



REGENERATIVE WORK

NOW Partners

For the Vatican's Dicastery of Integral Human Development

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**Can we make
work
truly enoble
humankind ?**

PROVOCATION

Rethink, Reimagine, Reinvent work to serve people.

‘Work is worship’, ‘Work is sacred’, ‘Work is community’ are different aspirational statements about what Good Work means. <https://www.lancaster.ac.uk/work-foundation/>. How work and labour are perceived and valued can bring alive spiritual values of compassion, respect, trust, service to humanity, nobility of human beings. Work can profit oneself and bring sustenance but also profit others. Companies, ie places of work, can aim for a dynamic coherence between material needs and spiritual aspirations.



The heart of this provocation is the double proposition that a human-centred workplace, where human beings are the heart of any organised enterprise, is both the best vehicle for integral human development AND the most productive and economically valuable business practice.

B Corps are one example of seeing work and the relationship with labour as an integral part of their business model, as encapsulated by the ‘Best FOR the World’ metaphor.

To certify as a B Corp, a company shows how it nourishes each of five verticals:

1. The transparency and justice of their internal governance,
2. The positive impact on the communities that surround them,
3. A sustainable, ideally regenerative, impact on the environment,
4. Caring for the human being,
5. Creating mutualistic relationships and positive impact on suppliers.

A human-centred workplace, as shown by the German Apprentice System, for example, also demonstrates that **personal and professional development are the sides of the same coin**, ie in business as community, the human being is best developed through work. At a time of great angst about the future of work in the age of AI, propagating this principle of integrated personal and professional development is key.

We would do well to heed the words of Jill Ader, chairwoman at Egon Zehnder, who recently spoke to her 600 or so partners about ‘creating caring workplaces’ in all the companies where her firms places executives. Caring workplaces are the expression of a human-centred culture which the likes of Egon Zehnder are fortunately propagating around the world.



EXECUTIVE SUMMARY

How Danone, the global food multinational, is responding to the Covid-19 crisis has been extensively written in the Financial Times, <https://www.ft.com/content/e8245a0a-773d-4666-9c44-132bd21c88f1>. Danone has espoused “responsible capitalism” since 1968 when its then-CEO laid out a dual commitment to business and social progress. Together with other ***progressive firms around the world are highlighting what business at its best can do, to innovate, create, invent solutions to the crisis***, many of which hinge on, or engage, the people working in these firms. Once the ink will dry on the Covid-19 crisis, we will have exposed the ingenuity, inventiveness, resilience, acumen of business, where so much of society’s innovations emerge from. This paper highlights some of the most far-sighted work- and labour-related approaches, strategies and practices used by firms, think-tanks and social enterprises. The document distils these and ends with our own suggestions for the Dicastery.

Best-for-the-world work

The B Corp Movement and its ‘Best-for-the-World’ annual competition selects, highlights and encourages the best work-focused innovations. Hundreds of concrete examples are generated every year, many potentially scalable elsewhere in the world.

Basic Income Guarantee & Shared Ownership

Both a negative income tax idea, where workers at the lowest levels actually receive a payment for the shortfall in their earnings, as well as a widening of ownership in companies such as cooperatives, B Corps and others are described.

Investing in People

Going beyond the slogan of ‘Our People are our Best Assets’, how can we follow the examples of ‘Great Places to Work’, ‘Investors in People’ and others ?

The Future of Work

‘Everyone an entrepreneur’, including a social entrepreneur, is a practical and rapid solution to widen the inventiveness that most people naturally have, unleashing a huge potential for all.

Next Generation Institutions

From new roles for trade unions as developers of entrepreneurs and investors in workers’ own companies to an extended role for the Dicastery in potentially acting as inspiration to the ILO and B Corps are envisaged and explained.

1. 'Best for the World' work

The B Corp and Benefit Corporation Movement, 10,000 companies strong, issues *an annual ranking of the 'Best for the World' firms*. Work / Workers are one of the five determining criteria. Highlights of the top-ranking firms follows, illustrating perspectives, principles, practices worthy of 'good work'. The Workers section of the B Impact Assessment assesses the company's relationship with its workforce. It measures how the company treats its workers through compensation, benefits, training and ownership opportunities provided to workers. The category also focuses on the overall work environment within the company by assessing management/worker communication, job flexibility, corporate culture, and worker health and safety practices. See <https://bthechange.com>.



Open Hiring: Greyston Bakery, USA: Greyston's mission is to create thriving communities through the practice and promotion of Open Hiring™. The company has hired every one of their bakers without interviews, resumes, background checks or applications since 1982.



Financial security: Rhino Foods, Patagonia, AllBirds USA, to name three B Corps, have committed to paying their employees even when stores are closed. Rhino Foods's **Income Advance**, a program that Rhino launched 12 years ago with a local credit union to help employees weather short-term financial challenges. If the employee has an unexpected or emergency need for up to \$1000. Danone, the French multinational, has committed to retain all employees on full pay until at least June 2020 and intends to be back in full business then. Additionally, it has created a €250 M fund to support suppliers, most of whom are farmers and small businesses, who can receive sales' proceeds within 14 days of shipment.

Living Wages: Cook Food, UK, with nearly 100 stores supplying gourmet frozen meals, is one of the top employers in the country. They have numerous programs to support and honour their workers, such as paying a Living Wage, Caring Hands, Community Discounts, Dream Academy, etc. See www.cookfood.net.



Basic Benefits for all workers: going above and beyond the payment of a minimum wage, above-the-law medical policies, profit sharing, collective governance.

Hiring single women and 'women in need': Crêpes and Waffles, South America, a 40-year old chain of restaurants and cafés in Colombia, Chile, Ecuador, Spain, Mexico, Peru, Brazil, etc.

Pay on time: receiving payments just two weeks late could mean not having cash to pay rent / buy food etc. This brings the majority of workers closer to the risk of entering into a credit card debt and those interest rates on debt can trap them into a vicious cycle of indebtedness.

Diversity & Inclusion: race, gender, nationality, status, health are all factors that companies can discriminate against. Ben & Jerry's and Sundial Brands, both Unilever subsidiaries, have made diversity and inclusion hallmarks of all they do. Sundial Brands was launched to produce and supply cosmetics for dark-skinned customers, which other companies had neglected. Chobani, the famous yogurt company, has achieved a near record in hiring over 30% of its workforce from legally settled refugees and immigrants.

Chobani

Purposeful & Dignified work: Dignitá, a chain of restaurants in Amsterdam, the Netherlands, was launched a few years ago to provide great food and jobs for those at the margin of society.



Banks and financial institutions offering emerging credit: here are some of most effective ways in which the best banks and financial institutions are avoiding the worst outcome of all: letting a business go bankrupt. The cost to the investment community of not receiving income over a short time is much lower than the cost of seeing a loan turning into a bad debt due to the company going bankrupt.

- . freezing office mortgage or rent payments for a definite period of time,
- . freezing loan repayments temporarily,
- . paying any unemployment benefit on time,
- . creating liquidity for companies, (Caixa Bank in Spain, for example, created 25 million euros in pre-granted loans.

natura & co

Honouring the whole human value chain: By integrating AVON, The Body Shop and Aesop, Brazil's Natura created the world's fourth largest beauty group on the solid foundation of deeply regenerative values of humanity and sustainability. Natura's sources large quantities of ingredients from indigenous communities in the Amazon with who it collaborates in respectful and mutually enhancing ways. Natura's products are distributed by 1,5 million direct distributors - mostly women who became micro entrepreneurs empowered by professional training and personal development and other supports. They feel pride to distribute more sustainable products. They model to their daughters and many more millions in their communities that women can be as or even more successful than men. Their communications point to the fact that there are many ways to be beautiful and that beauty comes also from within. Besides contributing positive examples to the global business movements for better working conditions, Natura & Co's is committed to enable living income not only for its employees but also for its distributors whom its strives to support to live a life of purpose and positive impact. <https://www.naturabrasil.com>.

Sharing resources, ideas and connections with the wider society

This can be done in the form of a hackathon: for example B Corps (the world's largest alliance of positive impact oriented companies) coordinated in Switzerland this #VersusVirus coming together of human beings to address current and future issues of COVID-19. Originally 3,000 people registered and in the end over 5,000 individuals from the Geneva region came together and creating 189 solutions in just 5 days. <https://blogs.letemps.ch/jonathan-normand/2020/04/02/lintelligence-collective-suisse-pour-trouver-des-solutions-face-au-covid-19/>. B Corps in Spain have produced this video about their actions, in Spanish: <https://www.youtube.com/watch?v=Vgkw6ZWua5w&feature=youtu.be>. B Corps in Brazil have creates a dedicated web-site highlighting their response: <http://interdependence-20.mystrikingly.com>.

<https://bthechange.com/putting-workers-first-a-roundup-of-employee-focused-practices-and-business-models-a1fcb770deca>

2. Basic Income Guarantee & Shared Ownership

What kind of society neglects to ensure the basic living conditions for all its citizens ?

'Life chances', as Ralf Dahrendorf called the hallmarks of a decent society, included the opportunity to earn an income. The Covid-19 crisis is reviving the idea of a universal basic income which has circulated as early as the 18th century in the UK and certainly earlier in 'basic communities. Rutger Bregman, author of 'Utopia for Realists', has elaborated extensively on UBI. His slogan 'Poverty isn't a lack of character, it's a lack of cash', has caught the world's attention. His suggestion is to start with a basic income guarantee, or as the economists call it, a **negative income tax**. Think of it as building a massive floor underneath the economy. Anyone who falls below the poverty line, employed or not, is lifted back to security, no conditions attached. Protection against poverty would be a right, not a privilege. Meanwhile, working would always pay off, because above the poverty line, basic income would be stepped down incrementally, instead of cut off.

Shared-ownership, exemplified by the Cooperatives' Movement, or employee-owned enterprises, practiced by a number of B Corps, is a step in the same direction of wider accessibility to economic resources, and thus livelihood. In a recent report, 'The best of the best' (<https://medium.com/fifty-by-fifty/mission-led-employee-owned-firms-the-best-of-the-best-4e738f0ad610>), Fifty by Fifty has shown that these companies significantly outperform conventionally owned firms in overall environmental and social impact. **Ownership design is a lever for change**, the report concluded. Particularly, mission-driven, employee-owned firms, offer a real alternative to investor-owned, publicly traded companies designed for an earlier era of 19th century industrialization. Quoting from the report: "The employee-owned B/benefit corporation is an enterprise design that demonstrates how business can become a powerful force for good. Employee ownership is a mechanism for building shared prosperity and rewarding those who help create wealth. When combined with a deep social and ecological mission, employee ownership protects that mission over the long term; this structure provides founders and family a way to preserve their legacy by selling to employees rather than to financial interests, which too often leads to loss of local jobs and diminishment of social mission".

Brazil has already implemented a kind of basic income, Bolsa Familia. European social market democracies have *de facto* basic incomes as key services are for free or very low cost, incl healthcare and education, which are high costs in the US and many countries around the world. I strongly disagree with Yang suggestion to give every (middle and upper class American \$100) There is no point of the state paying 330 million people \$1000 a month. It is better to concentrate a larger amount on people who have a low or no income. However, this can become a disincentive to work and create the negative side of a welfare state. So how can this money become an 'investment' rather than a charity - an investment in learning as training and education vouchers, a capital injection into micro enterprises or other contributions that are entrepreneurial rather than purely consumptive ? The micro finance and social entrepreneurship movements offer many examples of how to efficiently manage such investments.

3. Investing in People

From ESG to EESG: adding Employees to Environmental, Social and Governance factors.

Among investors, mainly impact investors, ESG factors determine the attractiveness of their investments, with those companies scoring higher being the most attractive. Of late, ESG has evolved into ESGE, to specifically include employees, working people. Jane Randel of Karp Randel produced a report, <https://karprandel.com/2019/12/eesg-putting-employees-first>, on 'Putting Employees First', a welcome addition. In it, Randel stresses not only the addition of employees in the investors' decision-making process, but actually placing them first. The concept is simple: employees must be at the heart of a company's priorities. Judge Leo Strine put it best: "We need a new system that supports sustainable and fair wealth creation within a system of enlightened capitalism. It should align the interests of institutional investors and corporations with those of the workers whose capital they control."

Judge Strine has written an insightful article in the FT (27.3.2020) 'Remembering what comes first is more important than ever', <https://www.ft.com/content/9ee6d82e-6fc2-11ea-89df-41bea055720b>, in which he stresses that corporations are allowed to exist by law to honour society's and people's natural expectations to pursue the interests of stakeholders and, when required as is today, to help alleviate a national crisis. Corporations' obligations to its workers, contractors and other service providers come first, investors second.

Investors in People, <https://www.investorsinpeople.com>, a long-established UK agency dedicated to make work better, has pursued a progressive agenda promoting 'good work'. This ranges from continuous improvement to employee recognition, health and wellbeing to training and professional development, gender discrimination to stress at work, mental health to accountability. Their example has been inspirational to several other countries that have set up similar agencies.

Great Places to Work, <https://www.greatplacetowork.com>, is a certification firm whose mission is ***'to build a better world by helping organizations become a great place for all to work'***. At its core, a great workplace is about the level of trust that employees experience in their leaders, the level of pride they have in their jobs, and the extent to which they enjoy their colleagues.

Apprenticeship Systems: Germany has led the world in developing one of the most sophisticated schemes to train employees both professionally and personally. 'Dual Training', as it's called, implies on-the-job learning and classroom instruction at a vocational school. The theory prospective employees learn in class is reinforced by the practice at work. Prospects also learn work habits and responsibility and, if all goes well, absorb the culture of the company. Trainees are paid for their time, including in class. The arrangement lasts for two to four years, depending on the sector. Overall, the system has ensured deep respect for workers, their human development, their capacity to find work and thus earn an income, their competences and has generally led to some of the highest employment rates in the world. <https://www.apprenticeship-toolbox.eu/germany/apprenticeship-system-in-germany/143-apprenticeship-system-in-germany>.

4. The Future of Work & Next Generation Institutions

Looking forward to the next decade, the agenda for **regenerative work** can seem double-edged: on the one hand, the rapidly-evolving impact of AI, software and robotics with its disruptive force on jobs, security and potential unemployment consequences for low-skilled workers and, on the other, the huge potential in terms of productivity, intelligence, capacity-building for a new economy. ~Add to these two aspects the post-Covid 19 effect on home-based work, new collaborative technologies, potential changes in consumption and the permutation of unexpected scenarios becomes challenging to measure.

Everyone an entrepreneur, a social entrepreneur and at least an intrapreneur: the proliferation of start-ups and new businesses globally, added to the three forces of tech, new capacity and network organisations, points to the opportunity of transforming vocational training and professional development for all to a more entrepreneurial mind- and practice-set. Entire nations, such as Singapore, already see themselves as nations of entrepreneurs, and more will.

NFTE, the Network for Teaching Entrepreneurship, www.nfte.com, is saying precisely this: ‘In the face of COVID-19, we all need to be creative, flexible and adaptable—in a word, entrepreneurial. Now, more than ever, our youth need learning to continue so they're not left behind when the recovery comes’. NFTE focuses on teaching entrepreneurial skills to those in society who need it most, often people who have fallen behind or become marginalised. For over 25 years, NFTE has led the way with its educational programs globally.

Extending the role of trade unions: to be ready for the new scenarios, labour unions can become truly disruptive and consider adopting some of the programs NFTE has pioneered, as well as others, which have the power to nurture the entrepreneurial mind- and practice-set for hundreds of millions of people who would otherwise have expected a more traditional employment career in someone's else firm. Tech platforms, such as Café de Colombia and Lyft, are capable of organizing large numbers of producers into a modern-age cooperative where everyone can participate as a powerful member. Even creating unions' investment funds to launch start-ups and new businesses ought to be placed on the agenda.

Globally, the ILO could partner with B Corps and other progressive business networks. Together, innovative solutions could be found. Given the role of the ILO in the creation of the UN Global Compact and B Lab's own SDG Action Manager, adopting the use of this tool for wider distribution through the ILO channels could reach millions of businesses.



International
Labour
Organization

Actions for the Dicastery

The key recommendation we offer is **to perceive and recognise business, at least progressive, forward-looking, business as a key answer to regenerative work**, as follows:

- 1. Business is a collective term for all kind of enterprises**, from technology firms such as Google to family firms, from social enterprises such as micro-finance providers to cooperatives and new forms that are emerging at present. As Ludwig von Mises wrote in 'Human Action', the true power of humanity is in its inventiveness, creativity, ingenuity where the natural order of men and women forming all kinds of collaborative enterprises leads to the greatest possible wellbeing. Tapping the innovation emerging from these enterprises for the benefit of all working people will lead to exceptional results. It has not been done yet. We propose an **Enterprise & Work Innovation Lab** emerging from this series of Vatican papers, which some of the participating organisations, and others to be invited, can launch.
- 2. Promoting the idea of a Basic Income Guarantee and wider share-ownership of companies.** As discussed in chapter 2. A next generation economist, such as Rutger Bregman, could be engaged in editing a fuller paper on this key theme.
- 3. Partnership between ILO and B Corps, Benefit Corporations** and other progressive business networks. As explained in the last chapter, there is a potential inflection point for such a collaboration, where the Vatican Disaster could have a founding role, thus accelerating the necessary collaboration between public and private sectors.