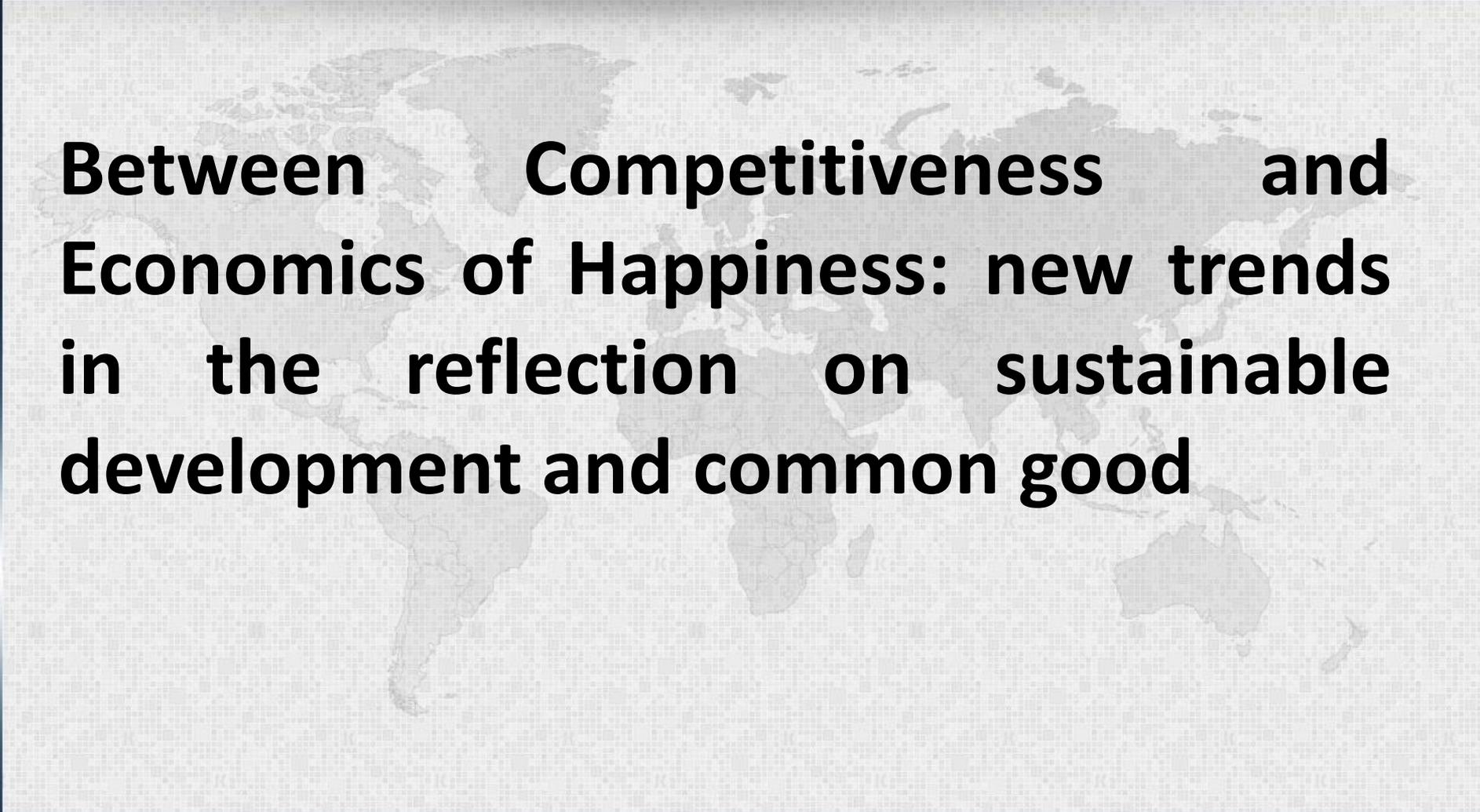


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**Between Competitiveness and
Economics of Happiness: new trends
in the reflection on sustainable
development and common good**

New trends

The paper presents new trends in discussion about relations between competitiveness (as well as innovations) and Values, like happiness, well-being, common good, solidarity, sustainable and integral development.

Two examples

Presentation of selected intellectual reflections of Stefano Zamagni (economic adviser to the Pope Benedict XVI), as well as Timo Hämäläinen (represents Finnish Innovation Fund SITRA). SITRA supports today new ideas and approach to competitiveness and innovations.

Central Thesis

The main conclusion of the paper suggests that we will observe the evolution of the concept of competitiveness towards much broader and deeper idea of sustainable well-being.

Competitiveness should be treated as the necessary instrument and pre-condition for other values rather, not as the final goal of economic activity and policy.

Competitiveness

- **According to the most popular definition competitiveness is the ability (of corporations, sectors, regions or states) to compete and to generate long-term growth and development.**
- **The Global Competitiveness Report defines competitiveness as the set of institutions, policies and factors that determine the level of productivity of a country.**

Competitiveness vs. other values

- **New vision of competitiveness: ability to deliver also „beyond GDP goals“.**
- **Concept of responsible and sustainable competitiveness and well-being.**
- **Concentration on the concepts of happiness, well-being and common good identified sometimes with the concept of the „quality of life“.**

Terms and Values:

- ***Happiness*** is usually treated as a mental or emotional state of well-being defined by positive emotions. Personalistic philosophers like Aristotle or St. Thomas Aquinas identify happiness also with moral virtues and wisdom.
- ***Well-being*** is a general term for the condition of an individual or group, for example their social, economic, psychological, spiritual or medical state. Well-being is sometimes identified with the quality of life.
- ***Sustainability*** means orientation not only for economic (business) effects, but also for social and ecological aspects.
- ***common good*** is a specific good (value) that is shared and beneficial for all or most members of a given community.

Is competitiveness a „dangerous obsession“?

- **International competitiveness: sometimes treated as a “dangerous obsession” (P. Krugman), however many documents and indexes of competitiveness underline also institutional aspects of competitiveness as well as their links with ethical environment.**
- **Many scholars suggest however stronger concentration on well-being, not only on competitiveness (competitiveness as instrument, not the final goal).**
- **Pope Francis: concept of sustainable and integral development (of each person and whole person).**

Interesting case (illustration)

Interesting evolution of T. Hämäläinen and his priorities:

- from competitiveness
- to the idea of social innovations
- and later to the concept of sustainable well-being.
- The concepts of sustainability, well being and happiness are mostly characteristic for the scholars inspired by the personalistic philosophy (like European SPES Forum), Catholic Social Teaching (but not only).

Stefano Zamagni: happiness and well-being

- Economic advisor to Pope Benedict XVI and Francis.
- Specialist in the history of economics (particularly Italian classical school), NGO's, Business Ethics and Corporate Social Responsibility, economic theory of altruism, happiness and well-being, catholic social teaching.
- Concept of the *Civil Economy* and *Economy of Communion*.

Stefano Zamagni vs. sustainable well-being

- ***Civil economy***: Need of cooperation between private, and public sectors as well as social initiatives, NGO's, PPP. Italian enlightenment has developed concept of relational goods as well as some aspects of social capital and spiritual capital theories (vs. pure *homo oeconomicus* model).
- **Practical example of innovation: *Economy of Communion***: idea of companies created by people representing similar value systems (about 700 companies in the world).

Timo Hämäläinen and SITRA

- **Timo Hämäläinen and SITRA represent scandinavian social dialogue-oriented approach to competitiveness and innovations.**
- **Evolution of reflection: competitiveness – innovations (including social innovations) – well-being.**
- **Why? Experience of specific barriers of growth (particularly in Finland: economic, but also social, like growing scale of suicides and psychical illnesses).**

Timo Hämmäläinen

- **Paradigme shift requires a new division of labor among public, private and third sector organizational arrangements.**
- **The societies that will most rapidly adjust their socio-economic systems to the changed technoeconomic environment will perform best in the years to come (systemic adjustment).**

Timo Hamalainen

- In last works and documents very strong concentration on sustainability and well-being theory and practice as well as on new trends in economic and industrial policy: *new open industrial policy* and *evolutionary targeting*.
- Their combination is the practical solution for economic and social problems of Finland and other countries.

SITRA

- **SITRA (Finnish Innovation Fund): scientific (think-tank) and financial institution supporting competitiveness and innovation policy in Finland.**
- **Very strong political position.**
- **Fields of activity: international competitiveness, reform of the state and administration, studies on future and megatrends, public sector management, new trends in education, social enterprises, new forms of CSR, well-being.**

NEW SITRA DOCUMENT (2015): Towards a sustainable well-being society

6 principles:

- **Holistic vision of well-being**
- **Adjusting to planetary boundaries**
- **Empowering individuals and communities**
- **Moving to a generative and collaborative economy**
- **Building competencies for a complex world**
- **Developing inclusive and adaptive governance.**

Conclusions and problems

- **Interesting and important inspiration for XXI century.**
- **New space for dialogue between economics and ethics.**
- **Weaknesses: the idea of well-being and happiness is interesting, however not always very clear (different interpretations and philosophical approaches).**
- **Existing problems with measurement and implementation policy.**
- **Future relations between competitiveness and other values – question still open.**