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A Balance Sheet in Support of a More Sustainable Economy

Economics for Transition

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Masters Dissertation: In what ways can the CGBS be a catalyst for the transition to a more sustainable economy both for people and the planet?

Abstract

This dissertation examines a new tool in the field of sustainable reporting called the Common Good Balance Sheet (CGBS).

The four main findings which arise from the field work point to: the CGBS being an educational tool; the differences and improvements between it and another mainstream sustainable reporting tool called the MI; a spectrum on which the two are on and can be used for adapting the tool for implementation in different countries; the challenge of implementing the tool only in one country.

This work concludes that the CGBS presents many ways in which it can be a catalyst for a transition to a more sustainable economy and presents some avenues for it.

Acknowledgement

A number of people have helped me to breathe life into this dissertation. To all the participants in this research who generously gave their time, experience and thoughts. Jonathan, my supervisor, who has always shared, at an eye level, his insights, opinions and remarks with elegance, experience and intelligence and never held them back no matter how challenging they were. The loving Schumacher community, it has been a truly life changing experience, thank you for walking with me. To my dear teachers in the E4T, especially Tim, Julie and Della, thank you for expanding my inner and outer horizons. To my parents, who have always supported me in being true to myself; you are my home where ever I am. Anati, my dear partner in life, you are every bit of that and so much more – I'm blessed to be your companion in this life; let's change this world for the better!

Table of Content

Tables and Figures

Introduction

Foreword

Our predicament today is a complex one. On the one hand through the advancement of science and technology we seem to have managed to confront the major problems which have accompanied human existence from the beginning: famine, war and disease (Harari, 2014). The so called developed world, is filled with comfort and opportunities for communication, knowledge traveling and culture which a hundred years ago would have been a distant dream. Yet life on either side of the "haves" and "have-nots" doesn't seem to be getting better (Harari, 2014).

Soon we will be reaching the time foreseen by Keynes, in his famous, "economic prospects for our grandchildren", in which he foresaw people having mostly leisure time, due to advancements in automation and technology – but this vision is far from being realized. The OECD, 'Better Life Index' (2015) shows that today people are working more hours and are much more stressed in relation to making enough money to maintain the standard of living, which they have grown accustomed too, and which is supposedly deeply connected to their quality of life and well being. As Jackson (2009) put it: "…People are persuaded to spend money we don't have, on things we don't need, to create impressions that won't last, on people we don't care about…"

Moreover these processes (advancements in technology) have come at a great cost to society and the planet. We are on the verge of an ecological catastrophe – passing 3 out of 9 planetary boundaries is one of its most obvious indicators (Harding, 2016). Sadly we are caught in a world view and a system which many people see as the only option (Felber, 2016). We are left helpless without any idea for changing course and improving our lives.

Dissertation structure

This dissertation examines the 'Common Good Balance Sheet' (CGBS)[1], one out of many tools and options being suggested in the efforts to transition to a more sustainable economy, which could be a means for a more sustainable world. The inquiry for this dissertation is:

In what ways can the CGBS be a catalyst for the transition to a more sustainable economy both for people and the planet?

The dissertation starts with a theory which tries to explain the root causes of the problems we are facing in the world today. It articulates the need to connect and realign the interests and goals of businesses and organizations to that of society and the environment. This sets the grounds for 3 core issues which will be covered in the literature review: 1. Corporate Social Responsibility, and its accompanying tool of sustainable reporting; 2. The Common Good Balance Sheet – a new tool in the making, which strives to correct the downfalls of all that preceded it, and present a stepping stone towards a more sustainable economy; 3. A more sustainable economy – what does it mean and how might it look like. The methodology section will follow, and will detail the ways with which I chose to answer my inquiry using action research as a central framework. Following the methodology, the main findings of the field work will be presented – the themes and insights arising from the various encounters, experiences and analysis. The discussion section will follow – in it will be offered a "connection of the dots" to the findings, and an attempt to draw on them in order to give some possible answers to the inquiry.

I hope you have a pleasant read.

[1] The CGBS is a kind of sustainable reporting tool, which stands at the center of this dissertation. It will be explained in detail as the inquiry unravels.

Literature review

Our predicament

Scharmer and Kaufer (2013) offer a perspective with which we can understand, connect and make sense of the different symptoms of our predicament and suggest a way out.

The 3 divides

In their book Scharmer and Kaufer (2013) illustrate three divides prevalent in our world: the ecological; social and spiritual-cultural divide. The ecological divide is caused by a disconnection between man and nature; the social divide, by a disconnection between self and other; and the spiritual between self and self – a growing gap between our actions and who we really are or aspire to be.

The causes of these divides share common structural characteristics of disconnections between actions taken and their consequences; such as: ignoring externalities[2]; allowing money to flow in the wrong direction[3]; and making it possible for interest groups to benefit at the expense of others through manipulating the system[4]. They suggest that in order to improve the wellbeing of society focus needs to be put on such things as reducing inequality rather than increasing GDP. Moreover, an increase in wellbeing needs to be decoupled from an increase in material consumption in order to adhere to our global limits (Scharmer and Kaufer, 2013).

[2] Ignoring externalities – addresses the tendency to leave out (externalize) of the price of a product the things which it directly or indirectly causes (e.g. the harmful effects of smoking are not manifested in the price of the cigarettes, or the pollution of air flight in the price of air-fare).

[3] Allowing money to flow in the wrong direction – addresses the tendency of money to flow towards things which don't contribute to a sustainable and healthy way of life. This has been exemplified by the decoupling of the financial economy from the real economy.

[4] Interest groups manipulating the system for their own good – can be seen in the case of strong lobbying and political support, which leads to the passing of legislation which has a clear advantage for the supporting interest group at the expense of others in society (the large bonuses given to the managers who led to the financial crisis, as part of the bailouts which were advocated for – is one such example).

Scharmer and Kaufer (2013) explain that our society faces difficulties in addressing issues on a global scale, such as climate change. Moreover, society today reacts mostly to negative externalities and has a limited capacity for intentionally creating positive effects (e.g. the Grenfell Tower fire due, partly, to negligence of material use in cladding (which was flammable). The risks of its use were known before hand, but only now, after the tragedy can there be hope for a change in regulation (Maizland, 2017; En.wikipedia.org, 2017). Climate change is another such example – only once the population starts to see and sense the dramatic changes is there hope of influencing the system, and even now, when it seems to be an obvious result of human activity, it is very difficult to react to (even to the negative externalities) (Finnegan, 2016).

A way out

For improving our predicament, we need a new "coordination mechanism", which can provide a way to overcome, the "business subsystem that in many countries dominates and interferes with other sectors (government and civil society)…" (Scharmer and Kaufer, 2013). Barkai (2008) adds that a 'tensional' relationship between business and society has long been documented since the start of modern capitalism (around 200 years ago). This tension and at times commitment[5] is explained as the relation between two interests: the quest for profit and maintaining stable social frames; the latter is often done through the legitimization of the capitalistic order. Despite more than 200 years of capitalism, the use of the term "social responsibility in business" has been added to the discourse only since the middle of the last century. Moreover, the past decades have seen sustainability (both environmental and social) becoming ever more important to business research and practice as a result of rapid depletion of natural resources and concerns over wealth disparities (Govindan, Khodaverdi and Jafarian, 2013).

In order to address this tension from the perspective of the private sector, perhaps a tool for organizing and aligning the different businesses to a common goal, such as

[5] Such a commitment can occur when a country is engaged in war, and patriotism sweeps society inducing owners of businesses to contribute to the effort even at the expense of profit reduction and even loss.

improving well being is needed? Scharmer and Kaufer (2013) explain that the challenge of our society today is to move from the consciousness of ego to the reality of eco, in other words to understand how the proponents can serve the whole. The challenge we are dealing with forces us to include the impacts of our actions on the environmental, social and cultural context in which we are operating.

Moreover Capra and Pauli (1995) explain that businesses are becoming very powerful enabling them have an immense impact on the world. Their power comes not only from their financial and technological assets, but also from the characteristics' and qualities' of the people engaged in their operations. These people are able to make things happen and to be productive as a group. Nonetheless, operating in a system which the survival of the fittest is the prevailing assumption, it is very difficult to make a better world. Within a planet in crisis this assumption will need to change, and new factors of success will need to be found.

This work tells the story of one such factor…

1. Corporate Social Responsibility (CSR[6]) – first steps towards the evolution of the CGBS

The Nobel laureate Milton Friedman (1970) argued that the only social responsibility of a corporation is to maximize its profits[7]; until recently this has been accepted as an economic truth within the business world. Moreover, through globalization some corporations have not only achieved great economic power, but also significant political, social and cultural power (Abraham-Veiss and Viner, 2010).

CSR is defined as "a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis[8]" (Commission of the European Communities, 2001). At the

[6] Despite the fact that CSR reads only 'social responsibility', by definition it includes environmental responsibility as well, and as we will see below has numerous terms synonymous with it.

[7] Interestingly companies went from paying 10% of their profit in the 1970's to 70% today. (Purposeofcorporation.org, 2017).

[8] The 'voluntary' aspect of this definition, as will be presented later on, is responsible for some of the problems facing CSR.

base of this idea lies the understanding that any business must take responsibility for the social and environmental ramifications of its activities aside from pursuing their self interest of increasing profits (Barkai, 2008). Companies can incorporate CSR through following the law and integrating it into their operation strategy, ethical, social, environmental, consumer and human rights concerns (Growth, 2017). Abraham-Veiss and Viner (2010) add that the "social license" of any business obligates it to contribute back to society. Govindan, Khodaverdi and Jafarian (2013) explain that CSR systems can be used to provide a baseline of social and environmental principles to be satisfied. Hart and Milstein (2003) refer to this as improving sustainability performance. CSR, then, encompasses the economic, legal, ethical, and philanthropic expectations placed on organizations by society at a given point in time.

Abraham-Veiss and Viner (2010) explain that CSR includes a wide range of subjects and topics and activities: from donations to actual activities initiated by the corporations themselves, which are connected to its main business. Some of these are part of a self regulatory and voluntary system; one such example is an ethical business code for the business[9].

Barkai (2008) describes two models of CSR which stick out. The first consists of: economic responsibility for its profit; legal responsibility for abiding the law; moral responsibility for acting according to the standards of fairness and justice; and philanthropic responsibility to contribute to social causes. The second model is that of the UN's "global compact" – starting from 1999 it defined the CSR in areas of work relations, environmental protection and business ethics.

[9] Often these address the organizational culture, as well as commitments made on behalf of the corporations, its managers, workers and suppliers to respect basic norms of conduct towards stake holder, (e.g. basic workers rights such as: union rights, no discrimination or abuse). These ethical codes may also state a commitment for environmental care, human rights, transparency as well a commitment to improve social rights. Many corporations make public these activities using international standardized reports

1.1. Advantages of CSR from the standpoint of the corporations and the stakeholders

At times it seems that there might be a contradiction between CSR and profitability. Nevertheless there have been examples of it actually working together. Consumer bans and boycotts serve as examples of how this can happen. These and others like them actually make CSR profitable in the long run (Abraham-Veiss and Viner, 2010). Govindan, Khodaverdi and Jafarian (2013) agree and point out that organizations increasingly realize that their actions in purchasing and supply chain sustainable management strongly affect their reputation and long term success.

Barkai (2008) illustrates that while the neo-classical approach contests that the sole responsibility of the business is towards its shareholders, the CSR approach claims that the business carries responsibility towards its stakeholders. The CSR discourse of the last twenty years promotes a different logic which sees itself as inseparable to good business management and results. This logic promotes the utilitarian perspective which identifies CSR as being an essential strategy for business (Halal, 2001; Margolis and Walsh, 2001). Eccles (2010) names more advantages, such as: it is an important catalyst for a shift towards 'responsible competitiveness' which affects the approach of businesses to managing issues in the social, environmental, economic and governance field; it embeds sustainability in core business processes; establishing a new feedback channel from stakeholders; improving reputation, through improved credibility;

It seems that CSR serves corporations as they try to battle the growing criticism from civil society and the threat of public regulations (Rowe, 2005; Sridhar and Jones, 2012). This global criticism is led by a network of activists and rights advocates which are pointing to the harm which the business sector is causing as opposed to that of the state which was normally criticized (Barkai, 2008).

Nedrveen and Pieters (1995) add another insight to this dialogue between civil society and businesses. Despite the fact that the idea of CSR has an international orientation, their implementation is often "glocal" (global and local). In other words,

what companies tend to focus on is dependent on societal pressures. For example a company which operates in countries where workers have reasonable protection will be more prone to pressures on the environmental realm. Societies in developing countries, on the other hand, tend to focus more on social impacts (Wilson, 2013).

Indeed, from civil society's perspective, engagement in the CSR playing field is contested and three main view points and courses of action are taken: 1. a confrontational approach, calling for bans and boycotts, while trying to create regulatory constraints; 2. Those who embrace the economic potential for the increased involvement of corporations (e.g. as a way to raise money for social and environmental initiatives and projects); 3. supporters of CSR, which try and connect between civil society and corporations (e.g. causing companies to develop products which are less harmful to the environment) (Barkai, 2008).

1.2. A tool for implementing CSR - the CSR report

"One of the great challenges in implementing integrated reporting is developing standards for nonfinancial information" (McKinley, 2010)

The CSR report, is synonymous with terms such as: “sustainability report”, “corporate citizenship report”, or “global responsibility report” (Wilson, 2013); Eccles (2010) adds "non financial reporting" and the Global Reporting Initiative (GRI) adds the "Triple Bottom Line" (TBL). Regardless of the title, these reports address environmental, economic, and social (EES) performance (Wilson, 2013), as well as governance; their aim is to provide information of interest to stakeholders (Eccles, 2010).

Eccles (2010) explains that despite its imperfections, the attempt to measure social and environmental impact is an ongoing process naming the UN's GRI and the Carbon Disclosure Project as such examples; Richardson (2017) also refers to Social Accounting as being relevant to such attempts.

According to Calace (2016), today the three most dominant reporting frameworks today are: GRI[10] (the most dominant of the three), International Integrated Reporting Committee[11] (IIRC established in 2009) and Sustainability Accounting Standards Board[12] (SASB established in 2013). These frameworks, for example, adopt different definitions for materiality. The GRI explains that materiality extends to: information which could substantially influence the assessment and decisions of stakeholders or reflecting the organizations significant EES impacts. IIRC states that the relevant information is that which can significantly affect the company's ability to create value in the short, medium and long term. SASB defines the relevant information as that which the reasonable investor would view as substantial.

1.3. Criticism towards CSR

CSR has been criticized on many levels. Barkai (2008) claims that the voluntary nature of reporting and the lack of a standard report which measures all the social and ecological impacts of a company can give a very inaccurate account of its impacts. Furthermore, the absence of legal repercussions for measuring badly or legal incentives for measuring well, also affect the effectiveness of the report (Corporatewatch.org, 2006).

Barkai (2008) elaborates that the criticism arising from the voluntary nature of the reporting and standards chosen can be divided into 2 parts: First, the corporation can decide for itself both the areas in which it wants to take part in, while also taking into account the severity of the standard. It can well be that it will choose to act according to a certain standard in one area while neglecting other areas which are just as important; Sridhar and Jones (2012) call this 'hand picking' indicators. Second, the ability to sanction and enforce the conduct- even if a corporation puts in place

[10] GRI – The Global Reporting Initiative was founded in 1997 in order to create a standardized sustainability reporting tool. The proponents of this initiative come from over a thousand companies who contribute to the building of the indicators and reporting ethics and rules (Globalreporting.org, 2017).

[11] IIRC – International Integrated Reporting Council is a global nonprofit organization which was established as an initiative of the Prince of Wales in 2010. It has formed a coalition involving multi-stakeholders in order to form and spread a standard of sustainable reporting (Integratedreporting.org, 2017)

[12] SASB is a US based nonprofit organization established in 2011 in order to integrate sustainable reporting as a standard of financial reporting (Sustainability Accounting Standards Board, 2017).

proper institutions for assessment and evaluation, they may still lack any ability to enforce their opinion on the different stake holders. Moreover, Barkai (2008) explains that 'handpicking measurements' can result in corporations becoming very active and responsible on the one hand, while behaving very irresponsibly on the other. This has been termed "green wash", because some companies have been using their 'contributions' to keep the focus away from very irresponsible behaviors. In other words, using their conduct in certain areas and reports as a means to advertise and market themselves in order to improve their image and ultimately their sales and bottom line. At times it has even gone to a point where companies present their CSR report with pride, while essentially they have been just complying with the law and nothing more[13]. This has led to a growing demand among civil society to regulate and enforce national and international CSR.

Moreover, Leinaweaver (2015) explains that reporting today is about the story a company is telling, rather than what it is actually doing. For example, Wilson (2013) writes that rather than report on the absolute changes in emissions, companies face more favorable public perceptions by changing the reporting metrics and discussing initiatives (e.g. improving public perception by discussing the company's carbon savings, without reference to an absolute measurement). This is reinforced by Sridhar and Jones (2012), who give as an example the International Corporation for Standardization (ISO); in its standard for environmental management systems, it provides requirements with guidance for use, rather than providing requirements for specific performance; that is how tobacco corporations can be ISO certified.

Leinaweaver (2015) explains that CSR reporting could be more effective if the language was made more accessible. Instead they use special language and 'catch all categories' to a diversified audience of stakeholders, which form reports that are written for everybody and nobody at the same time.

The reports are not used to improve decision making or planning but to justify what is already done. This can be changed, if for example, companies' would value their

[13] A widely used term connected to this argument is 'beyond compliance', which expresses the expectations from a company to do more than just simply comply with the law

externalities and incorporate their resource dependency in their business decisions (Leinaweaver, 2015). Sridhar and Jones (2012), also claim that the reports lose credibility when they don't effectively enhance the planning process, explaining that research, on how this could be achieved, is missing in this field. They explain that currently the assumption is that sustainability is about balancing and tradeoffs. In other words, EES aspects are viewed as a zero sum instead of a positive sum situation. That by definition causes a sub-optimization of the whole system; thus a more holistic method is needed.

Furthermore, the framework doesn't push companies beyond compliance (Sridhar and Jones, 2012 ; Wilson, 2013). For example, businesses are not pushed to develop new technologies or to formulate company mission statements or ethic codes around sustainability (Sridhar and Jones, 2012)

Gray (2013), explains that sustainability reporting has nothing to do with sustainability. He elaborates that 'Elrich heuristic's' suggests that environmental impact is a function of the population multiplied by affluence (how much we use and consume) and by technology (extractions, manufacturing, transportation and disposing). Capitalism and especially large corporations are major contributors to the increase in affluence and improvements in technology. Therefore any attempt to solve the sustainability challenge has to involve corporations. The amount of sustainable reporting initiatives out there could have one believe that companies are sustainable. The current reports don't tell us anything about the sustainability of an organization. Businesses may well be sustainable, but the reports today do nothing to support it, on the contrary the evidence is in the other direction. A sustainability report should reflect: Contributions to un-sustainability; total eco-efficiency; total eco-effectiveness in the form of environmental resource use/impact and ecological footprint; total social responsibility interactions; total contributions to and detractions from social justice. True social accountability would involve: CSR – full reporting to a stakeholder map; environmental sustainability – full eco balance, full ecological footprint; social justice. Without these humanity will lose its ability to change the dangerous trajectory it is on.

The problem in precise measurements and reporting are stressed by Wilson (2013) and Sridhar and Jones (2012), stating two major difficulties: how to measure and how reliable are the measurements once obtained. For example: different metrics for measuring the same thing; incomplete reporting regarding carbon emissions which often leaves out emissions from transportation and distribution; performance metrics which don't convey all the information needed in order to evaluate the company (e.g. percentage of emissions reported without the total reported) and compare between companies. Another example is that the TBL framework claims in succeeding to measure all three EES, like environmental accounting manages to measure environmental performance. Nonetheless this is not the case. Companies measure their economic performance in dollars, and environmental performance in carbon emissions, but their social measurements are non-standardized (e.g. voluntary days), range on different measurements (e.g. gender income inequality by percentage or turnover rates of employees) and thus don't manage to convey the true social impact (Sridhar and Jones, 2012). McElroy (2013) cites Meadows writing: "when indicators are poorly chosen they can cause serious malfunctions". Pointing the finger on GRI, he explains, that companies are compelled to use 'context free' indicators which not only hide their sustainability performance, but can actually misrepresent it.

Sridhar and Jones (2012) add critique to the issue of measurements, explaining that current reporting is part of a quantitative economic paradigm. They stress the importance of trans-disciplinary methods from the natural and social sciences (e.g. qualitative and interpretevist approach) in order to measure and integrate social and ecological impacts. Nonetheless, this possesses a problem because it is unclear how this could be translated into a number needed in order to compare and evaluate companies. It also stresses moral questions such as: how can a number of worth be put on the life of a worker or the reduced health of a child?

Moreover, despite companies reporting inadequate environmental impact, consumers still purchase their products. This begs the question whether or not CSR reports are only an illusion to make us feel better (Wilson, 2013). Sridhar and Jones

(2012), suggest that businesses which report and perform well should enjoy an increase in market share due to investor and consumer decisions.

Sridhar and Jones (2012) conclude their study, based on their comparison of 40 Asian companies selling on the sustainable stock exchange, that in general: the TBL framework does not evaluate companies' performance against social goals well, if at all; reports show social intention or efforts rather than impacts; it does not have a way to aggregate results for the measurement and thus no single number can include all the EES; it doesn't necessarily induce more than compliance (in some cases actually inducing it); and many of the companies use loop holes in order to avoid reporting on some measurements.

1.4. The need for a new assessment tool

In conclusion, CSR reporting is falling short in the following fields: It is voluntary; there is a lack of standardized reporting; these two lead to the hand picking of criteria by companies, which leads to 'green-washing'; there is a lack of legal repercussions and incentives for performance; the reports don't push companies to performing 'beyond compliance'; the language of the reports is inaccessible; the reports don't induce integrating sustainability in planning and decision making process; it represents intentions rather than performance and absolute measurements; how to actually measure social and ecological impact is unclear; also how reliable are the measurements once obtained; such measurements represent a quantitative economic paradigm; consumer decision are not affected enough by the reports, so the companies are not sufficiently motivated to become more sustainable; company performance are not evaluated against social goals; there is no method to aggregate results into a single number.

It is apparent that much of the critique is intertwined and cannot be neatly disconnected from the rest. For instance, 'consumer decisions which are not affected by the reports' is related to the fact that the 'language of the reports is inaccessible and that there is no legal repercussions'. Moreover, some critique might be contradictory towards one another; e.g. if there would be a method to 'aggregate

results into a single number' than that might contradict the need to 'break away from the quantitative paradigm of the economy'.

McElroy (2013) ushers a new era of context-based, authentic, sustainability - reporting, management and measurement, which can serve the transition to a new economy. According to Benefitcorp.net (2017), most states in the US require B-corps to publish "an assessment of [its] overall social and environmental performance against a third party standard". This third party standard is used for "defining, reporting and assessing overall corporate social and environmental performance". Nevertheless, as we have seen above, these third party standards have been failing to evaluate performance.

Moreover, as the literature review has shown thus far, not only an improvement in evaluating performance is needed, but in many other realms (listed above) as well. It is only logical that this research assess any new sustainable reporting tool in light of these critiques.

One such potential tool is the CGBS.

2. The common good balance sheet (CGBS)

…It is time to turn the invisible hand to a visible one through the use of the CGBS… (Felber, 2015)

…the true measure of corporate responsibility – and the key to a business's playing its proper role in society – is its willingness to constantly internalize externalities… (Meyer and Kirby, 2010)

The economy for the common good (ECG) is an Austrian led organization that holds that a country's economy should serve the common good of its people (Felber, 2015). As such, the companies participating in this economy should be measured in accordance to their contribution to the common good. The measurement is named the 'common good balance sheet (CBGS), and is center piece to the ECG initiative as it evaluates the contribution of an organization to the common good (as the ECG sees it).

A CGBS allows a standard evaluation of any company. Combined with appropriate legislation, favoring the "all around" contributing companies, it aims to insure that companies which are unethical will have a harder time to remain in business. Essentially making sure that for both the producer and consumer, only ethically produced goods and services will be affordable (Felber, 2015).

The ECG (RSA, 2016) intends that the CGBS measure both intention and especially results of a business, and aims it becomes the 'second generation' of CSR reporting through correcting some of the 'first generation's' pitfalls. Thus, it contends that a second generation reporting should adhere to the following requirements: 'comprehensible' – understandable to all stakeholders; 'comparability' – standard indicators should be used for all companies, in order to compare their performance; 'holistic approach' – measuring all the vital criteria for social and ecological impacts; 'binding force' – participation should not be voluntary; 'measurability' – social and ecological performance should be measurable; 'external audit' – all companies should be subject to external auditing; 'legal consequence' – performance should evoke legal responses; 'publicity' – results should be transparent to the consumer just as the price tag is (Felber, 2015).

Hipper and Hofielen (2016) compared the 4 CSR reporting methods (GRI, German Sustainability Code (GSC), ISO 26000 and the CGBS) they add the following criteria to those already detailed by Felber: core values of the framework – the framework should not be value free but rather reflect ethical values and prioritize between them; completeness and effort – it is important that all essential indicators are covered (this is an expansion of the 'binding' aspect of Felber and a direct critique of the materiality aspect of the GRI). Furthermore, making reporting and evaluation feasible and affordable is essential for allowing accessibility to the small and medium enterprises (SME's), which consist of a very high percentage of enterprises, to engage; 'measurability of sustainable performance' – expanding Felber's concept, they state that: eco-social performance are 'good enough' even if they are rough estimates; performance can be graded which can then be manifested in quantitative measurement, and complex aspects which cannot be expressed through some form

of quantity can be measured in accordance with 'good practices'; 'comprehensibility' can be improved by using graphical forms of description should be used; they add that the 'legitimacy of the leading organization' in the form of how the standards were developed, how they are being developed and how much they are freely accessible – are important for the acceptability of such an assessment.

2.1 How the CGBS works

The CGBS has been built based on the CG matrix (Table 1) which states the major values of the CG[14] (in the upper column): human dignity; cooperation and solidarity; ecological sustainability; social justice; and democratic co-determination and transparency. Written on the left side of the matrix, are all the stake holders of the company, be they human or other then human: suppliers; investors; employees including business owners; customers, products, services or business partners; social environment: region, electorate, future generations, civil society, fellow human beings, animals and plants. Each square, which symbolizes a meeting place between values and stakeholders, is awarded a certain amount of points (which is predetermined and can be seen on the matrix itself).

[14] The values are linked to those which are expressed in the German and Austrian constitutions (Felber, 2015)

Table 1 (Felber, 2016):

COMMON GOOD MATRIX 4.1

This version is valid for Common Good Balance Sheets generated in 2013

ECONOMY FOR THE COMMON GOOD
An economic model for the future

VALUE / STAKEHOLDER	Human dignity	Cooperation and Solidarity	Ecological Sustainability	Social Justice	Democratic Co-determination and Transparency
A) Suppliers	A1: Ethical Supply Management Active examination of the risks of purchased goods and services, consideration of the social and ecological aspects of suppliers and service partners 90				
B) Investors	B1: Ethical Financial Management Consideration of social and ecological aspects when choosing financial services; common good-oriented investments and financing 30				
C) Employees, including business owners	C1: Workplace quality and affirmative action Employee-oriented organizational culture and structure, fair employment and payment policies, workplace health and safety, work-life balance, flexible work hours, equal opportunity and diversity 90	C2: Just distribution of labor Reduction of overtime, eliminating unpaid overtime, reduction of total work hours, contribution to the reduction of unemployment 50	C3: Promotion of environmentally friendly behavior of employees ctive promotion of sustainable lifestyles of employees (mobility, nutrition), training and awareness-raising activities, sustainable organizational culture 30	C4: Just income distribution Low income disparity within a company, compliance with minimum and maximum wages 60	C5: Corporate democracy and transparency Comprehensive transparency within the company, election of managers by employees, democratic decision-making on fundamental strategic issues, transfer of property to employees 90
D) Customers / Products / Services / Business Partners	D1: Ethical customer relations Ethical business relations with customers, customer orientation and co-determination, joint product development, high quality of service, high product transparency 50	D2: Cooperation with businesses in same field Transfer of know-how, personnel, contracts and interest-free loans to other business in the same field, participation in cooperative marketing activities and crisis management 70	D3: Ecological design of products and services Offering of ecologically superior products/services; awareness raising programmes, consideration of ecological aspects when choosing customer target groups 90	D4: Socially oriented design of products and services Information, products and services for disadvantaged groups, support for value-oriented market structures 30	D5: Raising social and ecological standards Exemplary business behavior, development of higher standards with businesses in the same field, lobbying 30
E) Social Environment: Region, electorate, future generations, civil society, fellow human beings, animals and plants	E1: Value and social impact of products and services Products and services fulfill basic human needs or serve humankind, society or the environment 90	E2: Contribution to the local community Mutual support and cooperation through financial resources, services, products, logistics, time, know-how, knowledge, contacts, influence 40	E3: Reduction of environmental impact Reduction of environmental effects towards a sustainable level, resources, energy, climate, emissions, waste etc. 70	E4: Investing profits for the Common Good Reducing or eliminating dividend payments to extern, payouts to employees, increasing equity, social-ecological investments 60	E5: Social transparency and co-determination, Common good and sustainability reports, participation in decision-making by local stakeholders and NGO's 30
Negative Criteria	Violation of ILO norms (international labor standards) / human rights -200 Products detrimental to human dignity and human rights (e.g. landmines, nuclear power, GMO's) -200 Outsourcing to or cooperation with companies which violate human dignity -150	Hostile takeover -200 Blocking patents -100 Dumping Prices -200	Massive environmental pollution -200 Gross violation of environmental standards -200 Planned obsolescence (short lifespan of products) -100	Unequal pay for women and men -200 Job cuts or moving jobs overseas despite having made a profit -150 Subsidiaries in tax havens -200 Equity yield rate > 10% -200	Non-disclosure of subsidiaries -100 Prohibition of a works council -150 Non-disclosure of payments to lobbyists -200 Excessive income inequality within a business -150

The matrix also specifies negative criteria for which points can be deducted. Companies which "perform" in these categories (e.g. massive environmental pollution, blocking patents or tax avoidance) lose points (a company can score a negative number).

Eventually all of the points gained or lost are summed up and a score between a -3000 to 1000 is awarded. The higher the score the more the company is contributing to the common good.

The CGBS takes each category in the matrix and breaks it down to very specific indicators and sub-indicators[15]. Each sub-indicator is divided into 4 levels: first steps, experienced, advanced and exemplary. Each level of sub-indicator division (e.g. 'first steps') has a description or a number to measure according to; each of them also awards a certain percentage of the maximum points awarded for this sub-indicator (e.g. if the business is characterized as being 'advanced' in the area of sustainable education, it will be awarded between 31-60 percent of the max score).

2.2. The Maala Index (MI) – a scoring sustainable report

The MI is an Israeli open accessed sustainable reporting instrument that grades or scores businesses according to their sustainability performance and intentions. This makes it a perfect candidate for comparison (to the CGBS). Such an analysis will be essential in order to profoundly evaluate (by utilizing different parameters such as the scoring system) whether the CGBS can offer something which other sustainability reports have failed to do thus far.

Maala is an Israeli NGO established in 1998 with the goal of promoting CSR in Israel. It is based on membership fees taken from Israeli based corporations wanting to take part. Currently, over 110 companies are active members of the NGO (Maala, 2017).

[15] Further detailed information is available online in the Handbook: http://balance.ecogood.org/matrix-4-1-en/guidelines

According to Adam, a former executive, the organization believes in voluntary CSR, contending that if it becomes obligatory, companies tend to solely comply and perform only the minimum needed. In order to really assimilate a different way of thinking about sustainability Maala believes it needs to work with corporations rather than confront them. In regards to that, Noa, the head of the sustainability department at one of the biggest accounting agency in Israel explained that one of the major criticisms Maala is facing is the need for it to critique the very corporations it depends on for funding.

Maala performs different actions in order to promote CSR (e.g. programs for sharing practical knowledge and promoting innovations). Among these actions is the MI. It is a questionnaire aimed to evaluate and score a corporation's sustainability intentions and performance[16]. The indicators in the index are: corporate governance (10%[17]), ethics (15%) and transparency (7%), employees (9%), diversity and inclusion (9%), responsible supply chain (12%), donation (10%), volunteering (8%), environmental managing (15%-25%[18]). Every year corporations as well as SME's are self evaluated, get scored (ecological performance is scored by an external team) and their results are published on the website. In 2016, 98 companies participated in the Index (75 large companies and 23 SME's), they employee 310,000 and their annual sales reach approximately 94 billion dollars which is almost one-third of Israel's GDP.

The MI itself is re-evaluated and re-published every year in order to keep updated and relevant to the advancements of criteria and parameters in the world of CSR. Thus, it is safe to say that it is an example of the sustainable reporting indicators being developed worldwide. Moreover, "The MI has been facing the same criticisms as other sustainable reports; and rightfully so" (Dr. Klil[19]).[20]

[16] Depending on what would be defined as performance or intention; e.g. if a company has a ethical code or an ethical policy, one might see that as performance, and another would view it as an effort, because the most important thing is not having an ethical code, but rather what it says and how do the actions of the company manifest it.

[17] The percentage represents the scoring system – in this case the MI puts 10% of the total score to corporate governance. If a company scores perfectly in this field it will receive 10 points out of 100.

[18] If the company belongs to an industry which tends to pollute (e.g. the primary sector) than more emphasis is put on its eco performance (e.g. 25% as opposed to 15%)

[19] Dr. Klil – Head of a sustainable economics department in a big NGO.

Before moving forward and assessing how the CGBS fares in comparison to the criticism pointed towards sustainable reporting, in part through the comparison to the MI; it is relevant to look at the second half of the dissertation inquiry "… catalyst to more sustainable economy". The third part of the literature review will address just that, and with it there is a stronger chance of having more important parameters for the needed evaluation.

3. A more sustainable economy for people and planet

So far, the literature review has told the story of a significant concept (CSR) and its different tools (sustainable reporting) which aim to make the economy more sustainable. One obvious question, stemming from that, is: what does a more sustainable economy for people and planet look like? This point must be made clear in order to advance the current inquiry. If the outline and principles of a more sustainable economy are not clear than this research risks the chance of being like Alice asking the cat where she needs to go[21].

Written below, is one possible answer.

Current day economics perceive (at least in practice) the material resources needed to drive the economy and supply the material needs of its participants to be infinite (Raworth, 2016). Nevertheless, as we are witnessing through the lens of the planetary boundaries[22] we are living on a finite planet, which poses limitations on the extent to which we can use its resources. Therefore, since the 60's and 70's there has been growing movement calling for a sustainable perspective with which we

[20] But not only the MI; According to Klil, Maala itself has been put under criticism due to an inherent conflict of interest in its structure: its funding comes from its members, which are the corporations it is evaluating and helping becoming more sustainable.

[21] "Would you tell me, please, which way I ought to go from here?"
"That depends a good deal on where you want to get to."
"I don't much care where –"
"Then it doesn't matter which way you go."
— Lewis Carroll, Alice in Wonderland (Goodreads.com, 2017)

[22] The 9 planetary boundaries are: Climate change, Novel entities, biosphere integrity (genetic and functional diversity), land system change, fresh water use, stratospheric ozone depletion, atmospheric aerosol loading, ocean acidification and biogeochemical flows (nitrogen and phosphorus). These earth system processes must be balanced and their limitations kept in order to avoid irreversible and abrupt environmental change (Stockholmresilience.org, 2017).

view our life on the planet. Barrow (1993) claim's that sustainable development improves the quality of life for people while respecting the limitations of the planet. The Brundtland Commission (Keeble, 1987) explained and defined sustainability as a middle ground in which people living today and in the future can have their needs met (rather than jeopardized due to the overuse and harm caused to the environment by present activities).

Moreover, sustainability is no longer only relevant in the realm of the ecology, but also in the realm of society (Jewel, 2016); just like the ecology needs certain conditions for it to be balanced and allow prosperity, so do people and society as a whole. There are different alternative indicators for measuring the conditions which allow people to flourish, such as the Gross National Happiness (GNH)[23].

Therefore, a holistic sustainable economic system needs to allow human prosperity and flourishing while allowing the environment to flourish and prosper as well; it is a worthy goal for any such system. This understanding has been presented, to a certain extent in Raworth's (2016) "doughnut". She offers a useful design and conception which has gained wide appreciation (RSA, 2017) – a 'doughnut' which shows that as a society, with the help of the economy, we need to find a way to live within the ecological boundaries of the planet (in this case the 9 planetary boundaries) while satisfying the needs of its (society's) people (as declared by the UN).

When speaking of needs and their satisfaction, it's helpful to look at theories that defined what human basic needs are. One that was found particularly useful for this framework was created by Max-Neef (1991). In addition to identifying the basic needs, as will be demonstrated, understanding the way they are satisfied is also crucial for creating a path to true sustainability.

3.1. Nine basic human needs

[23] The GNH is an index developed in the Kingdom of Bhutan, in order to measure the quality of life and happiness of its people, and aimed at providing a valid alternative for the GDP indicator. It measures: Good governance, community vitality, cultural diversity and resilience, education, ecology diversity and resilience, living standards, psychological well being, health, and time use (Ophi.org.uk, 2017).

Max-Neef (1991) defined and determined 9 basic human needs (Table 2) according to research conducted in various communities across South America. He advocated that all needs are equally important and no need has priority over the other (e.g. physiological needs are not more important than psychological ones).

Table 2 (Ejolt.org, 2017)

Fundamental Human Needs	Being (qualities)	Having (things)	Doing (actions)	Interacting (settings)
subsistence	physical and mental health	food, shelter work	feed, clothe, rest, work	living environment, social setting
protection	care, adaptability autonomy	social security, health systems, work	co-operate, plan, take care of, help	social environment, dwelling
affection	respect, sense of humour, generosity, sensuality	friendships, family, relationships with nature	share, take care of, make love, express emotions	privacy, intimate spaces of togetherness
understanding	critical capacity, curiosity, intuition	literature, teachers, policies educational	analyse, study,meditate investigate,	schools, families universities, communities,
participation	receptiveness, dedication, sense of humour	responsibilities, duties, work, rights	cooperate, dissent, express opinions	associations, parties, POW*, neighbourhoods
leisure	imagination, tranquillity spontaneity	games, parties, peace of mind	day-dream, remember, relax, have fun	landscapes, intimate spaces, places to be alone
creation	imagination, boldness, inventiveness, curiosity	abilities, skills, work, techniques	invent, build, design, work, compose, interpret	spaces for expression, workshops, audiences
identity	sense of belonging, self-esteem, consistency	language, religions, work, customs, values, norms	get to know oneself, grow, commit oneself	places one belongs to, everyday settings
freedom	autonomy, passion, self-esteem, open-mindedness	equal rights	dissent, choose, run risks, develop awareness	anywhere

*POW - Place of worship

Moreover, he stressed the importance of understanding the complexity of human needs as being dependent upon bio-socio-psycho elements as opposed to the common distinction of the time, between wants, needs and desires. Furthermore, he categorized the ways in which our needs are met through distinguishing between being (the qualities), having, doing and interacting – which describe the different forms with which the same need can be satisfied with.

Max-Neef draws a useful distinction between satisfiers of the basic needs and the needs themselves. This distinction helps keep the focus on the goal, rather than confusing it with the means. As such a house is a not a basic need in itself but a 'satisfier' of the need for subsistence. These 'satisfiers' are then distinguished in accordance to their effectiveness of satisfying the fundamental need, these are:

violators, pseudo-satisfiers, inhibiting satisfiers, singular satisfiers, or synergistic satisfiers[24].

3.2. A sustainable economy for people and society

Through Max-Neef's model we can understand that a sustainable economy will need to provide as much synergistic satisfiers as possible. Therefore, it is clear why thinkers of sustainable economies can agree over the importance of several social issues such as: increasing equality and determination, a balance between leisure and work as well the ability to participate, cooperate and feel a part of something (such as: Felber, 2015; Fleming and Chamberlin, 2016; Raworth, 2016).

A sustainable economy for people and society is one where: people have their needs for subsistence met through having food, water and shelter, and can provide those for themselves. They have equal rights and can have autonomy in their ability to make choices, which ensures that their need for freedom is satisfied. They can meet their need for creation, identity and participation through significant and challenging employment and involvement in community.

3.2.1. Two important questions of an economy and of society[25]

[24] Violators – seem to be things or actions which can satisfy a certain need, yet they actually leave that specific need in a worse state than before their use (e.g. a battered wife going back to her abusive husband, in order to satisfy her need for protection, when in fact he beats her again harming her need for protection).
Psuedo satisfiers – seem to be thing or actions which can satisfy a certain need, yet they leave the need with no substantial change (e.g. Our need for affection and our way of satisfying it through friendship. Making friends on social media, may have the affect of a pseudo satisfier because despite having countless friends on the media they don't really satisfy our need for affection).
Inhibiting satisfiers – over satisfy a certain need and in turn makes it more difficult to satisfy other needs (e.g. over working might satisfy the need for subsistence, but will make it much more difficult to satisfy the need for leisure).
Singular satisfiers – satisfy only one specific need, and don't help in satisfying others (e.g. a lonely person receiving food from donations – may satisfy the need for subsistence, but doesn't satisfy the need for participation and affection which could be satisfied through the ability to work with other people and make a living).
Synergistic satisfiers – satisfy a need, while also contributing to the satisfaction of others (e.g. working and making a living can satisfy the need for subsistence, while also satisfying the need for affection, participation and protection).

[25] Other components of a more sustainable economy exist and are essential for building a more complete picture of such an economy. Nonetheless, due to the scope of the dissertation not all of them can be detailed. This research has decided to focus on the two questions (outlined above) because they seem to stick out as synergetic satisfiers to numerous needs.

Rosser and Rosser (2003) explain that "who" and "how" decisions are made, as well as the allocation and redistribution of income are key questions in any economy. Thus, the answers to these questions are also crucial for understanding the attributes of a more sustainable economy. In other words, a more sustainable economy needs to address these basic questions, ideally drawing insights from Max-Neef's 9 Model. In the following paragraphs, it will be argued that reduction of inequalities is a viable answer to the question of allocation; and participation, joint responsibility and co-determination to the question of 'who and how'[26].

3.2.2. Reduction of inequality

Several studies have shown how inequality in a society is detrimental to its well being (Wilkinson and Pickett, 2009); it hampers health, satisfaction, self esteem and democracy. Inequalities in societies come in many different forms, such as unequal: opportunities, influence on decision making and finance. The Noble laureate Stieglitz (2013) writes that inequalities in society are detrimental to the cohesion of it as well as to the quality of life of its participants. Moreover, Van Bavel (2016) explains that economic disparities have been the basis for the past destruction of civilizations and empires.

Furthermore, people's sense of 'good enough' in the satisfaction of their basic needs is always a composition between internal characteristics and processes and external comparison. In other words people use comparisons, of and to others, in order to evaluate how well off they are (Burleigh and Meegan, 2013). Nevertheless, such comparisons can also give motivation to improve and strive for excellence; thus, a balance between equality and in-equality needs to be reached.

A sustainable economy attempts to reduce inequality through inclusiveness measures (taking affirmative action in order to reduce inequality in opportunities) and in wealth distribution. The latter is achieved through: reduction of income disparities within a company, joint ownership, through the reduction of bonuses and profits to shareholders and more. The ECG initiative, for example, believes that the level of inequality in society should be predetermined by all of its citizens (Felber,

[26] "Who decides what and how is important for the life of societies" (Caramani, 2017)

2015). Regardless of the process, whether the depth of inequality is determined before hand or not, in an unsustainable economy inequality is increased systemically.

Interest (i.e. money lending and demanding a price for its use), for example, is a systemic way of increasing inequality. The use of interest in societies has been a longstanding debate throughout history (Van Basel, 2016). Major religions such as Islam, Judaism and Christianity have ingrained severe restrictions on its use, perhaps knowing that it is morally debatable and socially detrimental. Dauncey (2017) explains that in the past money lending was considered and exploitive line of work. Interest has both social and economic ramifications: it increases inequality by allowing those who have money to gain more, through the mere ownership and loan of it. Moreover, it increases the occurrences of debt in society which hampers the social bonds between the people. The targeting of interest as an important component for a better economy is an inseparable part of a more sustainable economy (Conaty, 2016).

In addition, reducing inequality is a crucial component for empowering people to take responsibility and autonomy over their lives and environment (Stieglitz, 2013); this point will naturally lead to the importance of:

3.2.3. Freedom, participation and co determination

As has been shown through Max-Neef's model, people need to be empowered, they need to have responsibility and autonomy over their lives and well being; co-determination addresses just that.

Focusing on the way in which decisions are made and by whom, co determination attempts to increase the amount of people participating in decision making, as well as the inclusiveness in which those decisions are made. In a sustainable economy, it is manifested in the joint decision making of employees and owners (indeed, often ownership, as seen in the cooperative movement, is connected to decision making, but it is not mandatory). Co-determination is also manifested with stakeholders which have vested interests in the company (e.g. the extra traffic brought into a

town as a result of a new business). Moreover, the way in which decisions are made is also important; as such, an emphasis on inclusive processes and decision making (consensus determination) is advocated.

3.3. A sustainable economy for the planet

Humanity is having severe impacts on the environment. Climate change is just one of many 'man made' changes, which affects the whole ecological system. If we haven't already passed it, we are nearing a tipping point after which, we will not be able to control the ecological process unleashed (Harding, 2016).

Unfortunately, we have an economic system addicted to growth, which depends on the use of exhausted material resources. Technology, sadly, is helping only to a certain extent, and as Jevons's paradox points out, often improvements in resource use and efficiency are equaled by an intensity increase which neutralizes the progress achieved (Friere-Gonzales and Puig-Ventosa, 2015).

Thus, a new way of managing and measuring our resource use, impacts and living habits must be developed if we are to succeed in reducing our impacts. Many initiatives, tools, measurements and concepts exist today to assist such a transition. It's important to be familiar with them because sustainable reporting is using them in evaluating ecological impacts. These include: **The 3 R's**: Reducing the use of materials through things like ecological awareness in consumerism and energy use; Re-using and fixing products in order to avoid the energy needed to recycle and remanufacture them; and Recycling – separating and using the materials which composed the products in order to make use of them; **Circular economies**, are also economies which strive to improve the ecological efficiency of the economy, in ways such as reducing the pollution and resource usage caused by transportation or through planned obsolescence; **Ecological Foot Print (EFP)**, is an evaluation given based on the measurement of more than 3000 sub-indicators which grade the impact a person, an organization or a society has on the environment in relation to the planet's capacity to rejuvenate. In order to achieve sustainability the goal would be to reduce the EFP.

3.4. A sustainable economy for people and planet - recap

A truly sustainable economy is one which has a double movement ingrained in it – increasing the quality of life and the satisfaction of human needs for people and society as a whole, while decreasing and reducing the ecological impacts on the planet. The economy, in the social realm, should increase the use of synergistic satisfiers for the human needs with an emphasis on reducing inequality and increasing co-determination; in the ecological realm, it should reduce resource use, waste and pollution with the help of better indicators and raising ecological awareness. Whether or not the CGBS can achieve this kind of economy remains to be seen.

Methodology

Qualitative research aims to evaluate and interpret phenomena in their natural surroundings, and attempts to express their significance and meaning from the perspective of the people experiencing them (Denzin&Lincololn, 2005). This approach sheds light over processes and meaning which can't be examined through normal quantitative research methods of accumulation and statistics. Patton (2002) explains that qualitative methods make it possible to research issues more profoundly, and inquire around and in relation to their environmental, social and personal contexts, as experienced by the researcher and the people s/he engages with. This approach does not strive to prove or disprove a certain hypothesis, but rather to deepen the knowledge and understanding in a certain field or area (Shlaski and Alpert, 2007).

Within the qualitative field, this research is following the 'action research' (AR) tradition which, according to O'Brien (2001), aims at contributing to advancing the goals of social science, as well as addressing the concerns of people in an immediate problematic situation. AR is committed to both studying a system and collaborating with members of the system in changing it. This requires the active cooperation of researcher and participants which includes the importance of co-learning as a primary aspect of the research process. Reason and McArdle (2004) add that AR wishes to bring together theory and practice in the pursuit of developing practical knowing and solutions to issues of concern in order to allow flourishing and well being.

Inside the sphere of AR, this dissertation engaged in 'action learning', therefore it involves stakeholders, inviting each participant to understand and contribute to the comprehension of the whole and stresses that participant's act as co-researchers (O'Brien, 2001).

AR doesn’t use a single method for collecting and analyzing data. It adopts a more holistic approach, allowing different research tools to be used as the project progresses. These tools include: research journaling, document collection and analysis, case studies, structured and unstructured interviews and participant

observations. The researcher is required to implement the action research method and can function in different roles at various stages such as, planner and leader, teacher, synthesizer and listener (O'Brien, 2001).

Action research, and in it action learning, seemed to provide the right framework for this inquiry, since it allowed me to engage with participants and to better understand the ways the CGBS can be a viable remedy towards a common problem – the dysfunction of the current economy. Moreover, this research implemented what Reason and McArdle (2004) called the 'second-person AR' strategy, which makes use of face-to-face co-operative inquiry which usually occurs in small groups through cycles of action and reflection to develop both understanding and practice. In analyzing the data I have used 'thematic analysis': it is a holistic method of examining and identifying patterns and ideas stemming from the qualitative data, helping the researcher focus on main themes surfacing from the data while incorporating large portions of it (Braun and Clarke, 2006).

1. Research tools

1.1 Unstructured interviews

Zhang and Wildemuth (2009), explain that unstructured interviews can be defined interchangeably with such terms as informal conversational interviews, non-standardized interviews or ethnographic interviews. They rely on social interaction between the participants and the researcher. Moreover, as opposed to structured or semi-structured interviews which are at risk of limiting the field of inquiry, they are used to expand it. Unstructured interviews rely on the spontaneous generation of questions in the natural flow of an interaction (Zhang and Wildemuth, 2009). This method was chosen precisely because it seemed not to limit the field of inquiry and enabled the interviewees to take the conversation to wherever they saw fit.

Twenty nine people (participants) were formally interviewed and countless more informally, to discuss the CGBS (the full list has been put in Appendix 1), some previously known and some weren't. The latter were suggested by former interviewees, using the 'snow-ball' sampling. This method of sampling is also termed

'convenience sampling', relevant when what the researcher needs are people who know something about the question at hand. This sampling starts with finding the first few participants and then asking them for other participants who might be interested and relevant to refer to (Flick, 2006).

The research participants came from different backgrounds: economists, third sector workers, social activists, lawyers, University lecturers in the social fields, CSR initiatives and consultancies, business leaders, parliament advisors and politicians at the municipality levels. At the beginning of any conversation, each participant was presented with an introduction, explaining the question behind the dissertation, the main concepts of the CGBS and about possible actions that could be taken using it as a tool for steering the economy.

1.2 Focus groups

Focus groups are a form of in-depth interviews done in a group. The participants influence one another through the interaction and the dynamics of the discussion. The fundamental data is produced through the transcripts and the reflections of the researcher. Focus groups often help to expand and deepen the information collected by other means (Freitas, Oliveira, Jenkins and Popjoy, 1998) and emerged organically both in formal and informal meetings. All of the focus group conducted merged specialists from various fields, and some occurred as follow-up meetings, when wanting to continue discussing, and involving more people, after the first meeting was over.

1.3 Implementation the CGBS and MI with Israeli based businesses – Case study

Yin (2013) explains that the case study research method is a detailed analysis of a specific case which can lead to acquiring knowledge about a subject as a whole. The need to use case studies arises when there is a desire to understand a complex social phenomenon while retaining its holistic characteristic. This method is a useful strategy, if the research inquiry is "why" or "how", when the investigation concerns real-life context, in situations when preferring that the data collection be done in its natural settings and when conducting an evaluation research.

The use of the case study tool was a natural choice in a research that aims to collect as much real-life data as possible from the different realms while simultaneously looking at the relevance, short comings and advantages concerning the implementation of the CGBS.

The two companies participating in the research are managed by acquaintances of mine who heard about it and offered themselves for the implementation. The two have much to gain by understanding how to market themselves and their companies as sustainable. Moreover, the managing team genuinely wants to make a difference in Israeli society and our talks generated hope that this might be the way; they said it would be a 'win win' situation.

The companies were bigger than I initially intended: One is an agriculture company with millions of dollars in annual revenues, employing 58 people; the other is a distribution and marketing company working with the cosmetics industry employing 9 people in Israel and another 3 people abroad. Indeed due the size and complexity of the companies, this research has ended without completing the full process of the CGBS – giving a CG score for the companies' performance[27]. However, important steps were completed, such as: presenting the concept of the CGBS to the CEO and then to the board of directors and management, meeting the teams which are responsible for collecting the data and submitting the balance sheet, accompanying them while they collect the data, answering their inquiries and engaging in conversations concerning the indicators.

1.4 Evaluation of the CGBS with one of its chief designers from the ECG

My connection with the ECG started in February 2017, and led to a connection with Jeremy[28], in order to help answer questions regarding the CGBS. The research involved reviewing and analyzing the CGBS several times: first translating it into Hebrew, analyzing it in light of the ECG's values and principles as well as comparing it to the MI. All of these raised questions which I would send Jeremy and we would talk

[27] Due to the size of the companies we (the management and I) agreed to take it one step at a time. I was convinced that even if the implementation would continue after the deadline for submission, the process until that point would be informative enough to be worth the effort.
[28] Jeremy - an ECG consultant and one of the builders of the CGBS and CG matrix.

via Skype for a Ninety minute conversation (on average); throughout the process we conducted eight conversations.

1.5 Collaboration with an Israeli based sustainable consulting company

After an interview with one of Israel's key thinkers in sustainable economics, I was put in touch with Lily, who established a consultancy company which assess the sustainability of Israeli companies for foreign investors. She was intrigued with the idea of the CGBS and the framework for implementation. We soon met and analyzed the CGBS together with her team of consultants, in order to compare the CGBS with other sustainable reporting tools and to try and prepare an adapted CGBS suited for the Israeli reality.

1.5 A comparative analysis between the CGBS and the MI

The CGBS was assessed in comparison with two standards: the conditions needed for a more sustainable economy, as outlined in the literature review, and the MI. Moreover, not only was the CGBS compared to the conditions needed for a more sustainable economy but the MI was as well. This gave a reference point for evaluating the CGBS's performance against a relatively progressive sustainable reporting tool. Thus, during the comparison process the CGBS and MI were analyzed according to how they fared in parameters such as: co-determination, reduction of inequality disparities, reduction of ecological impacts (e.g. Environmental Foot Print (EFP)), reduction of interest, inclusiveness and empowerment for all.

They (MI and CGBS) were also assessed according to the importance they put on the different indicators (as shown by the amount of points each indicator and sub-indicator are rewarded), the measurability of the criteria (i.e. does the measurement of the sub-indicator manage to effectively measure it?)[29], whether they measure the

[29] For instance E1.2. the companies are asked to compare themselves to other P/S on the market with "similar benefits"; this definition could be very hard to determine. Another example, C3.3 employees are involved in ecological decision making processes on a regular basis – how is that measured? what percentage of the workers, what percentage of the decisions? Incorrect measures can be an opening for "green wash", because it allows the companies to declare something which they are supposedly doing while there are not, or to hide bad practices. One of the ways the CGBS tries to face these complications is through the spectrum of percentage which can be awarded under a certain category

intentions or the performance (i.e. 'intention' refers to a measurement which doesn't assess the results, but rather more the intention and sometimes effort the company puts into improving a measurement) [30] of the company in regards to a specific sub-indicator and at times, when it is worth noting, the profoundness in which they evaluate a sub-indicator (i.e. the 'profoundness' criteria, evaluates how much data is collected in order to assess the sub-indicator) [31]. These criteria for assessment were chosen, because they surfaced as central shortcomings of standard sustainable reporting; and because I found them relevant in my fieldwork.

Moreover, in this analysis an emphasis was put on 'indirect' as opposed to 'direct influence' of a certain factor in a sub-indicator. Indirect influence means, for instance, that not the whole sub indicator of C4.3 addresses co-determination, rather only some parts of it are using the principles; in our case only for achieving an exemplary mark do the employees need to be part of the determination of salary structures. This extra criterion for analysis is helpful in better differentiating between the CGBS and MI.

1.6 Researcher journal

A research journal is described as an important tool for reflecting, learning and supporting the research process and quality of outcome (Engin, 2011). Throughout the research I have used a journal to collect reflections, thoughts, emotions and to recap the notes which were taken during the talks and used them for the analysis.

(e.g. exemplary 61-100%); According to Jeremy, this is determined according to the auditor and in his knowledge in other sector and cross sector initiatives.

[30] An example is D5.2. engaging in raising legislative standards – the criteria measures mostly the effort put in raising the measures rather than assessing the results of such an engagement (a better reference could be to measure how may many standards have been raised in the last year and with which stake holder cooperation). An 'intention' evaluation can be given even if the criterion evaluates the performance of the sub-indicator itself, but doesn't evaluate the performance of the economic parameter. For example, C3.3, manages to measure the performance of the 'awareness raising' of the organization, but when assessing the reduction of the EFP, it measures the intention.

[31] For example, the MI assess contribution to the community only in regards to the amount of money contributed as part of the company's earnings and whether or not the amount of it has been raised from one year to the next. In contrast, the CGBS asks and scores, in addition, things such as what affects the contribution has had and what is their quality.

2. Limitation to my research

The inquiry at the basis of this dissertation involves many realms such as: economics, governance, politics and civil society, leading to the need for interviewing and engaging with people from a wide array of fields. This has led to a lack of interviewees in some areas, such as national scale politicians, which could have represented a wider view point.

The parameters which were chosen for the comparison between the MI and the CGBS were picked in light of the criticism surfacing from the literature review towards sustainable reporting, as well the difficulties I faced when trying to implement the tool in the case studies. Nonetheless, my analysis of the MI and the CGBS is still open to interpretation, both in the criteria (e.g. intention Vs performance, measurability) chosen, and in the evaluation of each tool according to them. In order to better address this challenge I intended to send the analysis to Maala and receive their remarks and insights; however this wasn't completed in time.

3. Ethics

All of the participants in this study were informed that our interaction was part of my research, and they knowingly agreed to take part in it. Nonetheless, I am practicing full anonymity (both in people and organizations) to protect any identity information from being disclosed, as some of the participants have requested it.

Findings

From the fieldwork arose two major themes: 1. the CGBS as a tool for changing the discourse, as opposed to just being a systemic instrument; and 2. the CGBS and the MI as tools on the same spectrum rather than being two separate instruments leading to different directions. In addition, the comparative analysis between the CGBS and the MI offered a tangible and comprehensive view on the two from a perspective of critiques facing sustainable reporting as well as attributes of a more sustainable economy. The analysis is also used to deepen the understanding of the second theme.

To conclude, I will raise one issue which was raised on several occasions, although it could be seen as an outreach of the dissertation's scope – the question whether or not the CGBS could be implemented one country at a time in the globalized economy we live in today? Despite the importance of this inquiry, this research covers the CGBS itself, rather than examining the exact way in which it should be implemented.

1. First theme

Conditions for social flourishing – a tool for changing the discourse

One question which was often raised by the people I discussed the CGBS with, was how does it measure social and ecological impact? They explained that it is very hard to capture the total social impact of an action, a product or a service: "how is it possible to measure what an internet service can give a child, for example, from the perspective of time and the people he/she will interact with - "Surfing the web surely provides some exposure to experiences and knowledge which will have some influence on the child – and that influence is very hard to measure" (Lily). Indeed, it is hard to measure the specific impact of something on someone. Nevertheless, the principle behind the assessment of eco-socio impact is to understand what allows social and ecological flourishing. As discussed in the literature review, the nine planetary boundaries can serve as an indicator for ecological conditions for prosperity, and Max-Neef's nine basic needs can serve as a relevant indicator for social wellbeing.

Interestingly, when engaging in a conversation from the perspective of human flourishing and the conditions laid down by thinkers such as Max-Neef, the conversation became very productive and attentive. Suddenly, when talking about reducing inequality or co-determination, the interview didn't become a political debate between capitalism and socialism, but a real head and heart open talk because it made sense; for example "after explaining the conditions for flourishing according to Max-Neef, Jonny's[32] shoulders came down, he opened his eyes, made himself comfortable, and asked questions not for the sake of answering them on his own, but for listening to the response to come" (Journal, 15.6.17). People became open to hearing about alternative wellbeing measurements like the GNH.

This is a significant realization, because it opens the possibility that the CGBS is not only a systemic tool, but also an educational tool which could help engage and eventually change the discourse around such things as the economy, its goals, quality of life and well being.

Nevertheless, this finding begs the question: is this special for the CGBS, or is it part of any conversation around sustainable reporting? I think the question here has two answers: the first is that it is a conversation which is relevant to most sustainable reporting interactions with businesses; the second is that it matters which subjects are raised in the conversation.

In regards to the former, implementing sustainable reporting can start a significant conversation about the triple bottom line of companies and their responsibility towards society and the planet. Nonetheless, in order for it to have the potential of a transformative discourse, the way it is brought up is also very important. In one of my conversation with Dolly, a sustainability manager of one of Israel's leading accounting firms, she explained that in her talks with business leaders the emphasis is put on the profitability underlying sustainability: "the goal of businesses is to make money… I just explain and persuade managers, that if they think sustainable they will be more profitable, especially in the long run". This kind of discourse might not be a step in the right direction, because companies will stop being sustainable the minute

[32] Jonny – Vice president of a workshop organizer company with 100 employees in 3 countries.

it stops being profit maximizing. This example is relevant to the second answer as well.

In the discussion initiated by the CGBS, the types of subjects coming up are also essential. As we will see, the difference in the issues raised by MI and the CGBS are similar in many fields but, crucially different in others which constitute the core of a more sustainable economy. A continuing conversation which doesn't revolve around things like co-determination and interest has the potential to miss a crucial part for a transformative discourse and perspective.

2. A comparative analysis – CGBS Vs MI

The CGBS and the MI share many indicators such as, inclusiveness and affirmative action, health and safety and contribution to the community. The main focus of this analysis was: 1. the assessment quality of the indicators (e.g. intention as opposed to performance) and 2. which indicators were not mutual – indicators assessed by the CGBS and almost totally disregarded by the MI.

Below are just a few of the parameters examined in the comparative analysis and illustrated in a table (Table 3); they are presented in order to give the reader a taste of the work done (the full comparison can be found in Appendix 2).

Table 3:

		Direct influence	Indirect influence	Good measurability	Difficult measurability
Co-determination	CGBS	• 20.95% of score • 6/7 out of 8 measure performance	• 2.1% of score • 1 out of 3	7 out of 11	4 out of 11
	MI	None	1% of score	1 out of 1	None
Reduction of inequality (in income)	CGBS	• 8.25% of score • 3 out of 3 measure performance	• 6.1% of score • 4 out of 6 measure performance	8 out of 9	1 out of 9
	MI	None	None		
Reduction of inequality (inclusiveness and affirmative action)	CGBS	• 4.2% of the score • Room for improvements in measuring performance	None	All	None
	MI	• 10% of the score • Room for improvements in measuring performance	None	All	None
Reduction of interest usage	CGBS	• 1.4% of the score • All sub-indicators evaluate performance	• 0.9% of the score • Sub-indicator measures intention	2 out of 2	1 out of 1
	MI	None	None	None	None
Reduction of negative ecological impacts	CGBS	• 13.3% of score • 4 out if 5 measure performance	• 5.8% of score • 1.5 out of 4 measure performance	Measureable	Measureable
	MI	• 25% of the score (in the primary sector) • 6.5 out of 10 measure performance	• 13.55% of the score (in the primary sector) • 20 out of 20 measure intention	Measureable	Measureable
Total	CGBS	72% of the points received measure performance		78% of the points received are measurable	
	MI	18% of the points received measure performance		97.5% of the points received are measurable	

2.1. Co-determination

The CGBS covers this aspect in depth and widely. This is significant especially when it compares to a low percentage awarded by the MI. The performance criteria is also ticked substantially. Nonetheless, some of the sub-indicators either have a problem to accurately assess (i.e measuring problem) the performance or can do a better job in it. For example, C1.1; one of the criteria for receiving an advanced score asks: "What degree of co-determination do employees have in regard to issues concerning their daily work? What decision-making power do they have? How high is the degree of self-organization? What are employees able to decide for themselves?"; despite the fact that this criteria is performance oriented, it is hard to measure, and could

turn out to be not reliable[33]. This of course is always a challenge in qualitative measurements. However, in order for the CGBS to be a relevant tool its reliability needs to be trustworthy.

In contrast, the MI measures in-directly co-determination with only one sub-indicator, asking whether or not the company has regulations regarding the relationships between the company and the workers union. Their indicator has the advantage of being measurable, although it could be attributed to a low goal for measurement.

2.2. Reduction of inequality

As discussed in the literature review, there are various ways with which a company can contribute to the reduction of inequality in society (e.g. joint ownership, reduction of bonuses and profits to shareholders). Some of these actions are partly used by the MI, but some aren't. The reduction of inequalities has been explored underneath two separate topics: the reduction of inequalities of income (contributing to the financial disparities) and the reduction of inequality in opportunity as portrayed by inclusiveness measures.

The CGBS awards more than 14% in total toward reducing inequality of income, while the MI doesn't award any points towards this goal. Most of the CGBS sub-indicators measure performance and are measurable.

In the realm of inclusiveness measures and affirmative action - the MI puts a stronger emphasis, awarding more than twice the score of that given by the CGBS. Both the tools have only 'direct influence' sub-indicators and they are all measurable ones. Nonetheless both have room for improvement when it comes to measuring performance as opposed to intention.

2.3. Reduction of interest usage

Although the CGBS doesn't award much points towards reducing the use of interest and its value (e.g reduction of the interest charged on money lent), it is still

[33] 'Reliable', meaning that any auditor analyzing the results will be able to evaluate and then score them to a, more or less, similar degree.

significant when comparing to the MI which doesn't award any. Most of the sub-indicators evaluate performance and offer measurable criteria.

2.4. Reduction of negative ecological impacts

The CGBS devotes more than 19% (both indirect and direct influence sub-indicators) of its measurements in order to measure the ecological effects it has on the environment. A little over half of the measurements measure performance while the rest measure intentions.

The MI differentiates between the different sectors of the economy by awarding different maximum scores to different sectors. Businesses in the tertiary sector can reach a total of 15% while those in the primary or secondary sectors can accumulate 25% of their score (because of their large negative ecological impact potential). Most of the sub-indicators are intention oriented.

It seems that in the 'reduction of negative ecological impact' realm, the MI and the CGBS are doing similar work in the importance which they give the indicator as well as the emphasis they put on performance rather than intentions.

2.5. Total accounts

2.5.1 How does the CGBS and MI fare in comparison to the main criteria?

In comparison to the MI, the CGBS puts more emphasis on measuring performance rather than intentions (72% as opposed to 18%).The MI on the other hand provides more sub-indicators which are measurable and allows better reliability of the score given to the sub-indicator (i.e. two auditors checking the same sub-indicator will give it the same score) (78% as opposed to 97.5%). The MI is also more comprehensive and easier to use. It was often easier to explain the MI sub-indicators than to explain those of the CGBS (often the MI sub-indicators were self explanatory). Nonetheless the need to explain and talk over the sub-indicators, also contributed to the important conversations which developed and composed the SiC discussed in the first theme.

2.5.2 Indicators which are almost completely unmeasured by the MI

The CGBS assesses seven indicators which are almost completely unmeasured by the MI. In addition to the three mentioned above, there are 4 more which aren't mentioned: increasing cooperation instead of competition between businesses, supporting SME's and local economies, evaluating the necessity of products and services (evaluating if the company attempts to reduce the consumption of products and services which aren't essential) and reduction of working hours without harming fair wages. These indicators composed more than 50% of the points awarded by the CGBS as opposed to 2% in the MI. This data illustrates that while the CGBS is measuring some of the indicators measured by the MI, it is also substantially measuring different ones. The significance of this will be assessed in the discussion.

2.5.3 An advantage in design

The way the CGBS sub-indicators are designed (graphically wise) also contributes to the sense of performance focus of the tool. The MI is built as a questioner. Many of the questions focus on intentions and efforts rather than performance (e.g. question 23 - does the company present publicly its customer policy – which receives 0.5% and clearly doesn't assess the performance of customer service). The CGBS, however, is built as a table which has 4 categories: first steps, experience, advance and exemplary. The more progressive a company becomes in its practice and performance, the more percentage of the total amount of points it gets; for example (Table 3). Even if in some of the 4 categories of the sub-indicator there are some aspects of intention, the graphical design of the tool stresses its performance orientation[34].

The fieldwork has shown that even if an 'experienced' category measures only intentions and efforts, but the more progressive categories measure performance

[34]When conducting the comparative analysis, in cases where one of the categories had only 'intention' measurements, I characterized the whole indicator as measuring both performance and intention

(e.g. A1.1.[35]) – the whole sub-indicator is viewed, by the people using it, as being performance oriented.

Table 4:

D1.1 Total extent of ethical customer relations measures (ethical marketing + sales) (relevance: high)

Evaluation table

Sub-indicator	First steps (0 - 10 %)	Experienced (11 - 30 %)	Advanced (31 - 60 %)	Exemplary (61 - 100 %)
Total extent of ethical customer relations measures (ethical marketing + sales) (Relevance: high)	Overall concept for ethical customer relations and self-obligation on part of management	Overall concept implemented at least 50%; clear measures taken to change structures, processes and mindset of employees; salary independent of sales figures	Overall concept implemented up to 75%; extensive measures taken to change structures, processes and mindset of employees	Overall concept implemented 100% and structurally anchored; all employees live the mindset of ethical customer relations

3. Second theme:

The MI and CGBS – two different and separate tools or are they sitting on the same spectrum?

Working with the MI and the CGBS with the different businesses and organizations, it became clear that for the Israeli context both were not fined tuned enough. After hearing the idea behind the CGBS as a different kind of reporting and scoring tool, the companies were keen to see it in action. Some were familiar with ISO certification and GRI and had seen enough miss-use and green-washing of these "wanna-be sustainable tools" (Orlev[36]). When the MI was presented to the case-study companies, they were a little disappointed, and they quickly pointed out the points which allowed getting scores for nothing significant or necessarily effective: "I remember in another company before the ISO certifiers came, we put some things on the wall in order to comply… and that was the spirit of the whole thing…

[35] A1.1. The sub-indicator evaluates how the company considers social and ecological aspects of its supply chain; however 'first steps' and 'experienced' measure intention as opposed to 'advanced' and 'exemplary' which measure performance.
[36] Orlev – An executive in one of the case-study companies.

eventually we got certified" (Yossef[37]). This was not the case with the CGBS, which the companies felt were more performance oriented. Of course, these impressions are correlated with the findings of the comparative analysis.

On the other hand, the CGBS was not easy to digest, especially the parts regarding co-determination and the restrictions of interest use "I've worked with unions in the past – it's terrible" (Rebecca[38]), "So how are we supposed to make sure we have enough money from our investments to ensure we can re-invest while also growing our business?" (Michelle[39]). Despite discussing the logic in our previous meetings (as an opening for the following meetings) and coming to common grounds regarding the problematic mechanism of interest, it was still hard to digest when it came back down to assessing the business. Indeed, the CGBS puts emphasis on measuring and heading a change in economic principles which some consider as axioms of a modern economy (e.g. use of interest, sole ownership and decision making models).

This opened the idea of taking "…some of this and some of that – make a salad…" as Michael[40] pointed out; referring to the possibility to take some things from the CGBS and some from the MI. It became clear that the tools could be situated on a spectrum, one which could be fine tuned as time goes by. In other words, the CGBS can be adjusted and re-tailored so that the principles of the new economy can still be manifested, but to a less "frightening" bench mark (e.g. the 'exemplary' category in the sub-indicator B1.3. won't be a 'waiver of interest'). The CGBS and the MI analysis correlates to some degree with this impression. On the one hand, they both measure mutual topics and issues which are important for shifting to a more sustainable economy. On the other hand there are topics which are not mutual, some of which are at the heart of a more sustainable economy. Moreover, the CGBS, in certain fields, is much more performance oriented than intention oriented (as opposed to the MI). Nonetheless, the MI has showed an ability to be performance driven, especially in ecological issues and in some areas of the social justice.

[37] Yossef – A former CEO of an international manufacturing company.
[38] Rebecca – Human resources manager at a pharmaceutical company.
[39] Michelle – Works as a project manager in an international manufacturing company.
[40] Michael – Head of business development in an NGO supporting social businesses.

4. Transitioning to the CGBS one country at a time

Can a country transition to the CGBS framework without all of the global economy transitioning to it as well? What will happen to the economy of a country, like Israel, if it decides to adapt this tool? Would investors and international companies run away? This theme and concern was sometimes raised in conversations with the people after fully understanding the framework of the CGSB initiative: "How can the economy of Israel explain to Gap that if they want to sell in Israel without extra customs and taxes, they need to provide a good CG score? And how are Israeli companies supposed to compete with other companies which are not sustainable and can therefore cheapen their prices?" (Yochi[41])

Felber (2015) explains that Germany and Austria, being strong economies, can transition to this together, creating a 'common good zone' within the EU. With time more countries may join and expand the 'fair and free trade zone'. Of course, the more countries join the less unethical options financial investments have, the more they will need to invest in the common good. Nonetheless, what about countries with economies not as strong and therefore more reliant on bigger ones? Do they have to wait for the big countries to transition, before they can?

In the era of globalization and free trade agreements, countries are finding it harder and harder to control their economies. Countries everywhere are expected to open their borders to free trade and competition, regardless of the damage that action can cause the national or local economy (Alvarez, 2015). This is especially true in smaller economies not to mention developing economies, which are pushed to reducing trade barriers, in return for support in other realms (Lerche III, 1998). As Freilich (2017) explains, Israel in this context is very much dependent on U.S. support, which is a strong driving force towards free trade and neo-liberal economics. The country's economy depends on exports, imports and outside investments to support, amongst other things, its developing technological industry (En.wikipedia.org, 2017).

[41] Yochi - – Head of marketing in a medium sized enterprise.

Nonetheless, Israel's situation is just an example of the disempowerment countries might experience when they try to "seize" back control over their economies. Despite the issue being very important and relevant to the whole scheme, I have decided not to further develop this topic in the dissertation, and knowingly concentrated on the evaluation of the CGBS as a transition tool, rather than its whole framework. The question regarding the implementation of the CGBS on a global scale is a worthy one, but beyond the scope of this project. Nevertheless, I suspect that the second theme, presented in the findings and the conclusions and insights it has drawn, will be of use for understanding possible avenues for mitigating this concern.

Discussion

The discussion will be built of 6 parts: 1. Based mostly on the first theme raised in the findings and drawing on Meadows' (1999) '12 leverage points' and Macy's (2016) '3 dimensions' – the discussion will point to how the CGBS contributes towards the transition towards a more sustainable economy; 2. Trying to answer how, in light of the main critiques and shortcomings of sustainable reporting, does the CGBS performs, strongly drawing on the comparison between the MI and the CGBS; 3. The CGBS in the local context – a catalyst on a spectrum – this part of the discussion will mainly address the second theme raised in the findings. It will explain what this insight holds in terms of answering the research inquiry; 4. Suggestions and places where the CGBS can improve, developed as a result of the detailed analysis and the different perspectives acquired through the multiple methodologies. This provides important information as to how the CGBS can improve in order to strengthen its contribution for a transition to a more sustainable economy; 5. A blueprint for the infrastructure needed for a more sustainable economy – the CGBS provides a map of some of the missing institutions which can support its implementation; 6. Further research will be suggested which can continue and deepen the inquiry of the CGBS and the ways to transition towards a more sustainable economy.

1. The CGBS from the perspective of the Meadows' leverage points and Macy's 3 dimensions

The dissertation inquiry can be viewed as a systems question: in what ways can the CGBS be a catalyst for a transition to a more sustainable economic **system**? As such it might prove useful to draw upon the insights of Meadows' leverage points (1999) and Macy's 3 dimensions (2016) – both frameworks assist in analyzing and understanding changes in systems.

1.1. Three Dimensions of the Great Turning

Joanna Macy offers a three dimensional framework for the great turning. Her inspirational work aims to reconnect us with ourselves, society and the planet[42]. She promotes social change through the three dimensions of *holding*, *shift in consciousness* (SiC) and *systems change* (Macy, 2016)**.**

Holding action, stresses the need to prevent further harm and destruction. Social workers who work with people who have already been hurt by the system, environmentalists who protest and prevent further harm to the environment are all performing holding actions; *SiC* is the mental shift needed to accept a new way of looking at the world or a new system. *SiC* work can be done through 'change agents' such as spiritual teachers who help other people understand that there are more important things to life than material wealth, podcasts and books which tell a different narrative and programs which help people see the intrinsic value of nature; *Systems changers* are those whose actions change and improve the current system or think of new systems all together (e.g. alternative measurements to GDP, B-corps, Universal Basic Income (UBI)).

For change to be possible all three elements need to exist and be performed. That doesn't mean that everyone must manifest all three elements (Macy, 2016); some people may find themselves more active in holding while others are more systems changers. Nonetheless all three complement each other, because, for example, a SiC

[42] This resonates with the 3 divides of Scharmer and Kaufer (2013) described in the introduction.

can help promote a new systems change to be accepted, an act of holding can motivate a SiC, and a systems change can be part of a holding action.

1.2. Systems change – Meadows' leverage points

The systems researcher and thinker Donnella Meadows (1999) explains that systems are complex and therefore hard to influence and anticipate. The precise effect of a single let alone multiple interventions in them are impossible to foresee. She offers 12 leverage points for intervening in systems; ranking them according to their increasing effectiveness on a given system (number one, most effective and twelve, least effective). Presented below are seven of them (according to Meadows (1999)) which seem to be the most relevant to the CGBS:

12th. Constants, parameters, numbers (such as subsidies, taxes, standards) – Meadow refers not to what is taxed or subsidized but rather to how much is subsidized and taxed. The battle over the precise number might be important to a specific person (which the change in number -e.g. a rise of 50% in property taxes in city centers - can put them out of business), but rarely does that number effect the entire system.

8th. The strength of negative feedback loops, relative to the impacts they are trying to correct against – a negative feedback loop is the mechanism which keeps the system in equilibrium in respect to its goal. If it (the system) for some reason loses its balance, this is the mechanism which restores it. The correct way to use this leverage is to make sure that the information flowing is precise and unhampered. If we want the market to give a precise price, we need to make sure that the externalities are internalized.

7th. The gain around positive feedback loops – this is a reinforcing pattern, which can throw the system off balance. When a positive feedback loop 'kicks in' it is usually difficult for negative feedback loops to rebalance the system. That is why it is easier to deal with the positive loop then to build a negative one to neutralize it. In an economic system, 'success to successful people' is a positive feedback for increasing inequality. Therefore inheritance laws and progressive taxation, and even

more so reduction of interest use and rates, can serve as stoppers of the 'rich getting richer' reinforcing feedback loop.

6th. The structure of information flows – this leverage point is about determining which parameter is measured rather than adjusting one which already exists (the 12th leverage point). It (the leverage point) is the essence of the phrase: "we improve what we measure". Nonetheless, Meadows (1999) stresses that the missing feedback has to be "restored in the right place and in compelling form" (i.e. that the information revealed has an impact on the people receiving it); this takes us naturally to the 5th leverage point.

5th. The rules of the system (such as incentives, punishments, constraints) – not only the rules are important to notice but also who sets them (this corresponds with aspect of co-determination discussed in the literature review). The "compelling form" referred to in the 6th lever above, addresses the severity of the incentives, punishment and constraints.

3rd. The goals of the system – the goal of the system will make all the other leverage points mentioned conform to it.

2nd. The mindset or paradigm out of which the system – its goals structure, rules, delays, parameters – arise – Meadows (1999) refers here to the underlying beliefs we have about reality which influence our actions, decisions and judgment. The idea that nature is a stock of resource put on this planet to serve humans is one; the belief in the 'invisible hand' in which selfish actions of individuals amount to the common good of society is another. She offers Kuhn's advice for transcending the paradigm – the anomalies and failure in the old paradigm need to be pointed to, loudly and with assurance. It is important to work with open minded people rather than waste time and energy fighting with reactionaries.

1.3. The CGBS in light of the leverage point and the Three Dimensions

My research has shown that at first it might seem to some people that the CGBS relates to the 12th leverage point; nonetheless with further attention it becomes clear that it is not. The CGBS is actually trying to intervene using the 8th, 7th, 6th, 5th,

3rd, and 2nd leverage points, as well as being active in the realm of SiC and systems change.

Despite the fact that the discourse of the CGBS revolves around the different parameters, it is in effect offering new ones (as illustrated in finding 2.5.2[43]) It's introducing new feedback loops and adjusting the numbers of the old parameters. Its attempts to measure social and ecological impacts means that rather than utilizing the 12th leverage point (i.e. constants, parameters, numbers) it is actually intervening with the 6th (i.e. The structure of information flows) and 8th (i.e. negative feedback loops, specifically internalizing externalities).

The 7th leverage point (i.e. positive feedback loops) is utilized, for example, in the form of the higher score given to companies which reduce and limit income disparities and reduce the use of interest. It's crucial for stopping the positive feedback loop of the wealthy getting wealthier at the expense of the poor getting poorer; and ultimately reduces the inequality in society and as, Wilkinson and Pickett (2009) explain, improve the common good.

The 5th leverage point (i.e. the rules of the system) onwards is where the CGBS can shine **if the framework for regulation is followed** (i.e. filling the CGBS becomes compulsory and its results used for rewarding and disincentivizing companies (e.g. progressive taxation and better conditions for loans)). Nonetheless, this **"if"** should not be taken lightly or as a given outcome. In order for the **IF** to be realized and the CGBS to be implemented in regulation more work will need to be done. People will need to be convinced on a large scale that enforcing the framework is a wanted next step. Although the scope of this dissertation does not cover this possibility, it still questions (as will be explored below) whether or not the CGBS itself can be useful for convincing people of the need for regulation.

It seems that today not everyone can answer what the goal of the economy is; some might say, to earn money, others to grow and provide jobs – regardless of the answer, not many, as I have experienced throughout my research, will clearly

[43] The research found that more than 50% of the scores awarded in the CGBS are different than those of the MI.

indicate that its goal is to improve the common good. It seems that this message is one of the main contributions which the CGBS is having – it is putting a clear and comprehensive goal for the economy, and then, even more importantly, offering a system to support that goal. From this perspective it is undoubtedly intervening at a 3rd leverage point level (i.e. the goal of the system).

Moreover, the 2nd leverage point (i.e. the paradigm from which the system arises from) is also being utilized, because certain belief systems at the core of our problem are being questioned, and more importantly, an alternative is offered. The idea that nature has intrinsic value is one of those paradigm shifts; another is the idea that the 'invisible hand' can transform the selfish acts of the individual into an increase of the common good.

Drawing on Macy's 3 dimensions, the CGBS initially seems to offer a systems intervention; nonetheless it also engages people and evokes a profound discourse which seems to be affecting the crucial SiC needed; as has been presented in the first theme in the 'findings' section. Through the change of discourse people are starting to understand see and question, at least partly, the 'sea we are swimming in' – a supposedly value free economy without a goal; an economic reality which is natural and cannot be fundamentally changed. The public is engaging with a simple, but crucial question: what is the goal of the economy?; they are challenging the notion of the 'invisible hand' as a way to amend the damages done by self interest;

Moreover, the CGBS itself doesn't only present a 'provocation' for discourse but also a method for engaging in discussions which can lead to SiC. The countless indicators and sub-indicators which are being evaluated in the enterprises are constantly a source for talking about things a company does which are supposedly not connected to the responsibility of a business (e.g. "I'm responsible for making my company profitable, not to educate employees to lead a more sustainable life…" (Yossi[44])). Furthermore, for some, certain indicators don't seem at first, to be relevant or important for the overall effect a company can have on society (e.g. "what effect can

[44] Yossi – CEO of a medium enterprise.

the business have on society if I give my employees, more voice in decision making in the company?!" (Sarah[45])).

It might be common to see the SiC as a necessary condition for systemic change to be accepted. Nevertheless, the CGBS seems to be having an additional and complementary affect – it is the systemic change which is actually influencing the SiC. This understanding is important, because it exemplifies Macy's (2016) points that all three circles must work together, regardless of which one is initiated first, and that every action in one realm, can lead to a change in another.

1.4. Moving forward

The analysis of the CGBS in light of the leverage point and the three dimensions, offers a method for understanding it not only as an end goal, but also as a tool for transition, and should be used as such. For example, knowing that the CGBS should evoke discussions as an essential part of the change process is an important insight to carry when engaging with the current economy, trying to persuade people of its necessity. This is exactly the essence behind the dissertation inquiry: "**In what ways** is the CGBS…"

Moreover, understanding that the CGBS offers a thorough and a holistic way of transforming the system on many levels, should sow confidence and reassurance which will be needed as time goes and perseverance becomes crucial for success – to make this world a better and more sustainable place.

2. How does the CGBS compare to the criticism facing sustainable reporting today?

The literature review covered a wide array of criticism facing current sustainable reporting. This part of the discussion will confront the CGBS with its "ghosts" – the criticism and shortcomings it supposedly needs to overcome in order to become more meaningful as a catalyst for change towards a more sustainable economy.

[45] Sarah – HR manager in a consulting company.

2.1. Voluntary and a lack of standardized reporting which lead to hand picking criteria and set's the ground for 'green washing'

The CGBS has gone a distance in answering these critiques. The concept of materiality doesn't exist and as such there are no parameters which are left unreported and in the case of the CGBS un-scored. Moreover, as we have seen in the comparison with the MI, the range of indicators collected by the CGBS is vast and wide, and touches upon many areas which are currently considered irrelevant to a company's performance, but very relevant for a more sustainable economy; this also ensures better coverage of essential elements for scoring.

The use of negative scoring is something new which the CGBS brings forward, and its aim is to battle specifically green washing. This proponent reduces points from company's which behave inadequately. Moreover, the amount of points deducted is large in comparison to points given for good performance (the total negative score can add up to -3000 points, where as the maximum positive points which can be accumulated is 1000) – this stresses the need to first comply with the law, before even attempting to gain points for good practices.

In regards to standardization; on the one hand the CGBS views itself as a global standard. On the other hand, the ECG which formed it stated very clearly that the common good of a political entity should be decided by the sovereign people. Therefore, if the common good is determined by a certain group of people, then it isn't standardized (on a global scale) and neither is the CGBS. Nonetheless, the fact that a CGBS can be made standard on a national scale seems to still be significant in that it allows a useful comparison between all the companies working in any given economy.

2.2. A lack of legal repercussions and incentives for performance

The 'voluntary' nature of sustainable reporting today doesn't only extend to the materiality and the scope of the indicators evaluated (as discussed above), but also

to the regulative nature[46] of its use. The ECG, which developed the CGBS, claims that filling and having a CGBS should be the norm and standard in a country. Furthermore, disincentives and incentives should be granted in accordance to the score achieved[47] (RSA, 2016).

Nonetheless, whether or not the CGBS would be made mandatory, and how that could affect its potential for endorsing change is beyond the scope of this dissertation. However, this research has showed that the majority of those who participated in this research have thought it would be logical and useful to put in place such regulations, after understanding what the CGBS was about; their main concern being was how to convince other people, rather than doubting the idea itself.

2.3. The reports don't push companies to performing 'beyond compliance'

Different factors in the structure of the report and the framework in which it is implemented can affect its (the report) to push beyond compliance. The structure of the CGBS has managed to improve that to a certain extent. The way in which the MI and CGBS address the problem of **'just** complying' can be shown clearly in the sub-indicator of diversity and affirmative action.

Using the CGBS a business can reach the maximum amount of points in this field if its "Overall anchoring of diversity and affirmative action in the company has been 100% implemented in regards to key aspects (i.e., structurally anchored in all areas of organization and is backed and lived by all executive personnel); Number of women and minority employees (also in specialist and managerial positions) is far above average for the sector" (Sub-indicator C.1.4 – exemplary). As opposed to that a business using the MI can receive points even if it only complies with the law such as in question 58 – "the facilities of the company have been made accessible to all, in accordance with the time schedule of the specific article (legislation) and the

[46] 'Regulative nature' addresses whether or not it is regulated by a country or region.
[47] Naturally, those not having a score will be valued in accordance to a very low standard which needs to be determined by the people.

workforce has with gone 'special accessibility training' as demanded by other relative articles".

These two examples exemplify the difference of what it means to 'push beyond compliance' and what doesn't achieve it[48]. A report which wants to push a business beyond compliance needs to structure and phrase itself in accordance. One way of doing this is through comparing the performances of other companies to each other (e.g. "Number of women and minority employees… is **far above average** for the sector"). When the performance of a business is compared to another business it creates the incentive to do more than comply. In other words, when the companies are measured according to their performance and its constant improvement, it pushes them beyond compliance (e.g. in question 54, of the MI, the companies are asked to provide data regarding their employment diversity and their annual improvements).

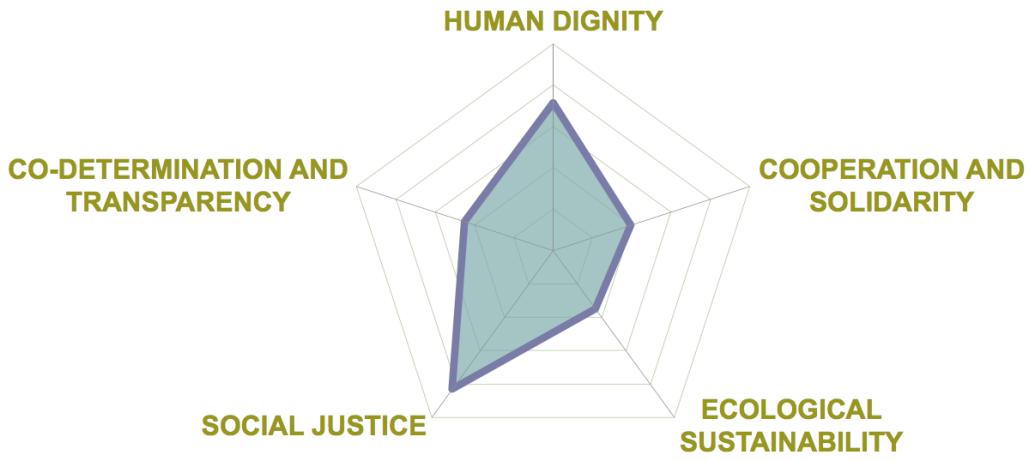
In all, the CGBS is doing well in pushing companies beyond compliance by way of structuring the scoring according to the comparison of companies' performances.

2.4. The language of the reports is inaccessible

Despite my feeling that the CGBS was not as 'user friendly' as the MI, the results themselves were made easy to understand through the use of the scoring system. The scoring system is the main method with which the barrier of the inaccessible language of sustainable reporting is being bridged over. With the CGBS, a person wanting to know the sustainable performance of a company can look at the grade or number the business received in each category presented in the CG matrix. Moreover, the CGBS offers a visual tool (e.g. Figure 1) which manifests the results in the different areas of interest, which can give a comprehensive 'visual snapshot'.

[48] Nevertheless, the MI puts an effort in correcting this characteristic in other follow-up questions

Figure 1 (Boele, 2015[49]):



2.5. Reports don't induce integrating sustainability in planning and decision making process

The CGBS addresses this issue through three avenues: The first is through the SiC, which it tries to induce (as was discussed above). The different discourse which it evokes and the economic rethinking it promotes gives a value driven motivation for integrating sustainability planning "I want this company to be part of this, this is a good idea…"(Yoel[50]).

The second avenue is through specific sub-indicators which manage to address the concerns stressed by Gray's (2013) illustration of 'Elrich Heuristic'[51]. For example, in the E1 indicator[52], the CGBS is actually trying to measure how well a company is inducing the reduction of unneeded affluence.

The third avenue, relates to the mandatory nature of the framework. As previously discussed (in 2.2), whether or not the framework of the CGBS will be made mandatory is beyond the scope of this work; nevertheless, it is probable that if the

[49] If the entire star is painted blue, then the company achieved perfect sustainable reporting according to the CGBS.
[50] Yoel - the owner of a small enterprise.
[51] The heuristic suggests that environmental impact is a function of the population multiplied by affluence and by technology.
[52] E1: Value and social impact of products/services'

scheme is fully implemented, than businesses will have no choice but to integrate sustainability into their core practice, if they are to survive.

2.6. It represents intentions rather than performance and absolute measurements

Through the comparison with the MI, this research has shown that the CGBS is more performance oriented than its counterpart. The latter has devised many sub-indicators focused on measuring results. Nonetheless, more work needs to be done in order to improve remaining 'intention measuring' indicators (e.g. A1.2.[53]).

In regards to absolute measurements, the CGBS makes more use of comparative measurements to other companies (e.g. D3.1.[54]) than to absolute measurements (e.g. D1.3.[55]). This makes use of the role of competition in order to enhance better performance. In other words, a company's performance is evaluated and compared to that of others in its sector, which could evoke a race with each other in order to reach better results in wanted fields.

2.7. How to actually measure social and ecological impact is unclear

Two main points can illustrate how the CGBS responded to this critique. The first, which has been discussed above[56], regards the ability to measure the conditions which contribute to human flourishing as portrayed by models such as Max-Neef's basic needs. This stresses the ability of companies to contribute to society, not only (or even majorly) by giving money through philanthropy or other means, but actually through way of actions like working conditions and business structures[57]. In other words, if a company sets conditions which empower their employees through co-determination, takes care of their physical health through ergonomic designs or

[53] A1.2. Evaluates whether or not the company actively examines the risks of its supply chain.
[54] D3.1. Evaluates the ecological effect of a company's product and services from cradle to cradle; it is evaluated in comparison to other businesses' performance in the sector.
[55] D1.3. the sub-indicator evaluates how the company is performing in regards to customer co-determination and product development; a business can receive up to 3 to 4 points if: … up to 25% of products are jointly developed.
[56] It has been discussed in the third topic of the literature review: "a more sustainable economy" and in the comparative analysis between the CGBS in the MI in the methodological section.
[57] This difference in focus of measurement was ever so evident in the comparison between the CGBS and the MI in the field measuring 'contributions to society' the MI awards 18% of its points to philanthropy and volunteering as opposed to just 4% awarded by the CGBS.

pushes them to balance between their work and leisure time; then in fact it contributes to society.

In the realm of ecological impacts, the ability for measurement and assessment has improved immensely (e.g. the EFP with its cradle to cradle evaluation used by the CGBS). Moreover, the CGBS also stresses the importance of 'sufficiency consumption' which promotes simple and non-luxuries consumption and design (e.g. D3.2.). Nevertheless, despite the improvements in measuring and promoting ecological impacts, it is still far from being accurate; this understanding leads to the second point.

The second point to this critique is that even if the exact social and ecological impacts are impossible to measure, what we can already evaluate and reward is better than nothing. In other words, we shouldn't stall in measuring and promoting good practices until we have managed to develop the exact tools; "good enough"[58] may well be better than nothing at all.

2.8. The reliability of the measurements once obtained

The reliability of the measurements can be detailed into more specific categories which can better analyze the CGBS's performance in relation to this critique: The first reliability category regards the **ability** of the indicators to truly be assessed and evaluated in an "objective" manner. In other words, will every auditor looking at the same data, reach the same evaluation and score? The second category relates to the **precision**, **truthfulness** and **scope** of the data being submitted. The third category aims at the **capability** of the indicator to actually encompass the value or situation it is striving to measure and improve.

In regards to the first category the answer is not definite. Meaning that to a certain extent different people will have different scoring. Nevertheless, the same can be said in regards to a financial balance sheet today. As I was told by an accounting manager: "…the better the accountant and financial manager, the better she can

[58] This expression draws inspiration from the seminal work of the child psychoanalyst D. W. Winnicott, who claimed that a mother doesn't need to be perfect in order to offer her child the needed platform for a healthy development; she needs to be "good enough" (Wedge, 2016)

make the company's balance sheet look and benefit its taxation or its value in the stock market…". Nonetheless, this of course, is only true to a certain degree; if it was extensively true there would be no room for financial reporting all together.

In order for the CGBS to improve its reliability in this category, it has to improve some of the sub-indicators and their performance measurements. Although done to a certain extent, more can be achieved. For example, C.1.1[59] because of its structure can easily be scored differently depending on the person. On the other hand, C2.1[60] is much more reliable.

In regards to how this 'reliability category' fares in comparison to the MI, the latter seems to be more reliable overall. Nevertheless that could be directly attributed to such things as the MI's emphasis on intentions and efforts rather than performance.

In the second 'reliability category', the CGBS doesn't fair much better than other frameworks including, for that matter, financial balance sheet. The reliability of the latter relies on the ethics of the businesses, the accountants and accounting agencies, as well as the damage to a company's credibility and public image, or the severe penalties issued by the state for deceiving and un-true reporting. In order to improve the reliability for the CGBS, a similar framework must be introduced such as an agency which checks sporadically businesses' sustainable reporting and punishes dishonest reporting as well as revoke the license of any mal-practicing auditor. Moreover, one of the strength of the CGBS is its scope of parameters and indicators collected in order to provide a detailed account of the sustainable performance of a company.

The third category has been improved in the CGBS in its aim to measure performance rather than intention. For example the MI, wishing to increase diversity in companies, awards points to businesses which do special workshops on the

[59] C1.1. - Employee-oriented organizational culture and structures; the "experienced" measurement for this sub-indicator reads: "Implementation of overall measures; clear measures to adapt structures, processes and mindset of managers"

[60] C2.1. – Reduction of normal working time; the "exemplary": "Average working time per employee is approx. 10% lower than working times in the sector or a maximum of 38.5 hours per week. New hires made due to a general reduction of working time"

subject. As opposed, the CGBS awards points for the actual increase in diverse employment relative to the other companies in the sector.

It seems, therefore, that despite having more room to improve in regards to the first and third category, the CGBS is still doing a better job than other sustainable measurements.

2.9. Such measurements represent a quantitative economic paradigm

One of the concerns voiced against the use of standardized sustainable reporting is its method of measurement which attempts to quantify qualities which can't and shouldn't be measured. In other words, an attempt to measure happiness, or the cost of pollution to the ecology and human health is 'playing into' and giving legitimacy to a culture of pricing in which everything has a price tag.

Advocates of qualitative measurements insist that the quantifying and measuring tendencies in economics is, by default, losing qualities which are not measurable and tangible (e.g any attempt to measure the worth of a tree whether in carbon absorption or beauty, will undoubtedly lose some other quality such as the emotional tie that a specific tree has to specific person) (Göpel, 2016); paraphrasing the expression – "you improve what you measure"…; one can also insist that: "…you don't improve (or lose sight of) what you don't measure". Henry[61], for example, stated: "quantifying and giving a number to everything is what got us into this predicament in the first place" (pointing the finger at such economic tendencies as putting a number (price) on everything).

The argument concerning qualitative measurements also revolves around the indicators used for measuring. It stresses that qualities, such as emotions and feeling are also legitimate for use. On the other hand, supporters of quantitative measuring explain that society needs a way to distinguish and determine between a more favorable option, activity, policy or condition, rather than a lesser one. This demands

[61] Henry – UK based consultant and academic, developed a qualitive assessment method through collection and connections of narratives.

a measuring system which allows comparisons and offers a common language and signs to communicate with.

The CGBS attempts to measure the social and ecological impacts of a business, evaluate and grade it, so its performance can be translated into a number – for comparison's and improvement's sake. From this perspective the CGBS is 'playing into the hands' of quantitative economics (i.e. economic methods which try to quantify everything).

It is hard to settle the question of whether or not a more sustainable economy is possible through the use of quantitative measurements, or whether it should strive to use evermore qualitative ones. Nevertheless, it is my opinion that if one gets lost while using a compass; they should wonder whether the compass they were using was accurate not if its usage was fundamentally a mistake. Despite the example being over simplified and perhaps anecdotal, it holds some useful insights which can be derived.

Moreover, if we are to learn from the mistakes of the past, our measuring tools must be constantly assessed and improved in order to stay true to their goal of offering a relevant compass for navigating our economy towards a more sustainable path. Thus, the CGBS is, and should continue to be, constantly assessed, developed and updated by different stakeholders in order to stay relevant to the evolving economy.

2.10. Consumer decisions are not affected enough by the reports

The reasons why the reports don't have a more significant influence over consumer decisions can be attributed to a few factors such as the inaccessible language of the reports, their length, and the problem to compare the businesses according to the reports (all of these were discussed above in 2.4). Other factors include the availability of the reports when making a consumer decision (as opposed to the price; when consuming the one thing that will rarely be lost sight of is the price), and the reality in which the price of a product or service is usually a very significant consideration when determining whether to make the purchase.

The implementation framework of the CGBS is very aware and relevant to the two latter factors. Despite the fact that this dissertation doesn't evaluate the implementation framework, it is worth briefly noting two features which it offers. The first feature advocates that next to the price of each product and service, the score which the business received should be exhibited. Moreover, a barcode next to the score will make the full CGBS accessible to every smart-phone user who wishes to scan it. The second feature is dependent on the regulatory adoption of the framework (e.g. giving financial incentives and rewards to better performing businesses). If this happens then the better the score the more likely the actual price of the product and service will be reduced, thus offering the consumer a double win purchase: both cheaper and more sustainable.

2.11. Company performance is not evaluated against social goals

The critique stems from at least two contributors: first, that social goals might not exist or at least don't enjoy a wide awareness in the public; and second, to the conception that companies and the economy in general shouldn't strive to meet social goals because they are value free (Raworth, 2016).

The CGBS responds to both these contributors; it holds center values and goals as set forth by different constitutions (e.g. German and Austrian) and declarations (e.g. the Human Rights Declaration) and puts them center stage (Felber, 2015). Values such as human dignity, solidarity and social justice are put as social goals and as 'servants' of the common good. Increasing equality (e.g. reducing economic disparities) and autonomy (e.g. increasing co-determination) are also held as contributors to the common good and the realizations of those values[62].

By using a scoring method to measure company performance the CGBS manages to evaluate companies against social goals. Furthermore, as presented in the findings, the CGBS offers a platform and serves as a catalyst for the important discussions and

[62] The ECG contends, if these values meet resistance, and are not accepted by the majority of society as being legitimate, then society should rewrite their constitutions and re-determine their social goals.

dialogs which people in societies should have in order to reinforce and consolidate the goals and values of their society as well as raise awareness to them.

2.12. There is no method to aggregate results into a single number

Both the CGBS and the MI are clear examples of a method to aggregate results into a single number or score. Nevertheless, they might not be the best method for this, or the way in which they add up the measurements might be debatable and criticized by some (e.g. some people might disagree with the score given to ethical finance (30 out of 1000) and advocate that it should receive more points).

However, even if the method isn't perfect and could be better adjusted and improved, "a good enough method, is better than nothing at all; in our case: leaving the whole field of "sustainable reporting" broken and useless" (Alex[63]). Alex is claiming that we need to start somewhere, and if we don't aggregate results in a sensible manner, as best we can, than sustainable reporting will cease to be a useful tool for making the next step forward. Yael[64] adds: "there is no question that the CGBS manages to manifest the triple bottom line (after we went over it), the problem is indeed no longer there, but in how you persuade the public and the government to adopt the framework for its implementation".

2.13. Results: How does the CGBS fare in comparison to the critique?

In these last few pages, the CGBS was analyzed according to how it fares in relation to the main critiques facing sustainable reporting today. This perspective offers a direct and important link to the research inquiry, because it sketches how it can become a catalyst for a more sustainable economy.

Despite its imperfections and the fact that the CGBS doesn't manage to answer all the critique facing its present counterparts, it is still faring better than them on several points: pushing companies to performing beyond compliance; the accessibility of the reports and it aggregation into a single number; measuring

[63] Alex - A sustainability consultant for corporations and municipalities.
[64] Yael - works at a third sector NGO which advocates against corporate corruption.

performance rather than intention; managing to measure social and ecological impacts; and evaluation of company performance against social goals.

Nevertheless, some of the critiques cannot be addressed without considering the framework for implementation, which this research has consistently withdrawn from doing, such as the voluntary nature of reporting or the incentives for performance.

This downfall, however, is not due to a negligent design on the part of the CGBS (i.e. the critiques could be answered if the CGBS was built better), but to an inherent component which every sustainable reporting will need to face – it is dependent on a SiC of people which will need to demand its implantation and use. In other words, without the adoption of the CGBS framework (i.e companies fill a CGBS and are rewarded accordingly) it cannot fully 'redeem' all the critiques facing its predecessors.

3. The CGBS in the local context – A catalyst on a spectrum

In the findings section, the second theme revolved around the CGBS being on the same spectrum as the MI. If the CGBS needs to be adapted to a local context (in our case the Israeli) in order for it to be a relevant tool for inducing a more sustainable economy; the question is what are the kinds of adaptations needed and at the same time which changes would be detrimental to the CGBS's quality discussed throughout this research? For example, if a country has a cultural antagonism towards 'co-determination'[65] should all indicators addressing it be removed?

One possible answer to this can be derived from Meadows' leverage points; or more specifically from the difference between the 6th and 12th leverage points[66]. Meaning, in this case, it is important to put in place the constants wanted to be measured, while adjusting the exact parameter can wait for the future.

[65] This, according to some of the interviewees, is the case in Israel; Tami, a worker in an NGO promoting workers unions, explains: "When you talk about workers voices and co-determination with people in Israel, many people "get a rash", they remember the times in the 60's and 70's when the Unions held the country hostage and were a synonym with inefficiency and corruption".

[66] The 12th - Constants, parameters, numbers (such as subsidies, taxes, standards) & 6th -The structure of information flows – this leverage point is about determining which parameter is measured rather than adjusting one which already exists.

In practical terms this translates into keeping the sub-indicators which are important for the transition to a more sustainable economy (e.g. co-determination, reducing inequality and balancing between leisure and work), while being more flexible on the severity of the results expected. For instance, it is important to keep sub-indicator C2.1.[67], but it might not be the best idea to try and set the goal for reduction at 38.5 Max hours a week. Perhaps a more subtle and less extreme goal can be chosen in order to make the adapted CGBS relevant for the local settings.

Moreover, the resistance towards reducing overtime and working fewer hours will not stem only from owners and management, but may well also stem from the employees themselves. As Victor, an employee in one of the case-study companies, said: "…as long the price of living is so high… I need the extra hours to get by…".

Nevertheless, once a business understands that such indicators are relevant for its sustainable performance, because they are put in place as sub-indicators; later the results aimed for can be adjusted and debated upon. Placing the parameter in place, as Meadows' (1999) pointed out, can make a huge difference in relation to effectively influencing the system.

4. Suggestions and places where the CGBS can improve

In continuation to the discussion and the dissertation question, it is relevant to point to and suggest places in which the CGBS can improve. The actual suggestions regarding specific sub-indicators are enclosed in Appendix 3. Nonetheless, it seems useful to name at least two general areas which the CGBS could improve, as surfaced from the fieldwork.

4.1. Comparing business type and size

The CGBS lacks, in some sub-indicators, the distinction between the types of businesses which are compared to one another. For instance, the ecological impacts of a mining company are nothing like those of a bank; not considering this parameter, will result in such industries always receiving bad scores. On the other hand, comparing the ecological impacts of the different mining companies, and

[67] C2.1 - Aiming at reducing normal working time.

scoring them in comparison to each other seems to be the best way forward. From my talks with Jeremy, work on this aspect has been done and will be introduced in a new version of the CGBS (the 5.0 version).

Moreover, not only the specific business sector is worth consideration, but also the size of the company. This has been ever so apparent in the case-studies. For instance, large enterprises have a much bigger chance to score well on sub-indicators such as C1.3[68], because they can afford to bring more activities and workshops for improving health awareness or to respond to ergonomic needs of employees. On the other hand, small businesses have an easier time to promote co-determination in their structure and culture.

4.2. Making the sub-indicators more 'user friendly'

The CGBS has gone to great lengths in order to make their tool user friendly: they have an on-line handbook which complements the guidelines, and their matrix consultants are nice, knowledgeable and helpful. Still, the MI was easier to use because it involves easy-to-answer and direct questions and always gives examples and choices. For instance, question 14 asks: what measures have been put in place to ensure corruption is eradicated from the company's conduct? The questioner then goes on to offer the different measures which the company could take for ensuring it; this results in a very straight forward and easy to use system which would make the CGBS an easier tool to "just pick up" and start working with.

5. A blueprint for the infrastructure needed for a more sustainable economy

In the beginning of the 19th century, companies started to draw their financial balance sheet in order to support the growing need of investors to evaluate the different businesses. Investors wanted to consider the financial probability of increasing their investments through assessing the resilience and strength of enterprises. This need brought about, in the 1840's, the establishment of accounting agencies adding to the already existing book keepers working in the different companies (Napier, 2010).

[68] C1.3. - Occupational safety and workplace health promotion including work-life balance / flexible working hours.

In the same way, the CGBS can show what are the new "accounting agencies" needed for supporting the transition to a more sustainable economy. In other words the CGBS offers a blueprint for some of the infrastructure or institutions needed in order to support the implementation of itself, such as[69]: ethical banks (indicator B); an organization which will measure the ethics of commercials and other marketing strategies (D1.1); a guide evaluating organizations which contribute to the common good (D4.2); raising and evaluating sustainable standards (D5.2+3); fair pricing evaluation (D1.2); simple life products and services (E1.2); and data regarding ecological performance of a company's products (3R' – Recycle, Reuse, Reduce) (E.3.2).

This information can initiate the different initiatives needing to take form and also connect the different ones already existing, for the sake of forming a network and synergies their function in order to induce change.

6. Further research

The CGBS is a developing tool, rather than a stagnant tool. Its developers work with the different companies and organization which use it. Moreover, "…the research done on the tool is also used for improvements" (Jeremy). Further research which could help to improve the understanding of the CGBS involves: action research in which businesses can report on the process of putting together their CGBS; ways in which the CGBS could be a tool for promoting the UN's SDG's; comparing the effects of the CGBS on a company as opposed to the effects other sustainable reporting had; comparing the CGBS results of a company through the years; asking whether or not a company's financial performance has improved with an improvement of its CGBS performance (even before the regulatory framework is adopted); and evaluating the CGBS as a SiC tool through assessing the quality and intensity of change (or shift) the CGBS has on proponents using or engaging in discussion revolving around its implementation (both on the short and long term levels).

[69] Next to each institution appears the number of the sub-indicator which communicates its need.

Conclusion

This dissertation set out to answer the question: in what ways can the CGBS be a catalyst to a more sustainable economy? The answers to this have come from different angles and directions, but in short:

In many ways…

Even without the regulatory framework, the CGBS is a tool which puts an emphasis on important indicators which, if improved, will result in a more sustainable economy being promoted. As the proverb goes: "you improve what you measure, so let's measure what we want to improve" – thus the CGBS puts the spotlight on important measurements which hold the potential to improve the quality of life for society while reducing the ecological impacts for such an achievement.

The research has also shown that the CGBS is more than 'just' a systemic tool for change, but rather, should be viewed and used (in order to achieve better results) as a method to engage with people and to induce the SiC needed for a truly profound change.

Through comparison of the tool to the critique of sustainable reporting today, I believe the CGBS has the potential to be something significantly different than what we have known so far, and become what Schaumer and Kaufer (2013) have termed a new tool for reconnecting the goal of business to that of society and the planet; A true promise and stepping stone (despite not being the only one needed) for bridging the great divides of our time.

Word count: 21,559

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Appendix

Appendix 1:

List of people quoted in the dissertation in order of appearance (some were interviewed and some were not):

1. Adam – A former executive working in Maala.
2. Noa the head of the sustainability department at one of the biggest accounting agency in Israel.
3. Dr. Klil – Head of a sustainable economics department in a big NGO.

4. Jeremy - an ECG consultant and one of the builders of the CGBS and CG matrix.
5. Lily – Established a sustainable consultancy company.
6. Henry – UK based consultant and academic, developed a qualitive assessment method through collection and connections of narratives.
7. Jonny – Vice president of a workshop organizer company with 100 employees in 3 countries.
8. Dolly - sustainability manager of one of Israel's leading accounting firms.
9. Orlev – An executive in one of case-study companies.
10. Yossef – A former CEO of an international manufacturing company.
11. Rebecca – Human resources manager at a pharmaceutical company.
12. Michelle – Works as a project manager in an international manufacturing company.
13. Michael – Head of business development in an NGO supporting social businesses.
14. Yochi - – Head of marketing in a medium sized enterprise.
15. Yossi – CEO of a medium enterprise.
16. Sarah – HR manager in a consulting company.
17. Yoel - the owner of a small enterprise.
18. Alex - A sustainability consultant for corporations and municipalities.
19. Yael - works at a third sector NGO which advocates against corporate corruption.
20. Victor - an employee in one of the case-study companies.
21. Tami - a worker in an NGO promoting workers unions.

List of interviewees which were not directly quoted in the dissertation:

1. Gal – head of a leadership program
2. Mena – Established an organization for minorities
3. Dr. Floe – An academic and director in two Israeli based think tanks, focused on sustainability. A social activist for sustainability.
4. Dr. Yotam – An academic and lawyer with a specialty in CSR.
5. Dani – A former CEO of sustainability NGO

6. Ziv – a former parliament member and economist.
7. Yoni – Vice head of council of a municipality.
8. Liam – head of a municipality
9. Dr. Kelly – Senior lecturer on sustainability in an Israeli University.
10. Yarom – the senior advisor of a minister.
11. Yorai – An economist working in a sustainable consultancy company
12. Oren – An economist working for a bank
13. Nir – A lawyer working with businesses.
14. Nelly - A sustainability officer in a large corporation

Focus groups:

1. Yoel, Ziv and Yochi.

2. Yali (a former consultant for business leadership), Tali (manages a community home), Neta (works as an economist at an international company).

Appendix 2:

A comparative analysis[70]

1.1 Co determination in the CGBS

Co-determination	Direct influence	In-direct influence	Points
CGBS	C1.1 (co determination not a sole indicator e.g. relationship between employees and superiors) (performance) Difficult to measure); C1.2. (co determination not a sole indicator, in this case it is used for examining pay models	A1.2 (exemplary) measurement challenge; C2.3. Conscious approach towards work load balance (performance and measurable) (Exemplary) D5.2. Raising legislative standards (exemplary) (intention, measurability isn't	Direct points: 15(C1.1)+ 22.5(C5.2) +28(C5.3)+ 22.5(C5.4)+ 70(D5)+ 12.5(D1.3)+ 30(E5.2)+7(C1.2)+ 2(C3.3) Indirect points: 6(C2.3)+ 12(A1.2) + 3(D.5.2)+

[70] The comparative analysis is presented without the remarks and comments attached to the full document.

	(measurability problem); C3.3. employees involved in eco decision making (Performance + measurability could be improved) C5.2. Electing executives (performance and measurement) C.5.3. fundamental decision making (performance and measurability) C5.4. Co ownership (performance and intention) D1.3. Customer co-determination (performance, measureability) E5.2 Co-determination (performance + measurable)	enough)	
Maala		32. Are there regulations in the company which lead the way in which a workers union should be dealt with? (Intention and measurable)	In- Direct points: 1(31)

Reduction of inequality of income (table)

Reduction of inequalities of income	Direct influence	In-direct influence	points
CGBS	C4.1.DIvergance in income (performance+ measurable) C5.4. Co ownership (performance and intention – doesn't say how it is divided	B1.1. Institutionalization of ethical management (Intention) (Difficult to measure) B.1.3 investment oriented to the common good	Direct point: 30(C4.1)+ 22.5(C5.4) + 30(E4.1) + Indirect points: 6(D4.1)+ 15(E2.1)+ 6(B1.3)+ 4(B1.4) + 30(E4.2)

	among the employees) E4.1. Reduction of external dividend payout (performance and measurable)	(advanced and exemplary) (measurable) B1.4 Financing oriented to the common good (reduction of interest) (performance) D4.1. (intention + measurability) (the part which talks about the graduation of prices in accordance to low income households) E.2.1 Contribution to the community (performance and measurable) E4.2.Use of profit for investments in the common good	
Maala		39. What does the company do to ensure the quality of life and dignity of it's low paid workers, handling crisis and reduce wage inequality (no point awarded) Potentially: sub-indicator 40	

Reduction of interest usage (table)

Reduction of interest usage	Direct measurement	In-direct measurement	points
CGBS	B1.2 type and quantity of financial service provider (performance) (measurability) B1.3. Investments oriented to the common good (performance and measurable) B1.4 (success of	B1.1. Institutionalization of ethical management (Intention) (Difficult to measure)	Direct points: 4(B1.2) + 4(B1.4) + 6(B1.3) Indirect points: 9(B1.1)

	financing via stakeholders (performance)		
Maala			

Reduction of negative ecological impacts	Direct measurement	In-direct measurement	points
CGBS	A.1.1. Consideration of regional, eco-social aspects of supply chain (profound) (performance (advanced and exemplary); intention (experience and first steps)) C3.1. Nutrition during work time (performance and measurability) C3.2. Mobility to workplace (measurability and performance) D3.1 Reduction of eco impacts of P/S in comparison (Performance and measurability) E.3.2 relative impact (performance and measurable)	E.3.1. + E3.3 – absolute impacts (collection of data) and environmental management (intention and measurability high) C3.3.Culture, awareness raising… (Intention and sometimes performance, difficult measurement) D3.2 Sufficiency: design for eco sufficiency (intention and measurability) D3.3 active communication of eco aspects to and from customers (performance and measurability)	Direct points: 45(A1.1) + 11(C3.1) + 11(C3.2)+ 40(D3.1.) + 26 (E.3.2) Indirect points: 18+26(E3.1+E3.3) 8 (C3.3) + 25(D3.2.) + 25(D3.3)
Maala	74+75. Problems with complying with environmental regulations and convictions (Performance and measurable) 76.Initiatives in sustainability (SA): 76.a.1. produced according to sustainability principles or allows the customer to reduce eco impact (Intention and performance and measurable) 76.a.2. improvements in the production process or the service which reduces the ecological impact (performance and measurable)	Potentially: sub-indicator 40 68. Written environmental policy which is transparent and long-term oriented (Intention, measurable) 69. A defined position managing the eco responsibility of the company, and do they report to (Intention and measurable) 70. How does the company manage its environmental impact: ISO14001 or an internal system (Intention and measurable) 71. What part of the	Direct points: 4.75/3.7(74+75 SA/SB)+ 0.4(76.a.1) + 1.5(77.a.1) + 0.4(76.a.2) + 0.5(77.a.2) + 0.5(78) +2(83) + 3/2.6(84 SA/SB) + 1/1.25(91 SA/SB) + 1/1.5(96 SA/SB) **Sector c:** 4(101 for banks) 0.4/0.15(106.a.1. C1/C2) + 0.1/0.05(106.b.2 C1/C2) + 0.5(111) + 4.5(112) +

	77.a.1.(SB) product developed according to sustainability principles or allows the customer to reduce eco impact (Intention and performance and measurable) 77.a.2. improvements in the production process or the service which reduces the ecological impact (performance and measurable) 78. In which activities does the company involve its workers in? (3 out of 6 for full score) (intention and measurable) 83. What are the goals in %, according to the plan?: reducing energy use, shift to green energy, reduction of fuel use and transportation (The assessment team decides the score) (intention, measurable) 84. A table which measures all of the eco parameters: energy consumption, green energy consumption (regenerative and alternative), transportation use (fuel liters), EFP (scope 1 & 2), 3 top air polluters, etc. In absolute terms and relative to business scope (SA relative to sales; SB relative to sqm or num of workers) in the past 3 years (for every year). Then the eco team score it. (performance and measurable and profound). 91. Waste performance: A table which measures all of the waste parameters: amount of dangerous waste which has been disposed,	company's income is managed by this system (intention and measurable) 72. Environmental impact assessment in the last 2 years, internal or external (intention and measurable) 73. The realms it covered (4 options, each option receives points (e.g. use of products, packaging and distribution) (Intention and measurable) 76.b. Does the company use the full analysis of the LCA (intention, and measurable) (no points) 79. Did the company discuss in last 3 years the effects and significance of climate change on the core business (intention and measurable) 80. Did the company assess in the last 3 years its ability to reduce emissions (intention and measurable) 81. Does the company have a plan for reducing its influence in the realm of CC (intention and measurable) 82. Does the company have quantifiable goals regarding its adjustment for CC (Intention, Measurable) 85. How has the calculations for the eco parameters been done (4 options, all of them receive points) (measurable) 86. Does the company report its emissions to an external institution (intention and measurable)	2(114) Indirect points: 1/0.5(68 SA/SB) + 0.5/0.3(69 SA/SB) + 0.5/0.25(70 SA/SB) + 1.5/1(71 SA/SB) + 0.5/0.1(72 SA/SB) + 0.26/0.4(73 SA/SB) + 0.3(79) + 0.4(80) + 0.3(81) + 0.5(82 SA) + 1/0.3(85 SA/SB) + 1(86) + 0.5(87 SA) + 0.5(88) + 1(90) + 0.5(92 SA) + 0.5(93) + 1(95) **Sector C** 0.5/0.2(102 C1/C2) + 0.75/0.2(103 C1/C2) + 0.75/0.2(104 C1/C2) + 0.75/0.2(105 C1/C2) + 2.75/2(107 C1/C2) 0.5(108) + 0.5 (109) + 1(113) Sector C1: 1(97) Sector C2: 4 (99)

	which has been in landfills, which has been recycled, solid waste according to the type, landfills, reuse, recycle (amount and the goal), recovery (back to energy) In absolute terms and relative to business scope (SA relative to sales; SB relative to sqm or num of workers) in the past 3 years (for every year). Then the eco team score it. (performance and measurable and profound). 96. Water usage performance: A table which measures all of the water parameters: water usage, sewage waste in accordance with type (SA), the goals for sewage reduction. In absolute terms and relative to business scope (SA relative to sales; SB relative to sqm or num of workers) in the past 3 years (for every year). Then the eco team score it. (performance and measurable and profound). **<u>Sector C</u>** 101. Banks: what does the environmental policy include regarding credit: board decision, methodology for implementation, relevant workers have been trained, the decision has been implemented: for big projects, medium, realestate projects, in every credit deal. Commitment for green conduct in work space. (intention and measurable)	87. Did the company perform an evaluation process regarding its ability to increase its reuse of material sufficiency (intention and measurable) 88. Does the company have a plan to reduce its waste impact? (Intention and measurable) 89. Does the company have a goal for waste reduction (intention and measurable (no points) 90. Table detailing in each field of: reduce, reuse and recycle – existence of an annual plan, goals for reduction in percentage, and for when. (analyzed according to the committee) (Intention and measurable, profound) 92. Did the company evaluate its ability to reduce water use and sewage (intention and measurable) 93. working plan for reducing water and sewage (intention and measurable) 95. what are the goals for the components in the annual plan: reduction in water use and pollution, use reduction of clean water, increasing use of waste water, reduction of sewage; annual plan, goals in percentage, when (intention and measurable) **<u>For sector C:</u>** 97. C1. does the company have an environmental policy written, long term and made available for	

	106.a. P/S developed according to sustainability principles or allows the customer to reduce eco impact (Intention and performance and measurable 106.b. Improving the service for minimizing the eco impact (e.g. like using less paper) (performance, measurable) 111. What are the goals in %, according to the plan?: reducing energy use, shift to green energy, reduction of fuel use and transportation (The assessment team decides the score) (intention, measurable). 112. A table which measures all of the energy parameters: energy consumption: all of the energy sources used detailing source (fuel electricity…); transportation use (fuel liters/kilometers); EFP (emissions), (relative to sqm or num of workers) in the past 3 years (for every year). Who did the initial calculation Then the eco team score it. (performance and measurable and profound). 114. a +'d'. Recycling activity inside the company (paper collection, bottles, batteries, cartoons, toners, etc); b. the number of workers. c. a table which measures recycling parameters: paper (tons), electronic waste (units) in the past 3 years (for every year). Then the eco team score it. (performance and measurable not very profound).	the public (intention, measurable) For sector C2 (finance) 99. is there a policy regarding: eco-socio aspects in investments, investment strategy which acknowledges eco-socio aspects, evaluating eco-socio aspects in companies for investments, commitment to identifying eco effects, measuring and their understanding including managing a "green office" (intention and measurable) 102. Position for eco officer and who do they report to? (intention and measurable) 103. Type of eco-management: international or internal (intention and measurable) 104. How much of the company's activity is covered with this eco-management? (intention and measurable) 105. Did the company have an evaluation of eco effects with an internal of external examiner? (intention and measurable) 107. Does the company involve the employees in eco issues (points given in relation to parameters filled, but up to 3) (Intention and measurable) 108. did the company have a discussion concerning the CC and its effects on its core business, what are the outcomes of the	

		discussion (intention and measurable) 109. does the company have a working plan for reducing its impacts in the realm CC (Intention and measurable) 113. Are the emissions reported and if so to which external mechanism (CDP, department for the environment…) (intention and measurable)	

Increasing cooperation instead of competition	Direct measurement	In-direct measurement	points
CGBS	D2.1. passing on information (performance + measurability) D2.2. Cooperation in business (performance) (measurability challenge) D2.3 Cooperative marketing (performance and measurability)	D5.1 – cooperation with competitors and partners of the value chain for raising eco-socio standards (Intention and measurability)	Direct: 70(D2) Indirect points: 1(D5.1) +
Maala	44. Is there a systemic dialog inside the supply chain regarding mutual development of products and passing of knowledge and resources (intention)		Direct points 1

Increasing SME's and locality	Direct measurement	In-direct measurement	points
CGBS	D4.2 companies supporting common good supported (intention +		Direct points: 10(D.4.2)

	measurability)		
Maala		Potentially: sub-indicator 40	

Judging the necessity of a P/S	Direct measurement	In-direct measurement	points
CGBS	E1.1. + P/S meet basic needs… (performance and measurability challenging) E1.2. Ecological and social comparison of products / services with alternatives of similar final benefit (Performance and measurability challenging)		45 (E1.1)+ 45 (E.1.2)
Maala			

Reducing unemployment through reduction of working hours (without harming fair wages)	Direct measurement	In-direct measurement	points
CGBS	C2.1 Reduction work time (performance and measurable) C2.2 Increase in proportion of part-time work models and use of temporary employment (with adequate pay) (Performance and measurable)	C2.3. Conscious approach towards work load balance (performance and measurable)	Direct points: 20(C2.1)+15(C2.2) + Indirect points: 15(C2.3.)
Maala		Potentially: sub-indicator 40	

Inclusiveness of	Direct measurement	In-direct	points

work and P/S		measurement	
CGBS	C.1.4 affirmative action and diversity (performance) D4.1. Inclusiveness of the P/S (intention + measurability)		22.5(C1.4) + 20(D4.1.)
Maala	51. What is the proportion of women employed in the 10% of earners (the points are given in proportion to the percentage, up to 1 point) (Performance and measurable) 52. difference in compensation between man and women employees at the same level or position (<10% = 1; 10-35% = 0.5) (performance and measureable) 53. Does the company have a policy and goals which tend to the divergence in its workforce (one out of 4 = 1) (Intention measurable) 54. Divergence of workers according to a the national averages (scoring the table is proportionate to the results and 3.5 can be accumulated) (Performance and measurable). 55. Has the company's performance in at least one of the populations risen in the last year by at least 10% (performance and		Direct points: 1(51) +1(52) +1(53) + 3.5(54) + .5 bonus(55) + 0.5 (56) + 1.5 (57) + 1(58)

	measurable) 56. What is the percentage of these sectors in the management of the company (intention and measurable) 57. which activities has the company done in order to recruit and support employees from under-employed sectors (1 out of 7=1; 1<=1.5) (Intention and measurable) 58. What are the actions taken by the company in order to ensure the accessibility of its P/S (1 out of 12 = 0.5; 1< =1) (Performance and intention and measurable)		

Subsistence	Direct measurement	In-direct measurement	points
CGBS	C.1.2 (not sole indicator, but living wages are considered (performance, but could be better by saying the % of employees which needs to consider wage that "ensures a good life" + measureability) C2.2 temporary employment adequate pay (performance + measurability) C4.2. Minimum wage (performance + measurability)	C4.3. (experienced) (performance + measurability) D4.1. (intention + measurability) (the part which talks about the graduation of prices in accordance to low income households)	Direct points: 10 (C1.2) + 14(C2.2) + 20 (C4.2) Indirect points: 10(C4.3) + 6(D.4.1)

Maala	39. What does the company do to ensure the quality of life and dignity of it's low paid workers, handling crisis and reduce wage inequality (no point awarded)	Potentially: sub-indicator 40 48. Has there been conducted (in the last 2 years) an examination checking that the labour contractors meet the working regulations (1 out of 9=1; 1< = 2)	Direct points: Indirect points: 2(48)

Contribution to the community	Direct measurement	In-direct measurement	points
CGBS	E.2.1. amount contributed (performance and measurability) E.2.2 Effect of contribution (performance and measurability challenging)	E.2.3 Intensity (intention measurability) (exemplary) E4.2.Use of profit for investments in the common good – (Performance and measurable)	Direct points 16(E2.1)+16(E2.2) Indirect points 8(E2.3) 30(E4.2)
Maala	60-62 – How much money does the company contribute? (absolute up to 2 points / relative to revenue up to 8 points) (intention and measurable) 63. did the company increase their contribution by more than 10% (absolute or relative to revenue) (performance and measurable) 64. Does the company have a policy for social contribution and is it transparent to the public? give examples of social initiatives (Intention and measurable) (No points). 64.d. Is the policy		Direct points: 8(60) + 0.5(63) + 1(64.d) + 6(65) + 1(66)

	carried out with the help of goals and indicators (Intention and measurable) 65. proportion of volunteers out of all employees – in total, on a regular basis and non regular volunteers, amount of hours per worker, for volunteers on a regular basis and not (Performance and measurable) 66. How does the company manage its volunteering program (3-4 out of 7 = 0.5; 4< =1) (intention and performance and measurable)		

Work promotes quality of life (e.g. balance work and leisure, safety)	Direct measurement	In-direct measurement	points
CGBS	C.1.3.Saftey health and balance at work (performance + measurability) C2.1 Reduction work time (performance and measurable) C2.2 Increase in proportion of part-time work models and use of temporary employment (with adequate pay) (Performance and measurable) C2.3. Conscious approach towards work load balance (performance and	C1.1. Employee oriented culture and structure (Performance and measurable)	Direct points: 22.5 (C.1.3) + 20(C2.1)+15(C2.2)+ 15(C2.3) Indirect points: 23(C1.1)

	measurable)		
Maala	28. Does the company have a policy regarding the balance between work, family and leisure? (1 out of 9=0.5; 2< = 1) (Intention and measurable could be more profound) 31. Does the company promote the health of the employees and their families during working hours (Partly intention and partly performance; measurable) (1out of 7 =1.5; 2< = 2.25) 35+36. Did the company conduct a satisfaction survey in the last 2 years and are they published (intention and measurable) 38. How is the company managing its safety (intention and measurable) (at least 2 out of 7 = 0.5) 48. Has there been conducted (in the last 2 years) an examination checking that the labour contractors meet the working regulations (1 out of 9=1; 1< = 2) (intentions and measurable) 49. What percentage of the outsourced labour has become a regular employee of the company (more than 10% = 1) (Performance +	33. Programs for employee development (Intention and measurable) (2 out of 7 = 0.5; 3 = 0.75; 4 = 1) 37. How many of the employees have received a feedback talk at least one time during the last year (Intention and measurability) 39. What does the company do to ensure the quality of life and dignity of it's low paid workers, handling crisis and reduce wage inequality (no point awarded) Potentially: sub-indicator 40	Direct points: 1(28) + 2.25 (31) + 1.5(35+36) + 0.5(38) 2(48) + 1(49) Indirect points: 1(33) + 1.5(37)

	Measurability)		

Sub-indicators without specific relation – but improve the overall common good

A1.3. Structures for fair-pricing (Intention) (measurability – very hard to measure the effectiveness of the structures.)

D.1.1 – total extent of ethical customer relations measures (ethical marketing + sales) – Intention and measurability challenge (aside from the salaries which are independent of sales figures. – perhaps reducing the marketing industry

D.1.2 – Product transparency, fair pricing and ethical selection of customers – (performance and measurability. Measurability can improve if unethical customers would be described as receiving a beneath a certain CG score

D.1.4. – Service management – Intentions, lacking in result measurement (e.g. what are the kind of sanction measures in case of complaints? Could be an indirect measurement of reducing marketing (because one of the prompt questions is: how do we bind customers for as long as possible and promote referral marketing?

D2.3 Cooperative marketing – this could add between 4-8 points (performance and measurability)

D5.3. the quality and profoundness of the standards raised (performance and measurability) (11 points) - this increasing the common good of the company; can also contribute to reduction of EFP.

E.1.2. Comparing the eco-socio impacts of P/S to other companies (performance and measurability) (point 45).

E5.1 transparency – intention sub-indicator for improving the common good (30) (measurable)

Negative indicators

One difference between the two initiatives is the response to negative criteria. Maala rewards a company if it doesn't have negative behaviors, essentially rewarding compliancy, 2 points. The CGBS punishes on the negative behavior, as well as sets negative criteria which transcend those set by law.

	Human dignity	Cooperation and solidarity	Eco sustainability	Social justice	Democratic co-determination and transparency
CGBS	Violation of ILO /human rights (-200)	Hostile takeover (-200)	Massive environmental pollution (-	Unequal pay for women and men (-	Non-discluser of subsidiaries (-100)

	Products detrimental to human rights (e.g. landmines, nuclear power, GMO's) (-200) Outsourcing to or cooperation with companies which violate human dignity (-200)	Blocking patents (-100) Dumping prices (-200)	200) Gross violation of environmental standards (-200) Planned obsolescence (-100)	200) Job cuts or moving jobs overseas despite having made a profit (-150) Subsidiaries in tax havens (-200) Equity yield rate > 10% (-200)	Prohibition of works council (-150) Non-diclosure of payments to lobbyists (-200) Exessive income inequality within a business (-150)
MI	Prevention of sexual harassment law Women's labor law Vacation law Working day law Protection of wage Compensation for firing Illness fee Minimum wage Immigrant law (ensures fair wages) Fair notice, before quite or firing			Equal pay law Veterans law Equal opportunity Equal rights for people with disabilities Reserve duty	

Appendix 3:

Improvements for the CGBS:

1. The MI, is much easier for use, because it gives a standard tick box with all the options on the table, without the person filling needing to think of examples or be creative in order to see in what ways they are meeting the criteria or not.

2. Suggestion, that it be a proportion of revenue not of products (E1.1.)

3. That the ecological assessment be subject to a higher variation of points (like in MI) depending on the industry sector.

4. B1.2. Score not only for the financial service provider, but also for the percentage of use:

Bank ethical finance grade	**Percentage of revenue/financial use (without percent)**	**score**
From 1% to 100% in percentage of ethical finance which it offers	30 instead of 30%	Percentage of revenue time the financial grade (e.g. a bank with 10% ethical finance which finances 50% of the revenue = 5 points. the total is added up.

5. C3.2 Mobility to workplace: Criteria is measurable, except, it might prove hard to measure whether or not the improvement in green mobility is due to company incentive; and also not sure that it is important… Performance criteria can be improved through assessing car sharing/ and public transportation differently then bicycle. Also, including emissions of transportation to work inside the EFP of the product and service

6. C3.3. Employees involved in eco decision making (Performance + measurability could be improved, in regards to co-determination, through percentage use of amount of decision, and expressing what it means to be involved

7. C5.4. Employee co-ownership measure performance and effort; this could be improved by saying how it is divided among the employees, and thus effects the quality of co-determination

8. D1.3 Extent of customer co-determination/joint product development/market research - profoundness could improve if they way decisions are made would also be evaluated.

9. D4.1 P/S tailored for disadvantaged population – If surveys which show that these population use more these services than others in the sector, it could be a measurement of performance.

10. E.1.2. Comparing the eco-socio impacts of P/S to other companies; the measurability can improve if the CG score of the companies were compared.

11. E3.2 relative eco impact: Could be much more comprehensive and clear using the table of: aspect, absolute, per employee in sector comparison

12. 16. Has there been an ethical survey for the company's customers, checking their satisfaction from the company's performance (effort, measurable) – could be a possibility to develop this kind of standard survey.

13. 54. Divergence of workers according to a national averages (scoring the table is proportionate to the results and 3.5 can be accumulated) (Performance and measurable). – very good parameter for the CGBS. An additional question can be added to check and grade the improvements in performance.