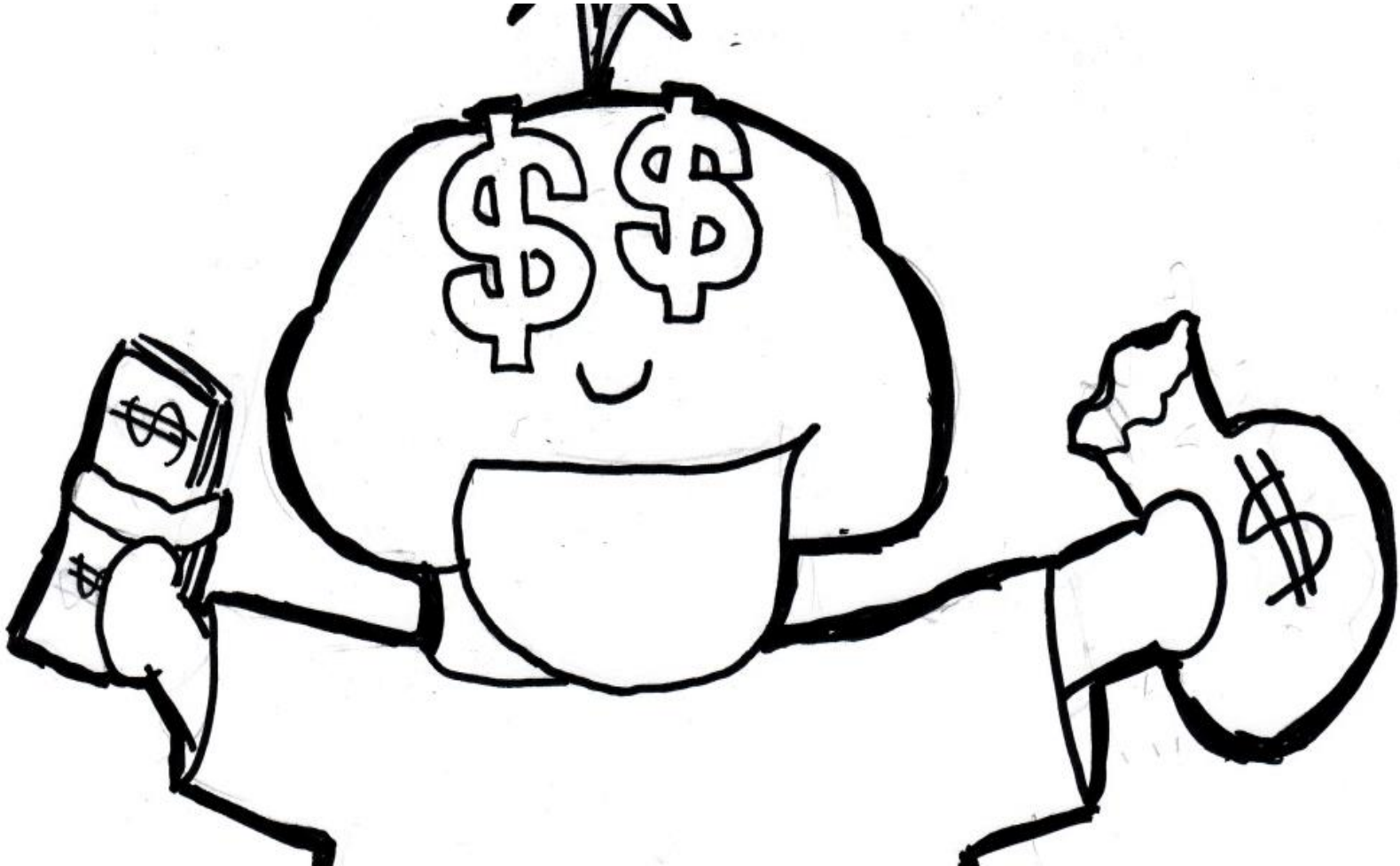
2) What is our view of the Human Being?



A human-centered economy



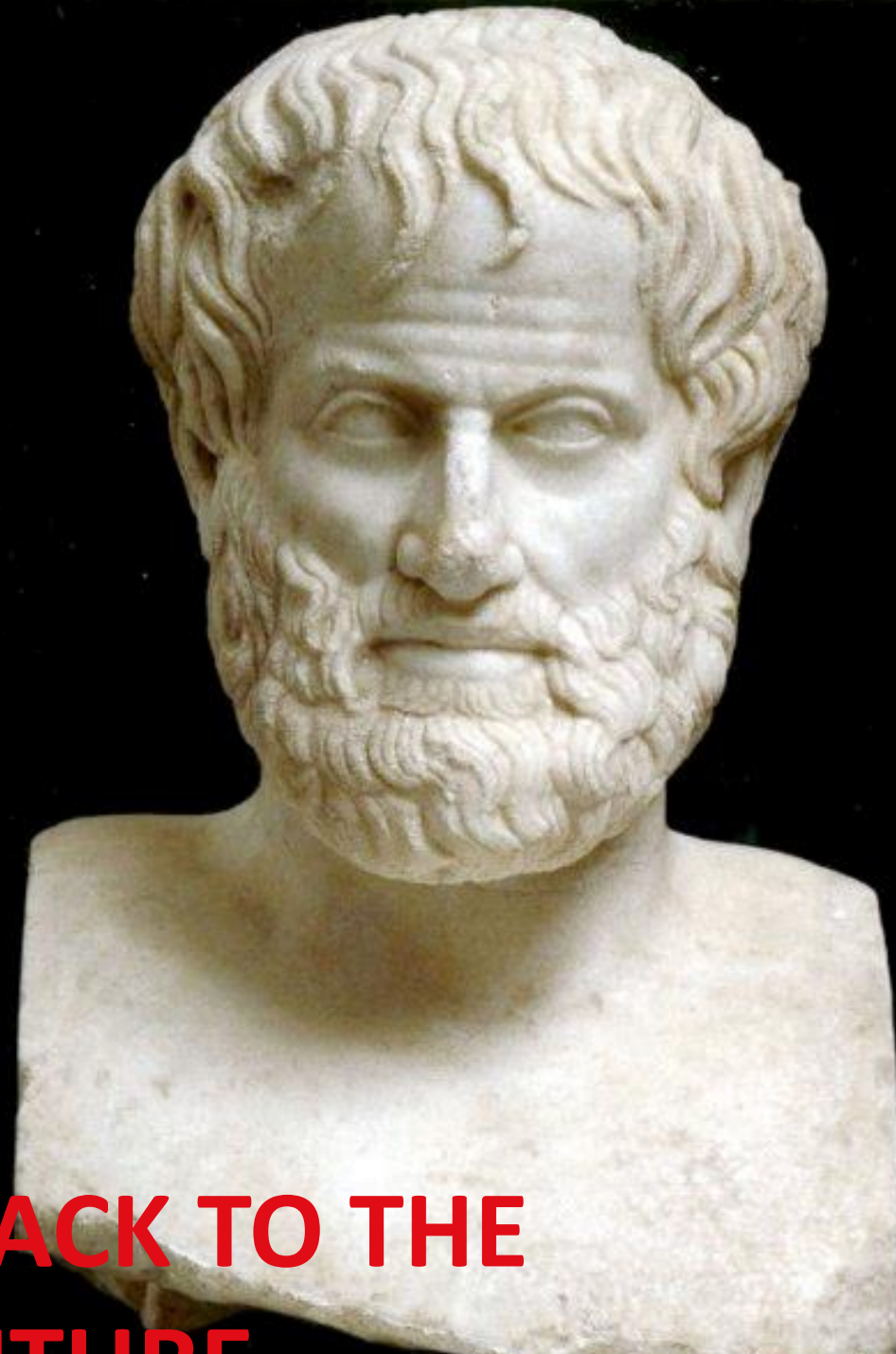
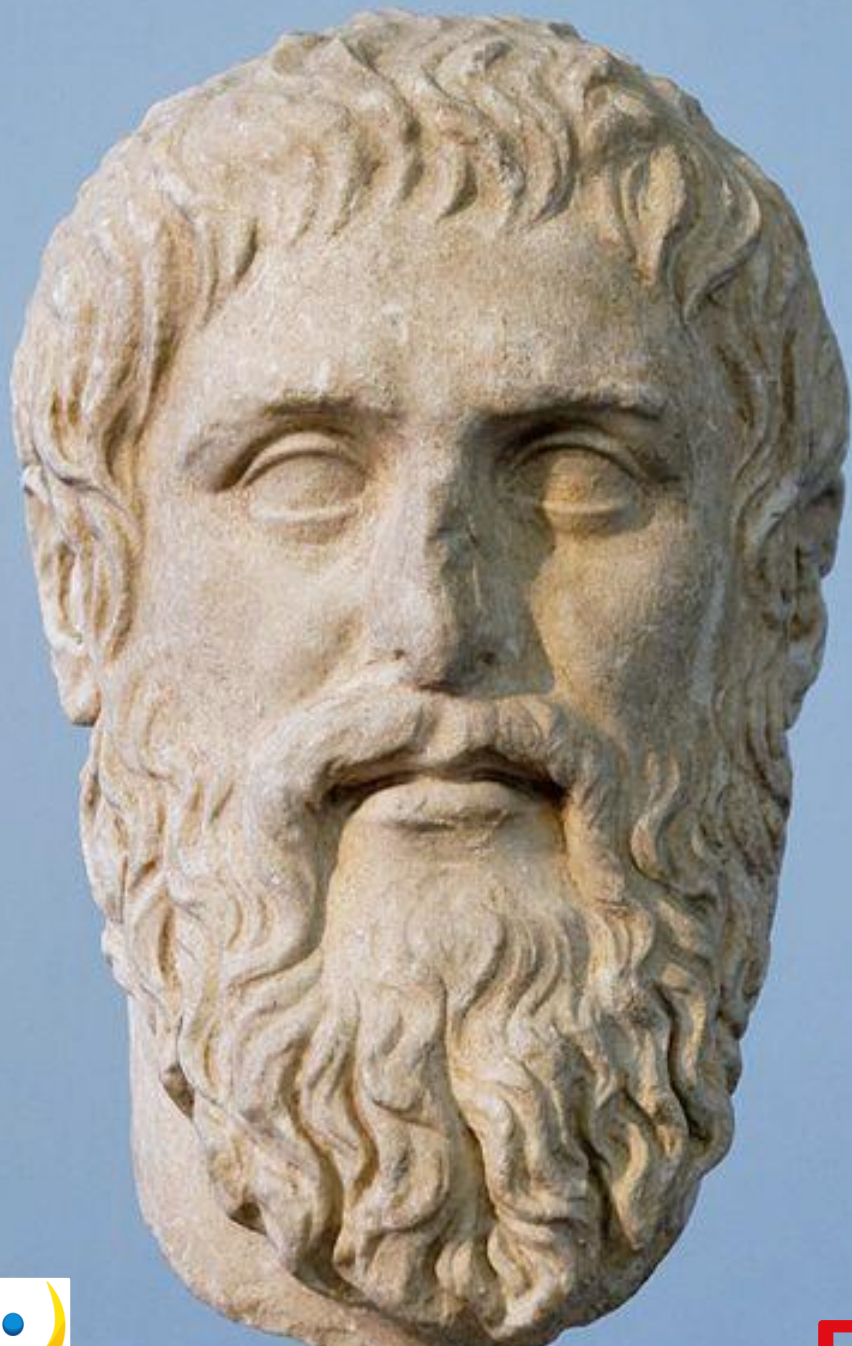
“Homo economicus”



Economic theory of late 19th century

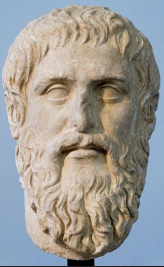
- ***Characteristics of the caricature:***
- Rational, acts according to **reason**
- Self-interested, **self-centered**
- Maximizes utility as **consumer**
- Behavior always **predictable**





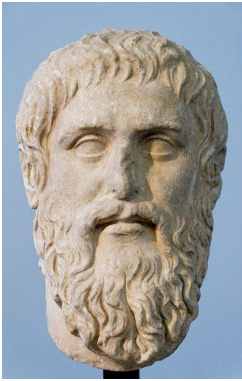
**BACK TO THE
FUTURE**





Four Platonic Virtues

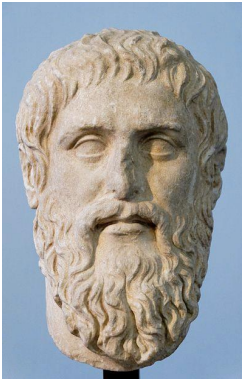




Temperance/Modesty

„enoughness“, restraint, right measure and proportion

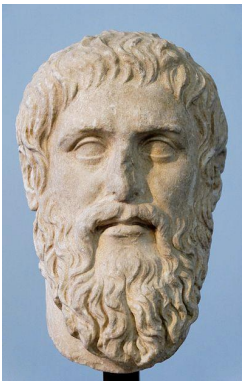




Courage/Fortitude

Stand up for your beliefs, be yourself

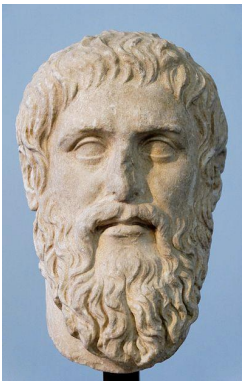




Wisdom/Judgement

Discernment/soul maturity, self-development, consciousness

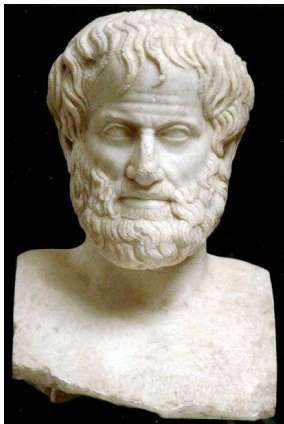




Justice & Rights

Global consciousness, fairness for all, sense for others



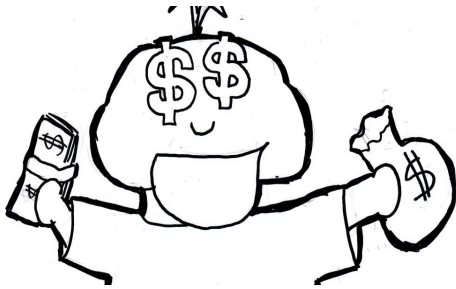


Aristotle

- Ethics are to be practised, as they ultimately lead to happiness, or....
- *'Eudaimonia'* - human flourishing or well-being

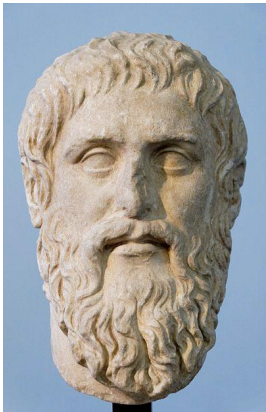
“We are not studying in order to know what virtue is, but to become good....”





- a) **consumerism**- production, growth, more, more!!!
- b) **predictability**- no development, no change, static
- c) **reason/rationality**- one-dimensional, linear, no soul
- d) **self-centered, selfishness**- our own interests above all else

Versus



- a) **Temperance**- modesty, reduced footprint, “enoughness”
- b) **Courage**- change of heart- act coherently, stand for beliefs
- c) **Wisdom**- knowledge becomes love, inner development
- d) **Justice**- sense for the other, the community, common good



Ethics in practice:

- **Temperance**- not consumerism
- **Courage**- not predictability
- **Wisdom**- not rationality
- **Justice**- not selfishness



“Values are the best single predictor of real behavior”

- **TEMPERANCE**- Self-regulation, appropriate use of resources, production (*organizational culture*)
- **COURAGE**- truthfulness, transparency, (*customer relations*)
- **WISDOM**-Whole process learning- seeing the world as interwoven, connected (*leadership*)
- **JUSTICE**--Fairness, empathy and compassion – (*stakeholders, supply chain, shared value*)



Change at 3 Levels

- **INDIVIDUAL** – personal ethics, awakening, choices not black & white
- **COMMUNITY**- Sharing economy, regional economy, common good, shared values, full-cost accounting, impact investing, ethical banking
- **NATIONAL/GLOBAL**- From GDP to GNH- well-being, collaborative commons etc. what is most important for most people





Tomas Sedlacek
Chief Macro-economic
strategist CSOB
Czech Republic

„Ethics forms the core of economics. It leads straight to the question of the good and right way of living. A market economy without morality is a zombie system“





“The focus of business should not be to cheat, exploit or deceive others, nor even to just generate profit. Business should also contribute to society at large. Thinking that cultivating concern for others means neglecting our own interests is a mistake.”

H.H 14th Dalai Lama



Cultural creatives

Cultural Creatives: How 50 Million People Are Changing the World P. Ray, S Anderson -pb 2000.

Blessed Unrest- Paul Hawkin- 2007

- Combine a serious focus on their spirituality with strong passion for social activism.
- Estimated 80–90 million "Cultural Creatives" in Europe as of 2000.
- And they still feel alone!



“To be awake is to be alive”

“The millions are awake enough for physical labor; but only one in a million is awake enough for effective intellectual exertion, only one in a hundred millions to a poetic or divine life.

To be awake is to be alive.”

Henry David Thoreau- Walden (1854)



Mind the Gap(s)

Coherence between inner values (ideals) and action:
Easier said than done!



“The dark night of the soul”



Spiritual Materialism (Chögyam Trungpa)

- McMindfulness
- Faster, better, cooler, mindfuller
- Instrumentalized and
- Ego-centered motivation
- Commodification of present moment



From Harmony....

- **What we know (head)**
- **What we feel (heart)**
- **What we do (hands)**



To Authenticity: Inside and Outside

(think)-- Conscience *-Coherence*

(feel) --Connection *-Communication*

(do)-- Commitment *-Complexity*



The Positive Economy.....

Healthy ingredients



The landscape....

Circular economy, Blue economy...Economy for a Common Good...Associative Economy... Collaborative Commons...Sharing economy... Gift economy... New economy... Caring economy... Circular economy... Solidarity economy... Sustainable economy... Regenerative Finance... Positive economy... Purpose economy...



(Some) elements...

- **True price, externalities-measurements**
- Structure and certification- B Corp, ECG
- Shared values (M Porter/M Kramer)
- Sharing economy- redistribution of assets (airbnb,uber etc)
- GABV-ethical banks-transparency/participation
- Socially Responsible Investments- asset management, impact investing (passive vs active)
- Crowdfunding- democratizing giving
- Social entrepreneurs- platforms, incubators, accellerators



Some more elements

- Account for **direct social and environmental implications (externalities)**, that is, the “true cost” of production and distribution, with integrated reporting
- It is as **resource-light** as possible
- It is **fair and just to supply chain/vendors, workers and stakeholders** up and down the value chain
- It **supports sustainability** (as fiduciary issue), and the real economy with a scepticism of “short-termism” and quarterly earnings reporting.
- It aims to **“do good”**, rather than “doing no harm”. It’s underlying motivations reflect this value.



Thank you!



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