

THE COMMONWEALTH ORGANIZATION

The Outcomes of Commonwealth Organization:

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Honors the Souls Longing for Beauty

Opening the soul to beauty demands a new common animal sense. Hillman moves the seat of the soul from the brain to the heart, where we can sense and imagine an aesthetic response to the world similar to what occurs when we are opened by beauty.

Thomas Moore tells us that “beauty arrests and lures the heart into profound imagination.’ Beauty seizes the soul. As Luis Borges says, “Beauty lies in waiting to ambush us.” In fact, the soul craves beauty and without it locks up too light. Beauty stops us cold, inviting our absorption and contemplation. Beauty is deep but not necessarily pretty. It can be found in the baby crying, the death of a friend, a sunset, or the turmoil of a love relationship.

Beauty is an aesthetic response. Beauty is everywhere and beauty is taken in through the five senses. We slow down to experience the pleasure of each nuance when we are arrested by beauty. When we take more pleasure, we have more beauty. For example, North Western Mutual Insurance Company created a program called the “Power of Quiet in the Work Place.” This created the necessary stillness to open its employees to being arrested by beauty in the workplace. This was an experience they had never known.

In the words of James Hillman, when we open the soul to beauty, we are “providing an antidote to violence.’ When arrested by beauty, we temper the speed and ascent of technology which constantly drives our lives. In noticing and expressing beauty, we counter the many disturbances in the souls of the buildings in which we work and the landscape that surrounds them. Remember, soul is the deep well of slow wisdom that is vital for sustaining the planet.

Creates a Sense of Place on the Landscape and Within the Community

The Commonwealth organization begins with basic questions: What does the community want? What time bombs are embedded in this community? What antibodies are lying in wait ready to heal this community? These questions shift our attention away from individuals and move us to becoming curious about the psyche of the world. For example, if we focus on rebuilding a city, we must ask the question that Robert Sardello poses: “What might be good for a city?” This requires us to become unconscious of ourselves and take the side of the city.

Terry Tempest Williams says it well: “A contact has been made and broken between human beings and the commons. A new contract is being drawn up by the women and those who have been left out. These are the people who understand that the fate of the earth is their own.” Here, Williams is caking for a declaration of interdependence.

Our communities require interdependence. The shadow we carry as a nation is seeping out in too many places. We can no longer stuff anything more in the gigantic shadow bag this country has created. We can no longer transcend by moving on to a better place. The rapidly rising “edge” cities are an ominous presence precisely because they turn their backs on our cities. Instead of entering the souls of our cities to revitalize them, developers have gone to fresh land to create cities that are closer to the suburbs. The cities represent problems and the suburbs a clean slate. Yet, it is the cities that hold the soul of the world to be released.

Robert Sardello invites us to see that the raw material for claiming the soul of the world lies in the materialism of America. He challenges us to befriend the real things that commerce produces for sale. By granting these things a life in our localities, we will begin the work of soul making. Soul making is the making of myth, our psyche.

Experiences Work as Craft to Produce Intelligent Products

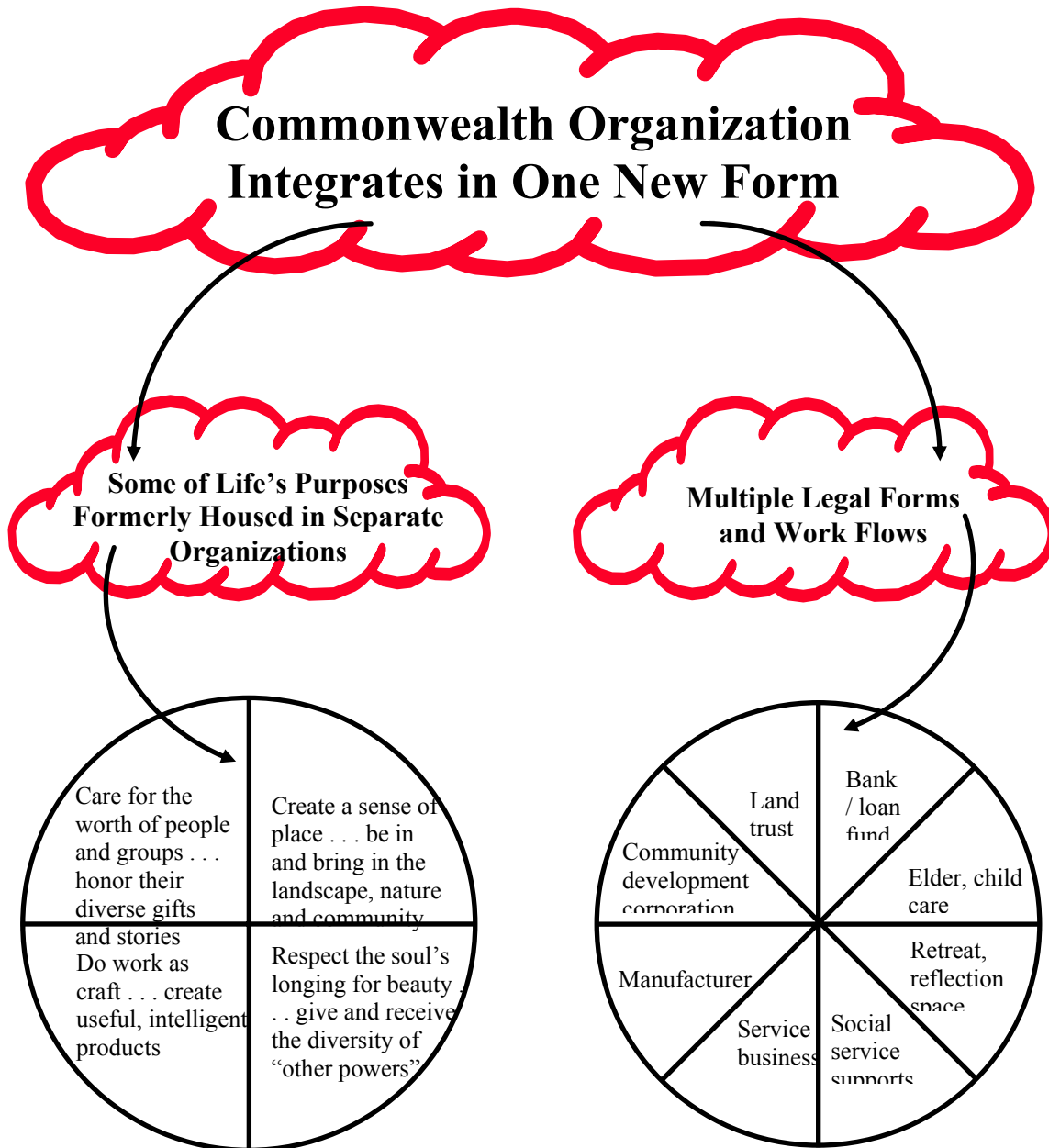
The Commonwealth organization works in the marketplace and creates employment for those who want to work. Its marketplace is one where enterprise and ecology interact to craft useful products that are sensitive to the natural environment. The work of Michael Braungart, as described in Paul Hawken’s declaration of sustainability, provides a new framework for manufacturing intelligent product. Braungart calls for three kinds of intelligent products: consumables, durables and unsaleables.

Consumables can be eaten or turned to dirt. “The waste of a consumable has to be someone else’s food.” Consumables are designed to decompose and not just be recycled. As a consumer, consumables are the only product you could freely purchase.

Durables are things like cars and televisions. These products would never be sold, but rather would be licensed to you, the consumer, by the manufacturer, who always owns the product and must take it back when you are done with it. Durables are designed for disassembly, like the new BMWs.

Unsaleables are toxins, heavy metals and chemicals. Unsaleables always belong to the original maker. When an unsaleable has no more use, it would be placed in a “secured parking lot” owned by a new kind of public utility where the product is stored in safe containers until it is benign. Moreover, the manufacturer pays rent for the storage.

Braungart and Hawken challenge us to radically alter the “how and what” of products we make and consume. A returnable BMW is only the beginning.



Integrates a Community of Work, Family and Diverge People

Today's workplace is loaded with messes. People are cut off from their families, are severed from the natural world, or they are out of work. The landscape of the workplace requires a radical renovation. It must become intimate and open to beauty. Natural light and the soul of buildings must seep into the workplace. Windows must open to let air in and allow the buildings to breathe. The work space requires flexible landscaping of furniture and divide so people can experience connectedness and move as a project evolves.

This workplace values people as an asset to be helped and honored. Their diverse stories are heard and form part of the whole mosaic. Workers learn how to learn and are supported in career choices. Flex-and part-time arrangements are the rule. People with varying backgrounds and skills are put to work. Training in work attitudes and skill building is part of the cultural norm of the workplace. The design of workplace draws out each person's contribution and fosters the value of cooperation and teamwork. Thus, the workplace blends rugged individualism (capitalism) with socialism (the yielding to the good of the whole).

The Commonwealth organization workplace values family and work equally by acknowledging children and elders as assets to be nurtured. Day care and elder care services are on-site. In effect, the Commonwealth organization's workplace is surrounded by a worker opportunity zone where all of the social, education, and human services are connected and co-located in -- or just next door to -- the workplace.

Bolder Methods of Accounting and Measuring: A Commonwealth Financial Statement

The Commonwealth organization redefines the scope and nature of what it accounts for and to whom. It would issue a financial statement on the common wealth of the locality. This statement would declare the standards to which the organization would be held. There would be a narrative audit against the standards and objectives, including the revelation of messes and violations. There would be truth and transparency in the narrative. It would account for five sources of capital to five stakeholders. It would issue a set of measurable indicators of well-being to report on business and common wealth results.

Declare the Standards Championed by the Organization

A standard of truth to the customer and provide an intelligent and reusable product.

A standard for a healthy, vibrant, productive workplace.

A standard to reduce the adverse impacts on our earth.

A standard of commitment as a corporate citizen within the local community.

A standard of transparency to all shareholders.

Issue a Narrative Audit of Progress Against the Standards and Objectives to Include Disclosure of Messes and Violations

Strive for truth and transparency in the narrative. The audit must be certified by outside auditors knowledgeable in the four areas of social responsibility: customer, workplace, community and nature. The audit also includes disclosures by all senior management and boards of directors (if in place) that describes their process of learning that results from expressing both success and violation of the standards.

Be Accountable to Five Stakeholders for the Use of Five Kinds of Capital

In granting the world its soul and in visualizing our role as stewards of well-being, capital is redefined, Capital is defined as the stock and flow of resources required to produce a product or deliver a service. For capital to do its work, it must flow and not be hoarded. Historically, business focused on financial capital and accounted to stockholders for its use. This produced the bottom line where all costs were either externalized -- becoming someone else's problem -- or minimized in order to produce maximum profit and a satisfactory shareholder return.

In contrast, the Commonwealth organization will issue, as part of the new financial statement, an integrated balance sheet of the commons that accounts for the use of five kinds of capital with five boom lines:

- ❖ human and intellectual capital -- the stock and use of a worker's brain and contributions
- ❖ social capital -- the use of talent, energy, and the good will of citizens and their communities
- ❖ natural capital--the stock and use of nature's abundance
- ❖ consumer capital--the stock and use buying power in the marketplace
- ❖ financial capital -- the stock and use of money

These five sources of capital become five business truths and not just the historical view of financial capital as the only truth. The Commonwealth organization uses five types of capital to generate its goods and services, thus it

must be accountable and account for all of it. The words *account* and *accountable* come from the same root. When one is accountable, one carries the weight of delivering on a commitment. One's feet are held to the fire by a higher authority for it. Accounting will become the measured use of all five kinds of capital.

As a steward of the soul of the world with five kinds of capital to be accountable for, the Commonwealth organization has five stakeholders:

- ❖ consumers for the use of their buying power and choices
- ❖ workers for the use of their human and intellectual capital
- ❖ shareholders for the use of their financial capital
- ❖ citizens for the use of their social capital
- ❖ nature for the use of her abundance

The Commonwealth organizing will report to all five stakeholders on change in the general welfare of humanity resulting from enterprise activity. No longer can the changes in the economic resources of shareholders be the sole measurement. The welfare of humanity becomes the well-being of the five stakeholders: consumers, workers, investors, citizens, and the natural world.

Go Public with an Integrated Set of Measures of the Business's Well Being in Relationship to Its Context the Commons

Measurement deals with the realm of the concrete, People pay attention to what is measured, Business yardsticks have to be expanded to account for the full use of human, ecological, and social capital.

Historically, business has viewed efficiency as the only yardstick. As James Hillman describes it, efficiency "is the push to remove all friction in a system in order to maximize profit." Hillman further points out that "business doesn't look down the line and doesn't allow feelings or frictions (like a respect for nature) into the economic system because such pauses reduce efficiency."

Hillman goes on to point out (the failure of business to heed the interdependence of Aristotle's four causes:

- Material cause-- that out of which something is made
- Efficient cause -- that by which something is made

- Formal cause -- that into which something is made (the idea in mind)
- Final cause -- that for the sake of which something is made (the purpose. or the end in view)

Singling out efficiency has made it the ultimate and only cause. Thus, costs are externalized from the business and become the burden of someone else or the earth. In not honoring the material, or the idea and the purpose of the product, business has forsaken its social responsibility and its duty to the earth and to people. The added friction of working with the four causes slows things down and allows soul to enter.

Since the 1940s in the U.S., we have been prisoners of the Gross National Product (GNP) as the only measure of success for business and society. GNP assumes that natural resources are of infinite supply and that growth is good and unlimited, prizing efficiency at all costs. As E.F. Schumacher has told us, the world is in an era of limits. The new call is sustainment. Measurement must now fully integrate Aristotle's four causes. For these broader purposes, which are the essence of the Commonwealth organization's reason for being, the GNP is an obsolete indicator. To accelerate the obsolescence of the GNP, the Commonwealth organization will issue indicators of wellbeing in each of its communities.

In the U.S., communities such as St. Petersburg and Minneapolis have agreed on what is vital to sustain their collective future. These communities have identified 30 to 40 key indicators to measure their well-being. Some examples include:

Environment . . . tons per capita of solid waste

Education . . . literacy rate

Economy . . . affordability of single family home

Social . . . percentage of children living in poverty

Safety . . . average fire call response lime in minutes

Health . . . packs of cigarettes sold per capita

Culture . . . percent of total population that gardens

Community Involvement . . . percentage of citizens voting in elections

Transportation . . . average weekday bus or train ridership per 1000 population
(the higher the better)

In these communities, businesses are measuring their economic performance and valuation against measures of community well-being. For example, using a sustainment indicator to account for ecological concerns: if the business dumps waste, the value of the business decreases because the indicator in that community for ecological balance increases.

Measuring the well-being of the commons requires a business to properly (real the waste or, in environmentalist terms, close the manufacturing loop. For example, VeryFine, a maker of natural fruit juices in the U.S., has re-engineered its manufacturing process to recycle 95% of the waste produced. VeryFine made the earth its customer. Yes, there is a cost, but the cost is now viewed as a valued contribution to the well-being of the earth, or an asset, and not an expense which reduced the traditional bottom line.

Distributes a Balance Sheet for the Well-Being of the Common Wealth

The “Well-Being of the Commons Balance Sheet” with five bottom lines becomes the tool for reporting on the general welfare of the five stakeholders and the use of the five sources of capital. A conventional, single bottom line balance sheet is a maximization of present value (profit + financial capital), while what is required is reporting on the maximization of the future value of the common wealth to subsequent generations. This requires the Commonwealth organization to internalize costs and demonstrate how the internalization of costs adds value to the planet and the well-being of all.

1. Intellectual accounting is determining the value of the workers and their know-how to the business as human and intellectual assets. Business has entered the age where know-how innovation and core competence are the competitive advantage. As Peter Drucker would say: “We now employ knowledge workers whose abilities and brains are critical to creating product and service.” (Keep in mind under present accounting practices, an employee is a cost, taking away from the profit.)

Dr. Nabil Elias of Canada has shaken the ground with his view of people as assets in the workplace. From an accounting perspective, he defines people “as the means by which other resources are given utility; people provide the ideas, concepts and constructs to coordinate the financial and physical resources.” Elias’s core principle in the practice of intellectual accounting is to establish the added value of the worker and his or her worth as an asset.

2. Social accounting is determining the value of contributions, including volunteering and education in the community. In the Well-Being of the Commons Balance Sheet, these social deeds are not costs but assets.

3. Environmental accounting is acknowledging the full cost of the use of resources in producing goods or services from the extraction of raw materials,

the manufacturing process, marketing strategies, the disposal of waste, and finally what it takes to reinstate the environment to wholeness.

For example, BSO/Origin, located in the Netherlands, details in its annual report its impact on the natural world. A baseline of livability is set in the community. BSO is after a net value extracted by subtracting the environmental expenditures from the cost of environmental impacts. BSO then calculates all of its direct and indirect environmental impacts and costs against the base line of livability. It goes upstream and downstream to assess its impact. As radical as this method is for our time, it is still not yet complete.

4. Consumer accounting is determining the strength of a truthful franchise in the marketplace.

5. Profit ... enough is known about how to account for this factor.



human and intellectual capital	workers	know-how, brain use, soul	core competence
social capital	citizens	good will, energy of community	well-being of community
natural capital	nature	abundance, raw materials	sustainment
consumer capital	customer	buying power	strength of truth- full franchise in marketplace
financial capital	shareholder	money	profit



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