

BUSINESS AS USUAL IS OVER

THE RED
CAPITALIST



HANS HASSLE



VOC

Hans Hassle

Born 1959, businessman with focus on CSR (Corporate Social Responsibility). In the early 1980's, Hassle worked as journalist and produced several articles about his stay with indigenous people in Tibet, Indonesia and New Zealand.



In 1986 he founded the communication network Vision and Reality Communication Network AB, where he was CEO until year 2000 and helped to develop new ways of working within advertising and communications. Under the label Corporate Citizenship, Hassle has developed several tools within CSR.

After many years of work and experiments, Hassle launched the Companization in 2002; a combination of for-profit company and not-for-profit association. This organizational model is expanded upon in this book.

The world's first company that is created as a Companization is Plantagon International AB, founded in 2008 by Hans Hassle and the north-American indigenous people in Onondaga Nation.

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Business as Usual is Over

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The Red Capitalist

Hans Hassle



VOICE OF CHANGE

For Eric and Alice Hassle, who showed me, what a company could be.

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Hans Hassle

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Maybe, the subtitle of this book should not have been *The Red Capitalist*, but instead, *The Value-driven Capitalist*, *The Responsible Capitalist* or *The Idealistic Businessman*. However, *The Red Capitalist* is much more catchy, is it not?

Now, you are holding this book in your hands, and that is the important part. Red or blue, capitalist or socialist — if I want anyone to read this book, I have to be at least as sneaky as anyone else, despite being a so-called social entrepreneur. I am probably more left wing than right wing and more capitalist than socialist. The essential for me is this: Business As Usual is Over.

We will not survive unless we manage to change the values of the business world.

Capitalism

(from Latin, *capitalis*, meaning "by the head",
derived from *caput*, "head")

That what happens
when your heart
is turned off,
will your head
never ever understand
but your heart
nevertheless
always
feel.

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Prologue from the editor

The book you are about to read is special, very special, indeed. For one, it has been translated into English, proof-read and typeset in much less time than the least possible amount of time. Many of the tasks have been carried out by dozens of volunteers from around the globe, quickly recruited through a short status-update on Facebook. Random people as well as members of an association and stakeholders in a company alike. Some very special thanks to David Scapin, Brenda Griffin, Jennifer Hill, Traci Mouw, Shrikant Ramakrishnan, Dianne Wadden, Peter Cooper, Jesse Lickel, Carol L Reiser, Chris Coyle. You are amazing and special!

Did I say “*members of an association and stakeholders in a company alike*”? – Something more, that is special and at the core of this book: to combine a for-profit company and a non-profit association into a single organizational model with the explicit goal to do things differently. To take responsibility. To transform business ethics.

If this isn't special enough, here comes more: Hans Hassle, the author of the book you are holding in your hands, a person who just might hold the special answer to our collective economic and business problems, well, the author did not even proof-read this edition. Not at all. — Not because he didn't want to. Not because he didn't prioritize it – but because he believes in the collaborative power of the crowd. He believed that *we together* actually might be able to do a pretty good job in voicing *his* words. This level of trust and encouragement surely has to be special (and the occasional typo and grammar mistake can be blamed on the author himself, due to his neglect to proof-read. Quite special, as well).

Reading this book might give you some ideas as how we can – and why we should – transform businesses into ethical and responsible entities. Hopefully, it teases your thoughts and inspires to a lively discussion.

One thing is certain: *Business as Usual is Over* – or as one of my favorite writers, Kurt Tucholsky, put it: “*Because things are the way they are, things won't stay the way they are*”.

Stockholm, september 2012,
Thomas Selig, Community Director, Plantagon

Quotations, interviews

"My vision of the ideal world, is a world where every human being realizes the greatness of her spirit, takes her responsibility for it and is given the opportunity to maximize its development. This would mean moving from a materialistic focus to an existential one. For this to happen, I believe cooperation has to replace competition as a driving force in society as the latter feeds fear; fear of not being good enough, fear from losing ground to your fellow human being. At the end – even fear of the universe as it is bigger than you are. Cooperation is built from a perspective of what is good for me is good for everyone, myself being part of something greater. Love and compassion becomes the driving force (it has to, from a pure logical point of view) in such a system; the mission of what we could achieve will be the focal point."

"When it comes to economy ... well, in a spiritual world there doesn't necessarily need to be one. Economy is only one solution to simplify trading of goods and services, and my feeling is that there must be a less corruptive way of doing this, even though I have no idea how. Today, money gives you influence just by being there in your pocket. You actually do not have to do anything at all with them to get a feeling of being capable to – and you are! But, this is like having your own capable soul in your pocket, almost like if the subject money would have its own soul (and I think it does have a soul – the soul of the human feeling of being a little bit more capable than your fellow man or woman) and this is not wise. This can never lead us towards what is Right. The feeling of being capable has to come from you knowing that you can do something for what is good for the common good, not just anything at all.

In the future world of ours we will admire wisdom and morality instead of wealth and power. The rest will be a consequence."

— *Excerpt from an interview conducted by Kajsa Berglind.*

When you were little, what did you think the world would be like in year 2010? — I was afraid it wouldn't exist anymore. As long as I can remember, I have felt that we were doing a poor job of taking care of the world, so I became rather pessimistic. I remember thinking that the environment and humanity may have been on the wane and couldn't understand why. When I was 14 I decided I wanted to be able to answer my children when they were 14 if they asked me what I had done to try to change or better the state of the world, if I had attempted to be part of the solution rather than the problem.

— *Excerpt from an interview with Håkan Lidbo for the radio program Ström.*

Are there special leadership qualities that are necessary for a person who wants to lead an innovative organization? — Yes, aim to create something along the lines of what we do at Plantagon with our urban greenhouses, an organization should be driven by a mission. With respect to the leadership qualities you refer to, your leader should convey assurance and a collaborative spirit within the organization and its employees. For it is only within a safe, secure working environment that a mission with a solid base in the organization can take root, one that everyone backs. It can be regarded as an organization where people are motivated by passion for the company's goals and what they do instead of being afraid of not being able to keep up with one another. It is obviously my responsibility that leads in the long run to decisions that have to do with mission and what our goals should be; but to be able to create this sort of climate at all in the organization, I think that one's leadership style must of necessity be humane and success-oriented. Fear does not promote collaboration among co-workers nor does it inspire people to the daring spirit that fuels innovation.

And most important: As leader I think that you are called to love your fellow man without reservation. To delight in seeing people solve tasks or create new opportunities, particularly when they don't expect that they are capable of it themselves. As a leader of an innovative organization you are compelled to feel passionate about optimizing conditions for innovation yourself – and innovation comes from people. So you must love the people around you, all sorts of people.

— *Excerpt from an interview with Mette Skovbjerg for the Copenhagen Institute for Future Studies*

My starting points

I have devoted my entire adult life to experimenting with and leading commercial organizations. Since I was 20 years old, at the end of the 1970s, I have been convinced that industry can change the course of humanity catastrophically or positively since it affects everything we do.

Maximizing profit can no longer be the primary reason for a company's existence. Environmental, social and political interests as well demand more of us. All the more important: consumers and employees will put a hold on that.

Companies that don't succeed in responding to value-driven demands will quickly be eliminated from the market. Every company, at any given instant, has to think about its reputation. Nothing new in that. The consequences of a tarnished reputation aren't new either — the company loses its market shares, bit by bit, until they have disappeared altogether. What's different today is the power in being considered good and the speed with which a bad reputation spreads itself in the corporate community. This is something entirely new.

I am convinced that we need better and wiser leadership, with a whole new attitude towards the role that a company plays in society. Companization is an idea that lends itself to

many modern entrepreneurs at little or no cost. In fact, it can easily be adapted to the organizational atmosphere of traditional associations, NGO:s and other organizations.

The Companization emanates from my own experience and what I have learned during many years of practical work.

This is what I know and, at this point, is as far as I have been able to develop the model.

A role model



Oren R. Lyons

He's called "North America's most influential leader for the indigenous people" and is Faithkeeper of the Onondaga Nation, one of six comprising the Six Nations (Iroquois Confederacy).



The Body Shop

A cosmetic chain known for their environmentally-friendly profile and for not testing their products on animals.

Founded in England in 1976 by Anita Roddick and her husband.

The first store was located in Brighton. Today, it has stores all over the world.

Purchased by cosmetics giant L'Oreal in 2006.

In 2004, thanks to my chairman, Oren R. Lyons, I was given the opportunity to discuss the driving forces behind a company with the founder of The Body Shop, Anita Roddick. She had successfully managed, a few years prior, to obtain a listing for her company on the London Stock Exchange. This gave The Body Shop money to be used for the expansion of Anita's ideas. Or so she thought.

When we met, she was very sad, tired, and disappointed. She deeply regretted the decision to take her company public and cursed herself for not having had the personal strength to resist. At the time, as we sat and talked, the English media was busy accusing her of embezzled money from the company and using it for charity.

She told me and Oren the following story. It is purely from memory and not a direct quote.

I founded The Body Shop because I needed something to do, and to show that women are also capable. It went fine, someone got in touch and wanted to franchise in another city, another asked the same... and on it went. We quickly grew and I realized the possibility I had of impacting the industry that I was a part of... and when I saw the amount of resources we were actually creating, I decided to use The Body Shop as a tool to impact society. I gave 25% of the profits to different social projects, we engaged in trade with our frequently-poor suppliers in a responsible manner... and we were still making enough of a profit. Maybe that is precisely why we became so successful – during all these years, I haven't made a single ad for The Body Shop. Our reputation has done the job for us, our customers have spoken well of us. It's as if employees, customers, and suppliers have all shared my driving force. Then the financial officers began nagging about the stock market. They said we needed more money for investments, expansion, and other things. That side of the business has never really been an interest of mine, but eventually I gave in and decided to allow the company to go public... Since then, I've felt that The Body Shop is no longer The Body Shop that I built up, as nowadays everything revolves around the next quarterly report, and the true purpose I had with running the company – to make a difference – is no longer something I can do. For me, it's been destroyed.

When Anita, having taken her company public, continued to donate money to social projects, the new owners obviously reacted. Even if

this is only one example, as there aren't that many to give, it still speaks about how owners tend to prioritize their responsibilities.

Later, in an interview with The Daily Telegraph, Anita Roddick described the financial elite as being financial fascists:

"They see only goals and disregard justice and human rights. The world around them doesn't matter, only profits and losses do."

Anita Roddick left The Body Shop completely only a few months after our meeting, tired of the business world and its pursuit. On September 10, 2007, she passed away, but she'll always be, to me and many others, a shining example of what we call 'social entrepreneurship'.—



Anita Roddick, founder of The Body Shop. She's the only head of a major company that I've met who was ready to risk it all for what she believed in.

The Companization is a model for third generation CSR-work

Many today believe that there is an imbalance between global economic forces and the rules of politics; there is a risk that capitalism accelerates ahead of us, with major consequences for the environment, human rights, and the fair distribution of resources. There is, therefore, the need for an alternative solution to organizing, owning, and controlling a company.

COMPANIZATION is a combination of the words company and organization.

For the past 20 years, I have worked on an alternative organizational model called the Companization, which is based on the evident effectiveness of a corporation but is at the same time aimed at creating a balance between economic pursuit and social responsibility.

The Companization is a model for third generation CSR work. The first generation created the guidelines. The second generation accounted for its CSR work by publishing reports. The third generation implements the ethical policy document into the articles of incorporation and by-laws. Only then is the organization obliged to comply with them.

The Companization is composed of two separate legal organizations – a profit-driven corporation and a non-profit organization. Both the corporation's articles of incorporation and the nonprofit's bylaws contain identical ethical frameworks and economic and social objectives.

- By implementing ethical issues into the articles of incorporation, moral questions become part of an otherwise purely economic forum.
- By implementing, through the nonprofit's work, shareholder responsibility and individual participation in the long-term economic growth, economic questions become part of an otherwise purely ideological forum.
- The corporation gives 10% of shares to the non-profit organization, which is open to the public.
- The nonprofit's board is given (despite being a minority shareholder) the responsibility of appointing 50% of the members in the corporation's board of directors. The number of board members is even and the board appoints a chairman from among the board members. The chairman has the decisive vote.
- The nonprofit gives out the same amount of Closure Rights as the number of shares in the corporation. A Closure Right gives the

holder survivorship right to keep part of the revenue generated from the nonprofit should the corporation be sold.

When the articles of incorporation, bylaws, policy documents and reward system govern activities and responsibilities, leaders and board members from both organizations become personally responsible for carrying out their work within these guidelines and seeking a balance between the commercial and ideological drives. Large legitimacy and productivity gains will thus appear.

Why Companization is needed

Adam Smith, the economist who, at the end of the 18th century, gave the capitalistic economy its developed form and whose conclusions are often referred to as being crucial for the way the world looks today, said in 1759:

"This disposition to admire, and almost to worship, the rich and the powerful, and to despise, or, at least, to neglect persons of poor and mean condition, though necessary both to establish and to maintain the distinction of ranks and the order of society, is, at the same time, the great and most universal cause of the corruption of our moral sentiments. That wealth and greatness are often regarded with the respect and admiration which are due only to wisdom and virtue; and that the contempt, of which vice and folly are the only proper objects, is often most unjustly bestowed upon poverty and weakness, has been the complaint of moralists in all ages."

"The Theory of Moral Sentiments"

Most of us can agree that we, as humans, do not take care of our planet and ourselves the way we should. No one can avoid seeing the catastrophic direction toward which social, environmental, and political developments have gone, and it is likely that no one wants it that way either.

Our society is economically driven. Naturally, this has played a crucial role in creating the situation we now have, a situation that will only continue as economic forces will keep shaping our future. Politics tries to maintain its influence but everyone knows that the global economy, or at least very large parts of it, is controlled by corporate interests.

Today, some of the largest individual economies are private, owned by global corporations and not nations. This position as the dominant institution in society therefore gives owners, boards, and management

Adam Smith

1723-90, Scottish philosopher and economist. Founder of the "classical" school of economics and of the science of economics as a whole. One of his main theses, put forth in his great work "An inquiry into the nature and causes of the wealth of nations" (1776, often called "Wealth of Nations") is the division of labor's ability to increase productivity, which requires a free market. According to Smith, this free market worked as an "invisible hand" leading trade into maximum productivity.

teams an immense responsibility for the 'common good'. But how are we doing in this respect?

The system we use today for creating as good a world as possible for ourselves rewards greed, short-sightedness, and fear all because of the economic rules we willingly accept. Perhaps we should reflect on the fact that our way of thinking and acting has so far lead us to a global economy dominated by the arms industry, narcotics, tobacco, sex, and fossil fuel.

Karl-Erik Edris

Author, consultant, and lecturer.

Published books:
Vision eller vanmakt (1987)

I elfte timmen (1995)

Den vise VD:n (The Enlightened Executive: Conversations on Corporate Citizenship) (1998)

Oanade möjligheter (1999)

... med vad går det ut på egentligen – livet alltså (2004)

Den vise VD:n (pocket edition with added material) (2005)

I ett annat ljus (2010)

There is no way that we can continue with "Business As Usual"; not if we want to see a future where the human race survives. And we shouldn't be quick to forget that we actually have a choice in how we want to live.

7,000,000,000 people can easily change everything.

We need companies that aren't fixed solely on their profit. We need companies that will go above and beyond the imperative demand of contributing to an environmentally sustainable development.

We need companies that are based on a deep understanding of responsibility for the common good, companies whose core business is there for the benefit of society, organized in a democratic, transparent way and capable of balancing commercial callousness with idealistic principles.

"The Companization" is my contribution to the progress that I believe is necessary. Companization is a new and modern variation of a corporation, whereby maximum competitiveness is achieved through voluntary accountability, full transparency, and democratic governance.

The basic principle is to combine commercial and non-profit-making forces into one and the same organization, to earn money while simultaneously doing good. The power generated by money and the support of a strong opinion is then used to produce general, societal benefits – far beyond contributing to economic growth.

There is demonstrably a very great demand among people around the world for this type of company and brand. Therefore, we do not need to put in time we do not have to change ethics, morality, and a greedy business culture; we can achieve a quicker change by using the system that is already in place – it is quite easy to earn money by projecting a better, clearer, and more engaging role in society. In contrast to the Freudian psychologists' needs to understand the root causes of a behavior, we as behavioral psychologists strike against such behaviors.

To quote Karl-Erik Edris, author of the book "Den vise VD:n" (The Enlightened Executive: Conversations on Corporate Citizenship):

"The world as it is today is maintained by seven billion people's daily activities. There is no one else to blame, no one else to expect help from. If we've managed to reach this point, then we can also manage to get ourselves out of it. All that is needed is for us to change our behavior, one step at a time."

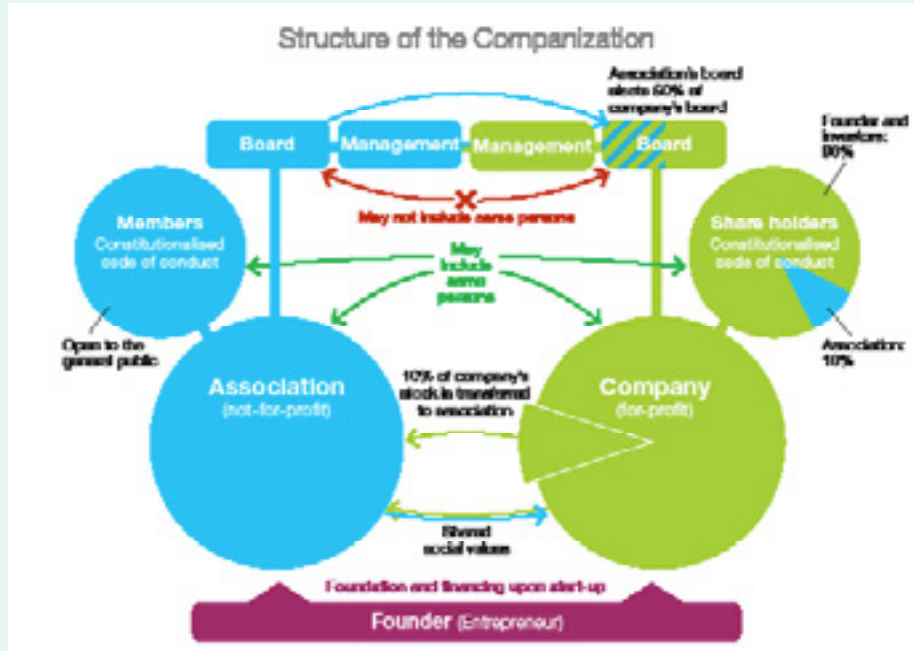
Major changes always start with small ideas. It is not ridiculous or naïve to imagine oneself as being one of the many pieces of the puzzle, in the grand scheme of things. Therefore, because I see my idea as being one of the many pieces of the puzzle which might play a role in finding a new direction, I present to you the Companization, in spite of the fact that many will call me an idealistic dreamer. And that is quite alright, because in that case it is a dream in a wakeful state.

More than fifteen years of experimentation during the period between 1986 and 2002 has led me here. My own company, organizations, NGOs, assessments, trials, failures... and then putting it all together into a solution that I think works. For almost ten years, I have carefully tested it myself in practice, and now, in 2012, I am ready to let others help out and carry it on.

This publication came to be with the hope that you'll see what I see: an embryo of a new type of company. The idea needs constructive criticism, sharp brains, further studies, and financial and political support.

Parallel to this, I invite you to become a part of Plantagon – the world's first Companization in action, founded in January 2008 at the home of the world's oldest living democracy, the Iroquois Confederacy's Onondaga Nation.

Read more at
www.plantagon.com



Companization, the word and the organizational model, is a combination of company and non-profit association

Ownership responsibility

In February of 1999, a number of leading financial newspapers published an appeal from the then Secretary-General of the UN, Kofi Annan. It was titled "Help me save the free market", with the subtitle "For a market with a human face". The appeal was the start of the Global Impact, a learning forum about a company's role in society which Kofi Annan, a few days previous, had invited the international business community to participate in.

On February 1, 1999, Kofi Annan spoke to the world's ruling political and business elite at the annual World Economic Forum meeting in Davos. What Kofi Annan said had a very big impact:

The problem is this. The spread of markets outpaces the ability of societies and their political systems to adjust to them, let alone to guide the course they take. History teaches us that such an imbalance between the economic, social and political realms can never be sustained for very long.

"We have to choose between a global market driven only by calculations of short-term profit, and one which has a human face. Between a world which condemns a quarter of the human race to starvation and squalor, and one which offers everyone at least a chance of prosperity, in a healthy environment. Between a selfish free-for-all in which we ignore the fate of the losers, and a future in which the strong and successful accept their responsibilities, showing global vision and leadership."

Right before that speech, the cover of the Financial Times reported on "the rampant capitalism".

Now, in retrospect, it feels as if that period was a crucial moment, as the concern over an imbalanced world spread to a greater and broader audience. That concern became tangible in conjunction with the riots that took place at the WTO (World Trade Organization) meeting in Seattle in November 1999.

For me, Kofi Annan's statement was the first time I witnessed a high-ranking leader himself daring to take a risk by saying something controversial about the responsibilities businesses have. If you read Kofi Annan's entire article you'll see that the UN's Secretary-General openly acknowledges that the Western world's system is in disarray, that the global economy lacks a counterpart in global politics, and that the business community must therefore voluntarily accept the responsibility that

Read Kofi Annan's entire speech at www.un.org/News/Press/docs/1999/19990201.sgsm6881.html/

comes with being such an influential force – before it is too late. Kofi Annan's appeal is a plea to place moral questions in what has so far been considered a purely economic forum: multinational corporations

Through the Global Compact initiative, Kofi Annan overrode a long series of ongoing, internal UN projects which at the time were being run by the United Nations High Commissioner for Human Rights, the International Labor Organization (ILO), the United Nations Environment Program (UNEP), among others. Obviously, many wondered why.

Thanks to one of the most important supporters of my work with the Company, Göran Pettersson, who at the time was CEO of the Red Cross Center for Ideas and Development in Mariefred, Sweden, I received the opportunity, a few months later, to ask that very question directly to someone who knew the answer, Georg Kell. He was second-in-command of the Global Compacts organization under then-current head John Ruggie.

I remember that Georg came to Stockholm, shocked at the events surrounding the WTO meeting in Seattle. The strong protests and riots, arranged by what is commonly referred to as the 'anti-globalization movement', had taken the participants of the meeting by surprise.

The background to Kofi Annan's Global Compact initiative was his very great concern for what he felt was the current state of capitalism and the market economy. He saw the on-going, conflict-filled negotiations and felt that the distance between them was increasing rather than decreasing. He no longer believed that the imbalance he witnessed could be corrected by political regulations, and had become convinced that the business world would have to voluntarily recognize their immense responsibility in the critical situation that had arisen. Kofi Annan, therefore, sought a pragmatic path to achieving change.

The contents of the Global Compact came to be very quickly. In just three months, the program was drawn up and launched in conjunction



Kofi Annan, Secretary-General of the UN from 1997 to 2006. Initiated the Global Compact.

Global Compact

The main idea is to create a principles-based network built on a voluntary basis between companies and other concerned stakeholders. Today, about 4,000 companies in around 100 countries are linked to Global Impact. This binds companies to work toward:

Human rights

Principle 1: Supporting and respecting international human rights within the sphere of the company's influence

Principle 2: Assuring that their own company is not involved in violations of human rights

with the speech at Davos and the publication of the article "Help me save the free market!".

If we simplify the contents of the Global Compact, it can be said that it basically is a collection of ideas from international agreements already in force (such as the Universal Declaration of Human Rights, Agenda 21, and others), compiled into a nine principles program that companies are encouraged to get behind and implement into their own work over a period of time.

So we're talking about international agreements, such as those that you, I, and every other citizen of the countries that have signed them are already bound by but which apparently companies are exempt from in regards to me, you, and everyone else – unless we work on it. A company is a legal person, and it has rights just like you and I have; the owners have the ultimate responsibility for what this 'person' does. Their responsibility is not controlled by ordinary legislation but by the law that governs the owner's and management's economic responsibility toward their company. It is a purely economic perspective that we never use in any other context.

What Kofi Annan pleaded was for the business world to voluntarily use the same moral standards that we ordinary citizens are bound by in our daily lives.

Who would want to work for, or buy from, a company that does not embrace this?

It's not so difficult to see the problems. As I describe later in this book, a company's body and its practices are regulated by the articles of incorporation – break any of the articles and you'll be held liable, potentially leading to having to pay reparation for damages. In the articles of incorporation, activities are usually described as "selling of..." followed by the product or service, and the purpose (unless stated otherwise) is to make a profit.

So long as you do not violate current legislation, you and the company have therefore considerable freedom to act in a way that leads to the desired results, and you can step past many moral boundaries without risking anything at all. The risk calculations that a decision-maker of a company makes when he faces a moral dilemma does not take into account personal moral positions, but is decided solely on economic factors. It is only when someone finds out that a company has acted in a way that goes against what many people consider to be wrong, that it then damages the company's reputation, trust, and legitimacy.

But if companies, as Kofi Annan proposes, would voluntarily commit themselves to acting with morals – would a breach of those morals also lead to claims for damages? Most likely. And obviously yes if a company's owner went so far as to implement those morals into their articles of incorporation.

Who would want to be part of managing, or owning, a company that implements precisely that? For those of us who admire wealth and power, such a concept must appear quite unnecessary.

The Global Compact has been received with varying degrees of enthusiasm. The ICC (International Chamber of Commerce) replied evasively: "It is not the responsibility of corporations to consider the common good, it is the responsibility of politicians." Others hastened to sign the appeal. The criticism today is largely aimed at the fact that the Global Compact is toothless and does not impose any demands on affiliated companies other than they should participate in the debate and try to work on implementing the nine principles (which today has increased to ten).

Global Compact is in and of itself not important at all, I've just been using it to illustrate my point – it is addressed to those of us who have or will have ownership influence over a company:

- We are free to let the company's operations be controlled by moral consideration.
- We can, therefore, change businesses', or just our own company's, role in society.

We must dare to risk not being able to do exactly as we want.

But it would require a deep change in attitude from the majority of us who own companies, and I don't think we have the time to wait for that change. The motive instead must be increased profitability; through increased confidence/legitimacy or increased efficiency/productivity.

I know of three different reasons for a company to voluntarily establish a moral framework:

- Basic values
- Risk Management
- Marketing

But, regardless of which of the above reasons the owners could have for actually wanting to ensure the company complies with established

→ Global Compact, cont.

Labor Standards

Principle 3: Maintaining freedom of association and recognizing the right to collective bargaining

Principle 4: Eliminating all forms of forced labor

Principle 5: Eliminating child labor

Principle 6: Eliminating discrimination in employment and occupation

Environment

Principle 7: Supporting a precautionary approach to environmental challenges

Principle 8: Undertaking the initiatives to promote environmental responsibility

Principle 9: Encouraging the development and diffusion of environmentally friendly technologies

Corruption

(added in 2004)

Principle 10: ending corruption in all its forms, including extortion and bribery

moral rules, there is a very large obstacle to the idea of voluntarily complying when it comes to large, publicly traded, multinational corporations: no one feels personally responsible for them.

A listed company follows legislation that primarily protects economic interests. Large institutions buy and sell their holdings based on what they think will pay out best given the objectives they have – managing with maximum profit in mind. Trading has no moral considerations other than those governing or mandating the purely commercial dealings. It's difficult to imagine how it could be any different – we live in a capitalistic society whose engine is the return on invested capital, and its most important tool is the stock market.

Market agent's responsibility must naturally be directed toward profit.

In order to make good analyses and prognoses, I, as a trustee with obligations toward my constituents, need to constantly receive fresh information about the companies I choose to invest in. Technology makes it possible for me to follow developments in real-time, therefore increasing the demand for the company's short-term financial information.

The owner views his company primarily from an economic perspective: its purpose is to make a profit. A board of directors is recruited to lead the company toward such a direction, and the board, in return, employs a management team to implement the plans and strategies which have been set forth. Decisions are quickly made with a focus on the company's performance in the near future – information and planned actions must drive the market capitalization up, not down.

One concern that most are reasonably in agreement with is the very large social distance that arises between those who have the actual responsibility for what the company can and will do (that is, the owners), and those who manage the company. Because the owners of large companies are anonymous and because their aim is focused on profit, there is a risk that the lack of “esteem for wisdom and virtue” for the benefit of the “admiration for wealth and power” leads to a situation where management, with the owner's indirect support, engages in such behaviors that most of us would classify as immoral—all defended by the pursuit for financial gain.

In recent years, this has perhaps been proven best through excessive bonuses. The media has made it sound as if the owners are no longer in control of management and the decisions they make. Maybe it is that way, and if true, I do not understand why. A more probable explana-

During the so-called 'dot-com bubble', I was an adviser to a listed company that refused to claim that they would grow by at least 40% each year, as all other companies were claiming. Instead, they were stubbornly fixed on 15% growth per year. The share price would always fall no later than fifteen minutes after the CEO's meeting with investors. The company went on to become one of the major winners in the stock market and to this day is still in operation.

tion could be that the pure economic perspective has led to an internal condition where whatever pays off is allowed, regardless of whether it is necessary, morally sound, or downright criminal. No one seems to take responsibility. We usually label such behavior as being 'greedy', and when greed has a grip around those who lead a company, that company is surely being destroyed – even if that is only evident in the long run and not in the next quarterly report.

Conclusion: The anonymity of company owners creates a social distance between those who are expected to take the overall responsibility for what a company can and will do, and those who, in practice, control the operation. An increasing focus on profit leads to the need for almost constant economic information. That information is interpreted by investors, and their deduction significantly affects the company's short-term possibilities for growth. This leads to a generally short-term corporate culture where the owners' long-term interests are unconsciously set aside. The distance between management and owner must therefore decrease and their relationship must be brought into the open.

Companization: By clearly describing the social objectives that the company has and by transferring 10% of ownership in the company to a non-profit organization that shares those same objectives, those who choose to be members are incited to take part in the company's profit and growth. No investments other than the annual membership fee are required from the individual. The individual from the organization has nothing to gain financially from the company's short-term profits. On the other hand, the organization as a whole and as a stakeholder wants the company to do well because it strengthens the organization's own economy by way of the shares it holds. A very big responsibility is also transferred to the organization: to appoint half of the members to the company's board of directors.

What is a company?

There is a saying in Swedish, ta sig för, which means 'to take charge' or 'to try to achieve a goal'. The Swedish word for a company is företag, which in its etymology the words ta sig för can be found. It makes no mention of in what form one should take charge, or with what purpose or even how many should be included in that action—the focus is precisely on the individual's need to take charge, and not on how he will do it.

företa (to undertake), from the Old Swedish foretaka, in turn from the Middle Low German vornemen, meaning "take charge", or, in actuality, "put in front of oneself to carefully observe". From Norstedt's etymological dictionary

Compare that with the etymology of the word 'organization'. Organize comes from Middle French and means 'to construct or establish', and it in turn comes from the Greek organon which literally means 'that with which one works'. It, too, makes no mention of in what form, with what purpose, or even how many individuals should be included, but it is clear that it must be more than one—the focus lies in the individual's need to construct or establish, and to do that one needs help from other people.

The modern interpretation and usage of the word company is, for most people, an organization that sells goods or services.

The question, then, is: as a single individual with an idea that yearns to come to fruition and that involves the selling of goods and services, what do I see in front of me? When I choose to start a company, do I see an organization that sells goods or services, or I do see an organization of sorts where other people can gather around my idea and where I am dependent on those people for the success of my idea?

Do I want to realize my vision? Do I want to be rich? Do I want to make an impact on society? Or do I want all three at the same time?

Maybe it depends on what values I hold. Maybe it doesn't. It doesn't matter which is a more fitting description of the word company, a gathering of people who run a conscientious business with commercial tools to achieve one or more objectives. The premise stems from the perspective of why a company is formed, and not from what a company does. It might seem like an insignificant and hair-splitting difference, but to me it is fundamental.

I'm going to try to avoid going into areas that I do not master: economics, politics, and science. I am a practical man and not a theorist. Everything I write here is based on a simple observation: "Why does the business world function as badly as it does?" and a simple thought: it must be possible to do it in a better way. I still can't help but think that in these three areas we far too rarely ask ourselves the question Why?. We are more focused on What? and How? – often with a relatively short-term objective in front of our noses.

Adam Smith believed that our social drives stem from an unhealthy admiration toward wealth and power, but that we still allow the systems that we are part of to be developed by an incentives model that affirms precisely wealth and power. If this is the case, then to me it is not particularly strange that we very rarely want to ask the question Why.

I myself am one of those who want everything all at once – I interpret the word rich to mean the opportunity to live as I please.

One can almost feel the existential lump in the stomach that many of us would get at asking such a question.

The privileged do not want to risk their career, salary, and influence while the less privileged have roughly just enough to nullify the desire for real struggle toward greater justice. The absence of respect for wisdom and virtue is something we all choose to live with...

Such a society slowly erodes away. No one survives meaninglessness, and we are approaching a breaking point where material growth must meet existential growth. Perhaps that is why those of us formerly known as reformists, visionaries, and enthusiasts suddenly discover that we are needed in a completely different way than before – our desire to do good has become a crucial strategic skill, particularly within organizations that sell goods or services.

I view a company as a group of people who have very consciously decided to share their time with each other in order to use commercial methods to achieve a goal that they consider to be meaningful. The goal may vary; social improvements, quality of life and of the environment, but it can also be about money, power, and fame. The fact that the operation is of a commercial nature does not alter the need for community and mutual understanding – those are clear factors for the group to be able to effectively and sustainably function over a long period of time. The modern company is a fusion of the purely commercial goal of selling and the more idealistic idea of getting along. It evolved during the period where education, democracy, and equality made us leave the old sort of authoritarian companies behind us.

We are now seeing the growth of corporate cultures that are hybrids between the commercial and the non-profit, a development that is driven by a new generation of entrepreneurs and employees. Tomorrow's winners can therefore be of a completely different breed than yesterday's, but only if we adjust the system to benefit them. Otherwise, sooner or later the fundamental drive will take over – money.

A large difference between the company and the organization is that the company is, initially, deeply undemocratic. In a company there is always a single person who invests more time, commitment, or money than the rest of the group and therefore demands, and gets, more influence than the rest: we are usually called entrepreneurs. Just as obvious as the idea that the founder and taker of the biggest risk should have the loudest say, so is the idea that this circumstance is one of the greatest risk factors for a company's long-term progress. Companies

Perhaps it should say 'greed' instead of 'money', but I don't always think that it's all about greed – a company as its own legal person is simply designed to prioritize profit, and greed does not necessarily need to be a part of that in the long-term, it just simply becomes a part of.

that are, so to speak, made up for the owners or founder often become insecure working environments where a culture of self-justification and a system of undemocratic values are built up.

LEGITIMACY AND PRODUCTIVITY

A company's definitive, long-term decisions are always directly or indirectly based on assessments of how the decisions will affect the two fundamental conditions that make a company's operation thrive: legitimacy and productivity. In fact, one could argue that a company makes sound decisions based solely on those two conditions.

A company must establish and maintain confidence from customers in the market that it is targeted toward. It could be a matter of price, on-time delivery, quality, environmental considerations and values – everything must click with the expectations of the company's stakeholders. Regardless of what is required, goodwill must grow, and anything that counteracts this is definitely a wrong decision.

A company must also be able to deliver on its promise; employees, owners, and suppliers are just a few of the stakeholders expecting order, discipline, and a large enough profitability that the company can manage the investments and dividends necessary to be able to continue and develop the business. Every decision that goes against greater efficiency in the managing of materials, machines, people, capital, and the other resources that a company is dependent on, is therefore a wrong decision.

Anything that further increases legitimacy and productivity is therefore a right decision.

Or is it?

On the one hand, it is not difficult to count the number of phenomena that could in the short-term increase productivity but that most of us consider morally wrong: child labor, debt bondage, bribes, lack of job security, the dumping of hazardous waste, etc... And as we all know, these things do occur. When it isn't a matter of direct crime, the excuse is often that the decision-makers are ignoring their own personal code of ethics and are following, or abusing, local laws and regulations, all for the purpose of financial gain.

On the other hand, the company that is caught acting in a way that is impossible to defend will risk losing the market's trust. There are many examples of this; Skandia, Enron, and BP to mention a few. In fact, there are even examples of global, market-leading companies that

Stakeholders are those that affect or are affected by the company.

no longer exist because moral scandals led to the destruction of their ability to carry out their operation.

The reverse in conditions is also true: a company that acts in such a way as to gain trust from their surroundings, for example by being environmentally-friendly (The Body Shop) or taking more responsibility for their production (H&M) or simply by offering very good products at an affordable price (IKEA), will naturally increase their productivity: it becomes easier to recruit loyal customers and it gives off a generally positive picture of the company.

The balance between legitimacy and productivity is therefore the one thing we all struggle with. But combine that with our reward-dependent esteem of wealth and power and it becomes easy to understand the type of decisions management makes when it's highest priority is to maximize profit (and to let someone else deal with the consequences). Naturally, this cannot go on forever. "Business as usual" must come to an end.

'Corporation 2.0' should therefore be able to offer effective selling in a democratic and responsible union. Having risen through Smith's and Milton Friedman's dominating view of a company whose sole social responsibility is to maximize profit, we are now heading toward a society in which the business world must accept a much larger part of the responsibility for the common good; partly for moral reasons, and partly for self-interest, since a company is dependent on the market to sell its products.

In a way, perhaps our future is dependent on entrepreneurs: those with the power to inspire, create, and change, who will be rewarded with an increase in external confidence/legitimacy and internal efficiency/productivity.

In any case – I believe that a company is a very important platform for our common future but not in its current state, with the reward system and legislation that we have today.

Summary: A company is an organization that sells goods or services and that until recently was considered a tool for owners to use to obtain a good return on their investments. Nowadays, there is a change in society's view of what a company's role should be and the purely economic perspective is being replaced by a more holistic one. As such, companies and the legislation that governs them need to be renewed.

Companization: Instead of creating divergence between commercial and idealistic motivations, between the drive to make and the impetus

to agree on, a custom platform is created for each one. I am not inventing anything new here but am instead using existing phenomena as they are. The aim is to equate both pursuits on the same level, taking advantage of the knowledge that exists in individuals who have so far primarily concerned themselves with either this or that and reaching a balance between them. The goal is to create a more efficient organization that has the knowledge to act from both perspectives simultaneously. A companization is therefore comprised of a purely commercial part and a purely non-profit part – hence the name, from the combination of the words Company and Organization. The operation is controlled simultaneously by two objectives: commercial and non-profit.

What is a non-profit organization?

A non-profit organization is characterized by the fact that its purpose is non-profit and/or that its operation is non-profit. An organization that promotes its members' economic interests is not normally considered a nonprofit. For such organizations (for instance, a trade union) to be legally considered as non-profit, the activities they promote must not be of a commercial nature. Therefore, a nonprofit cannot both run an economic operation and aim to financially enrich its members.

A non-profit organization is considered a legal person, provided that:

- It was created by at least three people
- It has adopted a constitution that regulates business name, purpose, and process.
- It has appointed a board of directors

A legal person has legal capacity, which means that it can have assets and liabilities as well as enter into agreements and be a party in front of legal proceedings and authorities.

An organization does not need to be registered with any authority to have legal capacity.

Nonprofits can be divided into two groups:

- Those that seek to promote its members' financial interest
- Those that have some other purpose

A non-profit organization that aims to promote its members' financial interest may not do so through economic operations, but may do so through legal assistance, advocacy, etc.

Read more about the rules at www.skatteverket.se/foretagorganisationer/foreningarstiftelser/ideellaforeningar.4.6a6688231259309ff1f800028215.html

If the non-profit organization has a different purpose other than to promote its members' financial interest, it can then devote itself to economic activities. One example of this is a sports club that carries out different forms of economic activities, such as charging an entry fee to matches and operating a cafeteria. Since the sports club's purpose is considered non-profit then it cannot be regarded as an economic association.

A non-profit organization that neither engages in economic activities nor promotes the financial interests of its members is considered as being purely non-profit.

When a non-profit organization is regarded as a legal person, it receives legal capacity, that is to say the organization can own property, lodge a complaint, file a petition, stand as plaintiff or defendant in front of a court, as well as enter into agreements that bind the organization. As far as liabilities are concerned, generally it is so that only the organization's assets are taken into account. So long as the board does not commit errors, it will not be held liable for purchases made on behalf of the organization.

LEGISLATION

There is no specific law governing non-profit organizations, and instead other laws and precedents are applied to them. There is also no mandatory register of non-profit organizations. Because a nonprofit is a legal person in its own right, it can apply for an association number at the Swedish Tax Agency.

BYLAWS

According to Swedish law, bylaws should include:

- The organization's business name
- The place where the organization will have its seat
- The purpose of the organization's activities and the nature of its operation

Swedish companies act

A corporation or limited Company (Limited Liability Corporation, LLCor Inc., USA) is characterized by its owners having no personal responsibility for any of the company's dealings, by the fact that it can have

Many of the economic and legal terms are explained in the glossary, see pages 188 et seq.

Read more about the Swedish Companies Act at <http://www.government.se/sb/d/9171/a/82648>

unlimited shareholders, and by the requirement of significant start-up capital, so-called share capital.

Almost all countries with a functioning judicial system and economy recognize the possibility for individuals to come together into a firm and collectively create a legal person whose form varies but resembles that of a corporation.

In Sweden, corporations are regulated by the Swedish Companies Act.

The clauses that demand, under law, less than the requirements contained in the companization model are:

- 1 § 3. The objective of the company's activities, specified to its nature,
- 3 § If the company's operation fully or partly has a purpose other than to provide profit for the distribution between shareholders, this shall be indicated in the articles of incorporation.
- 11 § At the annual general meeting, decisions will be made
1. about the declaration of income statement and balance sheet as well as, in a parent company where this is required, to establish the consolidated financial statement, consolidated income statement, and the consolidated balance sheet,
 2. about the allocation of the company's profit or loss according to the adopted balance sheet,
 3. about the discharge of liability for the members of the board and the CEO toward the company, and
 4. about other cases that the annual general meeting in accordance with this law or articles of incorporation shall handle.

ARTICLES OF INCORPORATION

The Articles of Incorporation are a corporation's own rules. It is a framework which together with existing legislation restricts and describes what the company should devote itself to.

Business name, registered office, activities, share capital, number of shares, number of board members, auditors, notice of the annual general meeting, and financial year are examples of what is regulated in the articles of incorporation.

Obviously, it is a very important document. All of the company's bodies and 'members of' are bound by the articles of incorporation. A decision made by the CEO or board of directors that is not in compliance with

The General Meeting is the highest decision-making body, where votes are distributed among the shareholders in relation to how many shares they own (sometimes also in relation to the type of shares they own, such as Class A or Class B shares).

their articles of incorporation can therefore in principle be used to hold the CEO or board members personally liable. The decision to present such a claim is made by the annual general meeting. No specific requirements are set in the legislation for a special basis for doing so, only that at least 10% of the owners must stand behind the decision.

One of the items that each articles of incorporation must contain is a mission statement. Swedish Companies Act's exact formulation is "the objective of the company's activities, specified to its nature", and is sometimes called 'business objectives'.

A corporation is presumed, in the legislation, to be run primarily from a profit-making perspective and if nothing else is specified in the articles of incorporation then that is what applies. If the owners want the company's purpose to be supplemented by something else, such as social responsibility, then it must be entered in the articles of incorporation. This is possible and if entered gains the same type of control as the other regulatory frameworks over what the company can and will do.

Nothing therefore impedes a regulatory framework that contains the same admiration of Mr. Smith's "wisdom and virtue" as of "wealth and power" from being adopted; a regulatory framework that the board of directors, management, and all decision-makers must therefore comply with. But, since even the legislator implicitly believes that profit is the overriding purpose of a company's operation, an articles of incorporation that describes anything other than the pursuit for profit is today a rarity. Instead, financial gain is the self-evident foundation that is used as a defense for the decisions taken by owners, boards, and management teams.

If the claim that an increase in trust from the market leads to an increase in efficiency and therefore profitability is true – what would happen to a company if instead of talking about environmental policies, CSR projects, and sustainability reports would put down a framework in the articles of incorporation that not only regulated its economy, but also the environment and social responsibility? Would employees, customers, suppliers and others be affected positively or negatively? How would authorities and other bodies representing civil society react? The company's legitimacy would probably increase in the eyes of many, but still far from all. He who sees the company as a profit-making machine would naturally consider the limitations that a moral stance would pose in the on-going market war; "Voluntary restrictive business practice? No, thanks. It's tough enough as it is!"

Yet that is exactly what I propose: That moral issues be forced into otherwise purely economic forums – articles of incorporation, annual general meeting, board activities, and management. How will we otherwise prove that we want something other than to maximize profit?

The Swedish Companies Act today requires the following to be in the articles of incorporation:

§ Articles of Incorporation should state

1. the name of the corporation
2. the headquarters of the corporation
3. the object of the company's operation, specified by its nature
4. the share capital or, if this can be determined at a lower or higher amount without amendments to the articles of incorporation, the minimum capital and maximum capital, whereby the minimum capital cannot be less than one-quarter of the maximum capital
5. the number of shares or, if a minimum and maximum capital has been stated in the articles of incorporation, the lowest and highest number of shares, whereby the relation between the minimum capital and the lowest number of shares should be the same as the relation between the maximum capital and the highest number of shares
6. the number or the lowest and highest number of members in the board of directors
7. the number or the lowest and highest number of board alternates, if such are to be present
8. the number or the lowest and highest number of auditors, if auditors are to be present in accordance with chapter 9, § 1

A few years ago there was also a supplement added whose aim was to allow a limitation on dividends:

CHAPTER 32, CORPORATIONS WITH SPECIAL DIVIDEND LIMITATIONS

Scope of application

1 § In the creation of a privately held company or through the subsequent decision in accordance with § 16, it may be determined if the company shall be a corporation with special dividend limitations. For such a company, the provisions in this chapter as well as, if not otherwise indicated in the chapter, the remaining provisions of this

law concerning privately held companies shall be in effect. Law (2005:812).

Articles of Incorporation content

2 § In the Articles of a corporation with special dividend limitations, it shall be stated that the company shall be such a corporation.

Law (2005:812)

Summary: The articles of incorporation is a well-functioning tool for controlling a company's behavior, but it has so far been primarily used from a purely economic perspective. There is nothing to prevent ethics and moral rules from being written into the articles and thus binding a company, all its bodies and decision-makers, to these rules.

Companization: I introduce into the articles of incorporation a supplementary description of the objectives, detailing what the company shall be used for in addition to making a profit. I also introduce a clear moral framework that, in the same way as the rest of the content in the articles, cannot be broken without the risk of personal liability for decision-makers. I thereby provide a moral and obligatory matter to the annual general meeting concerning the decision of applying discharge of liability to the board of directors and management.

The Companization's articles of incorporation

Companization's articles of incorporation contain for the most part the same things: business name, registered office, mission statement, share capital, number of shares, number of board members, auditors, notice of the annual general meeting, and financial year.

However, there is a very large difference concerning companization: the articles of incorporation makes evident the drive for profit in its activity paragraph as well as a moral framework and social mission. It expands the mission statement to include a purpose, or aim, in addition to profit.

Example (excerpt from Plantagon International AB's articles of incorporation):

"The objective of the company's activity is development, sales and franchising of new technology for production of cultivated food, selling cultivated food directly to consumers, selling cultivated food directly to industry, development of technologies for production of medicine, de-

velopment of technologies for production of pesticide, development of technologies for production of paper pulp, consulting on strategy, management, education, communication, Public Relations, Public Affairs, research projects, risk projects and with that compatible activities.

The purpose of the company is to provide maximum profit and social influence through profitability, growth of value and a core business that contributes to a sustainable development of society according to the principles set in the Global Compact of the United Nations and the Earth Charter. Through this, the company shall be a driving force in developing the possibility of share holders, managements, and entrepreneurs to understand, look out for and use their influence over the future of humanity through working for a sustainable financial, social, and political development toward a market with “a human face”. The company shall manifest the obvious possibilities a company has to be of benefit to humanity and during this work contribute to the development of for-profit organizations using alternative ownership, ideological driving forces, and a visionary leadership.”

The activity paragraph does not need to be as ambitious as Plantagon’s, but it should clearly state the activities, social mission, and ethical framework.

The founder himself chooses the social mission and ethical framework. Companization can be used for any purpose; the common interest that the model postulates does not necessarily need to be ‘good’.

A very large difference when comparing against a normal articles of incorporation is the consequence of the mission statement; which mandatory matters shall be dealt with at the general meeting. Since a very important task of the general meeting is the decision to assert discharge of liability for the CEO and board, then it must be clarified in the companization’s articles of incorporation that the economic results are not the only thing that matters in this regard.

Example (excerpt from Plantagon International AB’s Articles of Incorporation):

Following matters are mandatory at the general shareholders meeting.

1. Election of chairman for the meeting.
2. Establishment and approval of voting roster.
3. Approval of proposed agenda.
4. Where appropriate, election of one or more persons who checks and approves the minutes of the meeting.

5. Examination of whether the meeting was rightly called together.
6. Presentation of annual report and auditor’s report.
7. Decisions on
 - a. establishment of profit and loss account and balance sheet,
 - b. disposition concerning the company profit or loss according to the established balance sheet,
 - c. approval that the activities complied with the purpose requirements as stated in the Articles of Incorporation and
 - d. discharge of liability for the members of the board and CEO.
8. Establishment of remunerations for board of directors and auditor.
9. Election of board of directors and where appropriate election of auditor and auditor deputies and deputies for the members of the board.
10. Other matter referred to the shareholders’ meeting in accordance with the Swedish Companies Act or the Articles of Incorporation.

Point 7c, “approval that the activities complied with the purpose requirements as stated in the Articles of Incorporation”, therefore requires from the company’s auditors and the general meeting a verification of the compliance with the ethical framework and the content of the work related to the social mission.

Only then can a decision be reached about the discharge of liability.

WHAT IS REQUIRED OF THE ETHICAL FRAMEWORK?

The ethical framework is chosen by the founder. No particular content demands or procedural requirements are set. Credibility increases if one chooses a well established and popular framework rather creating it from scratch. It gives stakeholders a better opportunity to take a stand for what the framework is based on and which they then can engage with after the initial assessment of it. My recommendation is to use the UN’s ten principle program for “Good Corporate Citizenship”, Global Compact and the Earth Charter.

HOW SHOULD THE SOCIAL MISSION BE FORMULATED?

The social mission is chosen by the founder. No particular content demands or procedural requirements are set. It is easier to recruit members if the goal is clear. A wider objective will attract a larger group of people, while a smaller objective is more simply accepted and therefore easier to engage in. However, it is important to keep in mind that what is needed is the commitment of others, and they should be stimulated,

so the social goal must therefore be perceived as being meaningful enough for an adequate number of people to engage in.

AMENDMENTS TO THE ARTICLES OF INCORPORATION

The articles of incorporation may be amended at the general meeting provided the decision has been made by a so-called qualified majority.

The minimum requirements for a qualified majority in the companization's company are as follows:

At least nine-tenths (9/10) of the owners are present.

At least two-thirds (2/3) of the persons present vote in favor of the proposal.

This means that at least six-tenths (6/10) of the owners should be in agreement.

BOARD OF DIRECTORS AND POWER OF FOUNDERS

Even number of board members.

The board shall be composed of at least four members and not more than twenty members. Number of total members shall be even.

The basic idea with companization is to seek a balance between the commercial interest and the non-profit pursuit. The obvious way to achieve balance in the duties of the company's board of directors is to distribute the number of members equally between the commercial owners and the organization.

WHO CAN SIT ON THE BOARD?

Anyone can be chosen as a member in the company's board of directors, except for the person who is a representative of the organization's board. Company and organization can thus not share the same board members.

THE CHAIRMAN HAS THE DECISIVE VOTE

In the event of a tied vote, the chairman of the board has the decisive vote. The chairman is selected by the board members from their own ranks.

POWER OF FOUNDERS

In the event of the members of the board reaching a tied vote when deciding who shall be appointed as chairman of the board, then the decision falls on the founder. If the founders are many and cannot agree on who should be appointed as chairman, then the right to appoint the

chairman will alternate between these parties. The one who owns the right to appoint the chairman at the first occurrence of such a situation, and the subsequent order of appointers following this, is determined in the shareholders' agreement from when the companization was founded.

The company's articles of incorporation should therefore include the following:

§7 Board of Directors (excerpt)

The board of directors shall consist of between 4 (four) and 20 (twenty) members. The number of directors shall be equal. It is allowed to appoint one deputy for each director.

The chairman of the board, who shall be nominated until the end of the following general shareholders meeting, shall be nominated by the board. If the number of votes is equal, the chairman is picked from the board members by the collective agreement of the founders. If the founders cannot come to an agreement over who shall be picked as chairman, then the right to appoint the chairman will alternate between these parties. Founder NN retains the right to appoint the chairman in the first occurrence of such a situation.

WHO APPOINTS MANAGEMENT?

The company's executive management shall be appointed by the board of directors.

DO THE ARTICLES OF COMPANIZATION CONFLICT WITH THE LAW?

When we first went to register the articles of incorporation that contained what is now included in the companization model, the process took nine months time. The Swedish Companies Registration Office had argued that the "voluntary restrictive practices" that our moral framework and societal objectives aimed to do did not primarily take into account the shareholders' financial interest and that therefore the pursuit for financial gain could not be guaranteed.

Through persistent debate about how the Swedish Companies Registration Office could hardly prevent us from, so to speak, "damaging ourselves", they finally caved in. Whether or not our Articles are in conflict with the law has however not been tried in other ways. It is an expectation I hold, that someday we will be forced into a situation where the law and legal precedent can clarify if financial gain is a requirement for a profit-driven corporation.

Shareholders' Agreement

In the shareholders' agreement that is to be signed by the founders at the company's formation, it shall be stated that the company's owners shall transfer, in equal or unequal parts but at par value, 10% of shares to the non-profit organization.

It also establishes that the nonprofit, in connection with the transfer, gains the responsibility of appointing half of the company's board members.

It states that the nonprofit's shares cannot be repurchased by the owners who sold them.

Finally, it is established that the nonprofit will not be able to own either more or less than the precise 10%, since they are not allowed to purchase more shares or sell the shares they already own.

Example (excerpt from Plantagon International AB's Shareholders' Agreement):

...each of the parties shall sell 5 % of its shares in the Company to a non-profit association founded by the parties. The price for such sale shall be the nominal value of the shares. Upon the non-profit association's purchase of a total of 10 % the shares of the Company, the non-profit association shall enter into this agreement as a party and the amendments to this Agreement stated in Appendix 3 shall apply from that date.

APPENDIX 3

The parties to the Shareholders Agreement agree that the following additions and amendments to the Shareholders Agreement shall apply the day the non-profitable association ("NPA") becomes a shareholder of the Company.

SECTION 1.1

Section 1.1 is hereby restated in its entirety to read as follows.

1.1 The shares of Plantagon International AB ("the Company") shall be owned by the parties in the following portions:

Party	Shares (in per cent)
ON	80 %
SCS	10 %
NPA	10 %

SECTION 5.1

Section 5.1 is hereby restated in its entirety to read as follows.

5.1 The board of directors shall consist of four (4) to twenty (20) directors. SCS is entitled to designate twenty-five (25) percent of the directors, ON is entitled to designate twenty five (25) percent of the directors and NPA is entitled to designate fifty (50) per cent of the directors.

SECTION 17 AND 18

The parties agree that NPA shall not in any case own more than 10 % of the shares in the Company and shall therefore not be entitled to make use of Section 17 or 18. For the avoidance of doubt, SCS or ON shall be entitled to make use of Section 17 or 18 to acquire NPA's shares.

Application of pre-emption clause in the Article of Association

NPA shall not be entitled to apply the pre-emption clause in the Article of Association in connection with any transfer of shares.

SCS	ON
_____	_____
Name	Name
_____	_____
Printed Name	Printed Name

NPA hereby accepts to be bound by the provisions of the Shareholders Agreement with the amendments made above.

NPA

Name

WHY DOES THE ASSOCIATION RECEIVE 10% OF THE SHARES?

10% of a company's ownership and thus payoff goes to the association. You could also consider the reverse: 90 % of ownership and thus payoff stays with the company's owners. Why not more, or less?

The reason for me determining the ownership the association holds as being 10% is as follows:

The association's opinion-forming activities gain financial support through the dividends.

The association gets a large incentive to be interested in the company's success since its own economy is partly based on the dividends.

The payoff is not large enough for the association's leadership and members to be able to depend on the dividends for their whole economy, something that would probably lead to an excessive economic

interest on the part of the association. In such case, the association would become passive and end up as some sort of "high society" group. I do not want to create a socialite's club – I want to create an active, entrepreneurially driven business activist!

The Swedish Companies Act gives owners who hold at least 10% of shares a special protection against the tyranny of the majority. The association can, for instance in the general meeting and even though it is a minority owner, bring claims for damages against the board and the CEO. At the request of an owner who holds at least one-tenth of all shares, the annual general meeting shall decide on the distribution of half of what remains of the year's profits.

WHY DOES 50% OF THE POWER GO TO THE ASSOCIATION?

The association is given half of the power over the company's board of directors, even though its share ownership should give it only one-tenth of the power. Same question applies here: why not more, or less?

The association's bylaws clearly state that a strong economy is a business goal in and of itself. The association is expected to operate a comprehensive opinion-forming operation, and the development, production, administration, and marketing of the business will require a major effort. The share dividend it receives from the company will not be sufficient to cover all of these expenses, and it shouldn't be sufficient either. The association's business culture must be just like the company's, highlighted by an entrepreneurial drive for success, but the goal is not to maximize profit within an ethical framework but rather to maximize its influence, within that same ethical framework.

The purpose of giving the association control over 50% of the board positions is as follows:

- The association, whose great strength is to agree on and not to make, is forced to develop an understanding of the company's condition by adopting a large responsibility for its development, strategies, and management. The association must be operated in a way that attracts members who are interested in the business world, in entrepreneurship, and in acquiring influence over societal developments. The association needs people who want to see concrete things happen and who understand that a company is good at acting on something but that it needs support in its decision-making process. Individuals who are put on the company's board are under the obedience of the conditions stated in the articles of incorporation of the company, not of the bylaws of the association. An association that appoints a member

with poor understanding of the company's commercial world exposes that member to serious individual risks. The large responsibility that the organization puts on every individual that they select to sit on the board of directors creates an active and responsible owner. Even if the company grows large in size, it does not increase the social distance between owner and management and thus does not increase the risk of anonymity – and the same can be said for greed in management.

- I wanted to concretely prove that I am serious of the fact that the companization's own mission is more important than the idea that the founder should retain full control over the operation. I suggest that the company is operated for the collective good, and so the collective must also be a part of the influence over a company's future. By offering anyone the chance to become a member in the association and then giving the association not only a part of the company's profit but also control over it, a sense of transparency and openness is demonstrably established, something that I think is often lacking from ordinary corporations.

- I would like to achieve a balance, in the decision-making process, between commercial and non-profit pursuit. Even if a companization is perceived as a single organization, its different bodies should operate with different focal points. It is therefore imperative that the association gets enough power to be able to counteract that which often appears in successful companies – greed.

- By concretely showing that companization is an idea that is fully feasible, people will have faith in that idea. This means lots and lots of people speaking well of and engaging in the business aspect of it. Good ambassadors are an invaluable resource for any organization. The large amount of individuals who care about what we do are the ones who build our brand in a very effective way but who also act as a powerful control over the operation – if promises are not held, then the brand is destroyed very quickly through the same channels that those who were once praising the company used to create the brand in the first place.

WHO CAN BECOME AN OWNER IN THE COMPANY ?

All who pay the price that existing owners demand for the transfer of share ownership. As is usual, then. Even individual members of the association can become shareholders in the company.

The Companization's Bylaws

A companization's bylaws include for the most part the same things as other nonprofits' bylaws: Business name, registered office, mission statement, membership fee, board auditor, voting rights, notice of the annual general meeting, financial year, and matters for the general meeting.

However, there is a very large difference when it comes to a companization: it is stated in the bylaws' activity paragraph that the association's purpose is to maximize its social influence, but it is also laid down that the association should build a strong economy, an ethical framework, and a social mission.

I thereby expand the mission statement to fit a financial perspective as well as an ethical framework.

The ethical framework should be identical to the company's.

The social mission should be identical to the company's.

Example (excerpt from Plantagon Non-Profit Association's Bylaws):

The association's activities shall include seminars, education, leadership courses, publishing, lobbying, administration, and the development of intellectual property together with consulting services with an emphasis on strategy, management, education, communication, Public Relations, Public Affairs, research projects and risk projects within the field of development, sales and franchising of new technology for the production of cultivated foods, selling of cultivated food directly to consumers, selling of cultivated foods and plant life directly to the industries, development of technologies for the production of medicine, development of technologies for the production of pesticides, development of technologies for the production of paper pulp.

The purpose of the association is to maximize its social influence through the development of public opinion, education, a strong economy of its own and an activity that contributes to a long-term sustainable development of society in accordance with the principles set forth in the United Nations Global Compact and in the Earth Charter. In this way, the association shall be a driving force in developing the possibility for owners, managements, and entrepreneurs to understand, look out for and use their influence over the future of humanity by working for a sustainable financial, social and political development toward a market with "a human face". The association shall manifest the evident possibilities a company has to be of benefit to society and through this

activity contribute to the development of profit-making organizations using alternative forms of ownership, ideological driving forces, and a visionary leadership.

The activity paragraph doesn't need to be as ambitious as Plantagon's, but it should clearly state the activities, the economic perspective, the social mission, and the moral framework.

The founder himself chooses the social mission and moral framework. A companization can be used for any purpose; the common interest that the model postulates does not necessarily need to be 'good'.

A very large difference when comparing against a normal organization's bylaws is the consequence of the mission statement; which mandatory matters shall be dealt with at the annual general meeting. Since a very important task of the general meeting is the decision to assert discharge of liability for the board and executive management, then it must be clarified in the companization's bylaws that the economic results are not the only thing that matters in this regard.

Example (taken from Plantagon Non Profit Association's Bylaws):

At the annual general meeting, the following matters shall be addressed.

1. Election of chairman for the meeting.
2. Establishment and approval of voting roster.
3. Approval of proposed agenda.
4. Where appropriate, election of one or more person who checks and approves the minutes of the meeting.
5. Examination of whether the meeting was rightly called together.
6. Presentation of annual report and auditor's report.
7. Decisions on
 - a. establishment of profit and loss account and balance sheet,
 - b. disposition concerning the company profit or loss according to the established balance sheet,
 - c. approval that the activities complied with the purpose requirements as stated in the bylaws and
 - d. discharge of liability for the members of the board and executive management.

8. Establishment of remunerations for Board of Directors and auditor.
9. Election of Board of Directors and where appropriate election of auditor and auditor deputies and deputies for the members of the board.
10. Other matter which has been referred to the annual general meeting for decision.

Point 7c, "approval that the activities complied with the purpose requirements as stated in the bylaws", therefore requires from the association's auditors and the annual general meeting a verification of the compliance with the moral framework and the content of the work related to finances and the social mission.

Only then can a decision be reached about the discharge of liability.

SPECIAL SHAREHOLDER RESPONSIBILITY

Since the association is given large and decisive influence over the company, we must ensure that the association accepts the responsibility and that it, internally, can demand engagement from its members so that they become involved. The intention is an active ownership.

The association's bylaws must therefore state the following:

§4 Special shareholder responsibility

The association shall administer its shareholdings in Plantagon International AB in accordance with the company's Articles of Incorporation and §3 of these Bylaws.

The Board of the association shall, in accordance with the shareholders' agreement between the founders of Company AB, appoint half the members of the Board of Directors of Company AB.

MEMBERSHIP

The association should be open to all and the number of members should be unlimited. Even shareholders, board members, or other employees at the company are welcome as members in the association. The companization model is built on the cooperation of people who engage themselves, who support the operation, and who therefore gain influence over the forming of public opinion.

The association's bylaws must therefore state the following:

§5 Membership

Any interested physical person who approves of these bylaws and actively supports the membership by paying the annual membership

fee shall be accepted as a member. The associations board may also allow others than physical persons to become associated or supporting members. Rules for associated and supporting members are defined by the board, though these types of members do not benefit from the rights or obligations defined in the bylaws.

The number of members that can join the association is unlimited.

VOTING

§6 Voting

At the Annual General Meeting, each member shall have one vote.

Matters presented at the Annual General Meeting are decided through a simple majority vote except when it concerns amendments to these bylaws or the decision to dissolve the Company, in which case §19 shall apply. If the numbers of votes are equal, the Chairman of the Annual General Meeting shall have a casting vote.

BOARD OF DIRECTORS AND POWER OF FOUNDERS

Even number of members.

The Board should consist of at least four members and not more than twenty members. Total number of members shall be even.

The basic idea with a companization is to seek a balance between the commercial interest and the non-profit pursuit. The obvious way to achieve balance in the duties of the company's board of directors is to distribute the number of members equally between the commercial owners and the association. In order to build the same culture in the association as the one in the company, the same solutions are used in the association.

Who can sit on the board of directors?

Anyone can be chosen as a member in the respective boards, but no one is allowed to sit on both at the same time.

The chairman has the decisive vote.

In the event of a tied vote, the chairman of the board has the decisive vote. The chairman is selected by the board members from their own ranks.

POWER OF FOUNDERS

In the event of the members of the board reaching a tied vote when deciding who shall be appointed as chairman of the board, then the decision falls on the founder. If the founders are many and cannot agree on who should appointed as chairman, then the right to appoint the chairman will alternate between these parties. The one who owns the right to appoint the chairman at the first occurrence of such a situation, and the subsequent order of appointers following this, is determined in the shareholders' agreement from when the companization was founded.

The association's bylaws should therefore include the following:

§7 The Board (excerpt)

The association's board shall consist of no less than four and no more than twenty persons. The number of board members shall be an even number. One deputy may be appointed for each board member.

The chairman of the board shall be appointed by the board to serve for a period that ends at the occurrence of the next Annual General Meeting. In the event of the members of the board reaching a tied vote when deciding who shall be appointed as chairman of the board, then the decision falls on the founder. If the founders are many and cannot agree on who should be appointed as chairman, then the right to appoint the chairman will alternate between the parties.

Except when the annual meeting is in session, the board is the decision-making body within the association and is responsible for the affairs of the association.

The board shall meet no less than four times a year at the request of the chairman.

A board meeting shall also be held if at least four board members so request.

The board is competent to reach a decision only when more than half of its members, including its chairman or vice chairman, are present. If all the board members are not present, a decision can be reached only if more than half the total number of members are in agreement.

Each board member shall have one vote. Decisions shall be reached by simple majority. If the numbers of votes are equal, the chairman shall have a casting vote.

Minutes shall be kept for all Board meetings. Each board member is considered to have agreed to the decisions recorded in the minutes, unless a member's contrary opinion is recorded in the minutes.

The board represents the association and signs on behalf of the association. The board is entitled to authorize one or more persons to represent the association and sign on its behalf.

Obligatory purposes and goals for the board and the management:

- A) To develop the financial strength and growth of the association
- B) To seek to maximize the association's influence on societal development.
- C) To support, while engaged in A) and B), the principles outlined in the Earth Charter and the Global Compact.

WHO APPOINTS MANAGEMENT?

The association's executive management is appointed by the board of directors.

EXCLUSION OF A MEMBER

By using the companization model, the company opens itself up to competitors or individuals who join the association and who do not want the best for the company.

The association's bylaws should therefore state the following:

§15 Resignation and exclusion (excerpt)

A member who wishes to resign from the association shall state so in writing. Membership shall cease immediately after the notice has reached the association.

A member may be excluded from the association with immediate effect if the member, despite having membership, has failed to pay the fee for the previous financial year, has acted in opposition to the association's activities or purposes, or has clearly injured the organization's interests. An offence against §4 of these bylaws is a particular strong reason for exclusion.

A decision regarding exclusion is made by the Board or in accordance with a delegation procedure established by the Board.

A member who has resigned or has been excluded is not entitled to the repayment of any fees or contributions or otherwise to receive any of the association's assets or services.

AMENDMENT TO THE BYLAWS

The companization is based on a number of principles that must be difficult or impossible for the company and the association to alter; in certain cases, we have bound the association to be forced to affect the legislation so that it can implement a change for its own part. The aim is to ensure the operation's ideas and direction.

The association's bylaws should therefore state the following:

§18 Amendment to the Bylaws

A proposal to amend these Bylaws or to dissolve the association may be discussed at the Annual General Meeting only if notification of this has been given in the notice to attend the meeting. A decision to amend these Bylaws or to dissolve the Organization shall require either a decision of an Annual General Meeting where all those present are in favor of the decision or the decision of two successive General Meetings, one of which must be an annual general meeting and where the decision at the last meeting is supported by at least 2/3 of those present. Paragraphs 18, 19, 20, 21, and 22 of these Bylaws cannot be altered.

DECISION ON DISSOLUTION

No one can be forced into running a non-profit association. If the association were to lose its energy, its drive, or its members, or just plainly have its role played out and done, then there is the possibility of the annual general meeting deciding on its liquidation. In order to protect the company from having its shares and influence passed on to someone else and to ensure that the association's members and management do not stand to gain financially from the dissolution of the association, what happens to the assets of the association in the case of a liquidation must be heavily regulated.

The association's bylaws must therefore state the following:

§19 Decision regarding the dissolution of the association

In the event of a decision to dissolve the association, the association's residual assets shall be disposed of in a manner which supports the tasks listed in § 2. The manner in which the assets shall be disposed of shall be decided at the final Annual General Meeting, except when it comes to the shares in the company, which shall be transferred in equal numbers to the founders without payment to the association or its members.

MEMBERSHIP FEE

Membership fee should relate to the company's value. The aim is to justify an early transfer of the company's shares to the organization. I want to stimulate the emergence of large organizations with many members; a late transfer of shares, at a time when the company's value is high, leads to a high membership fee and fewer members. Therefore, I seek a balance between the parties' contributions, in which the company is motivated as early as possible to take the step toward transferring the shares to the organization.

The organization's bylaws should therefore state the following:

§20 Membership fee

The membership fee shall be equal to the quotient of the market value of the Company divided by the number of shares in the company. The market value is set by the Company's owners. The agreed-upon membership fee shall be valid until the number of shares in the company is changed.

On the date xx-xx-200x, the company's value was set at EUR XX, and consequently the membership fee according to these statutes was set at EUR XX / 100 000 = EUR X.

THE FIRST COMPANY BOARD AND ORGANIZATION BOARD

The first board of directors shall be appointed by the company's founder. Same thing applies to the organization's board of directors. The founder, then, appoints in the usual way the board posts and has full control over selection. The founder also determines the term of office.

§17 Interim period

During the organization's startup phase, the organization is administered by an interim board of directors. The interim board members are selected by the founders and appointed at the statutory annual meeting. The interim board's specific task is to establish the Organization as a resource-strong entity to such an extent that the Organization can take on the responsibilities listed under §4 of these bylaws. Changes to the composition of the interim board shall be approved by the founders and documented in the board protocol as well as communicated in the report of activities. The interim period lasts until the shares are transferred from the Company over to the Organization in accordance with the shareholders' agreement that was signed by the founders when the company and organization were founded. During the interim period, the organization's chairman shall be a member in the company's board.

DO THE BYLAWS CONFLICT WITH THE LAWS?

When the organization was being registered for the first time, meaning it would include the individual, long-term commitment to the company's progress in its own documents, the Swedish Tax Agency claimed that the idea required an economic organization to support the purpose; the members did have their own financial gain through membership in the organization and the payoff from Closure Rights, so-called 'Generation Share'.

The organization's objective is voluntary work for the benefit of a long-term change of values within the business world. The economic outcome that may come to be distributed to an individual has no direct link to the membership, but to the engagement in the organization's work out of idealistic principles.

The bylaws were approved without assessment of the Closure Right.

It took six months and has not been tried in another way.

IF THE COMPANY IS SOLD

The company's owners may make the decision to sell the operation. This decision will be made at the general meeting where the organization represents 10% of the votes. If the new owner does not wish to keep the company model and is only interested in buying 100% of the business, and if at the general meeting it is decided to go through with the sale, then the organization has played its part and will no longer be involved with the company. The organization and its members can obviously still operate, but they retain no responsibility toward the Company and enjoy no rights from it since they are no longer part of the company. In such a case, 10% of the proceeds go to the organization and, under special circumstances, the money is distributed among individual members.

The transfer can take place before the liquidation.

Nothing stands in the way of the organization entering into partnership with other companies that are not in competition with the Company.

OBTAINING CLOSURE RIGHT

In the organization's bylaws it is stated that the person who pays a sum to the organization equivalent to ten annual membership fees shall receive ten years of membership status and the influence over the Company that that entitles, as well as "Everlasting Closure Right". Closure Right gives the holder the right to, alongside the other holders of Closure Rights, be a part of the distribution of the company's proceeds at the eventual sale of the Company.

Closure Rights are not sold by the organization, but are gifted to those who have been members in the organization for ten years time or who have chosen to pay the sum equivalent to ten years of membership in advance.

A single individual can obtain several Closure Rights.

§21 Right to compensation in the event of the sale of the Company, so-called Closure Right.

The person who pays a sum to the Organization equivalent to 10 times the membership fee shall gain membership for 10 years time and an irrevocable gift in the form of a future right to participate in the distribution of the Organization's proceeds for the sale of 100% of the Company, a so-called Closure Right. The payment of one or several 10-year periods can be made in advance under one or several occasions. The minimum approved sum shall be equal to the membership fee.

In the event of the sale of 100% of the Company, the yield from the organization's shares shall be divided in equal parts between those persons who are holders of valid Closure Rights. The possession of more than one (1) Closure Right does not give the holder the right to more shares of the proceeds.

For the Closure Right to be valid and give the right to compensation, it should be statutorily transferred and held by an individual of a subsequent and earliest seventh generation after the first recipient who received the Closure Right as a gift from the Organization. By "individual of a subsequent generation", it is meant a relative who is a direct descendant or other person who is at least 33 years younger than the transferor. For it to be valid, the Closure Right thus must be issued by Organization and statutorily transferred from person to person in at least six occasions.

The maximum number of Closure Rights to be distributed shall correspond to the total number of shares that exist in the Company. On the date xx-xx-200x, the number of shares in the Company was set at 100,000, which means that the maximum number of persons who can receive Closure Rights in the Company, according to these bylaws, is limited to 100,000. If the number of shares in the Company were to increase, then so does the number of Closure Rights, equivalent to the same increase in number.

Information and notice to the persons who, through possession of a Closure Right, have the right to participate in the distribution of the Organization's proceeds in the event of the sale of 100% of the Com-

pany will be given in a notification according to current international practice and routines approved by the organization's Annual General Meeting.

These bylaws emphasize that there is no automatic coupling between the possession of Closure Right and membership in the organization.

Distributed Closure Rights cannot be recalled. Closure Rights that are not invoked by the holder and Closure Rights that have not been transferred in accordance with this paragraph shall be declared as being expired and forfeited.

TRANSFER OF CLOSURE RIGHT

A companization is dependent on competent entrepreneurship and commercial knowledge. In order to avoid an organizational culture that is characterized by a focus heavy on consensus and light on the economic development of the company, we have chosen to implement an economic motivator for the individual member – a symbolic idea that has developed into a sort of "Generation Share". However, it is not worth anything for the person who receives it, only for the person's offspring...

A Closure Right is formulated in such a way as to only reward a long-term financial commitment to the company.

The organization's bylaws should therefore state the following:

§22 Transfer of Closure Rights

A Closure Right can, in accordance with §21, be transferred from holder to person of a subsequent generation. By "person in subsequent generation", it is meant a relative who is a direct descendant or other person who is at least 33 years younger than the transferor.

For the Closure Right to be valid and give the right to compensation, it should be statutorily transferred and held by an individual who is at the earliest the seventh generation after the first recipient who received the Closure Right as a gift from the Organization. For it to be valid, the Closure Right thus must be issued by the Organization and statutorily transferred from person to person in at least six occasions.

The transfer shall be valid when it has been jointly confirmed by the person making the transfer, the recipient, and the Organization, in accordance with routines established by the Annual General Meeting.



The so-called “Generation Share”, formally Closure Right, which gives your descendants but not yourself the right to take part in the yield of the sale of the company..

NUMBER OF CLOSURE RIGHTS

The maximum number of available Closure Rights that the Organization can issue is limited to the total amount of shares in existence in the Company. If the number of shares increases, then so does the number of Closure Rights. This means that when an equity issuance occurs, new Closure Rights are also issued.

If the Company issues 100,000 shares, then 100,000 Closure Rights are also issued.

VALUE

When all of the 1,000,000 Closure Rights have been issued, then each one is worth 1/1,000,000 of the company's total value.

TRANSFER, VALIDITY AND, REDEEMABILITY

The transfer of Closure Rights can be carried out to a person who belongs to a younger generation than the transferor's own generation.

A Closure Right is valid as a document of value only when it has first been transferred six times. That means that the earliest person who can obtain compensation corresponding to 1/1,000,000 of the company's value is one who is part of the seventh generation after the original recipient's generation.

An individual can only redeem a single Closure Right.

SUMMARY OF CLOSURE RIGHTS

A Closure Right, or “Generation Share”, is an innovation that we have created to stimulate three crucial conditions for what we want to achieve:

Early revenue for the association. the companization needs a strong non-profit branch that can singlehandedly run its operation without being dependent on the company.

An individual, economic incentive for the association's members to safeguard the company's economic growth.

An individual, long-term incentive for the association's member to safeguard the company's economic growth.

In this way, we hope to stimulate the development of a skilled, influential owner with the perspective of seven generations.

How do the company and association interact?

How does the company make use of the association?

RECRUITMENT

A very large cost and difficulty that a growing company has is being able to quickly recruit the right workers. The companization offers a great advantage: members. They can be seen as a free base for recruitment: individuals who agree with what the company does, who already follow the development of the company, and who have vast knowledge about the company's operation. One could even imagine purely voluntary work on behalf of the association to the benefit of the company since the association and its members directly benefit from the company's results.

INNOVATIONS

Every company relies on innovation and growth. In this line of work, the ability to generate a creative and innovative business culture is crucial. It is often not the strategists or economists who think up of these crucial ideas that create change, solve problems, and lead to the next step of the development cycle. It is instead the people who find themselves closest to the challenges and needs that the company is trying to adapt to.

The economic value of a company that effectively accomplishes the task of looking after its employees' creative abilities will always place higher than other companies. Today, this type of value is, in the best case scenario, built through the help of relational databases and other technical tools – a companization does the same through its sharing capabilities.

A companization stimulates the exchange between people who are good at making and people who are good at agreeing, plus it does so in a practical and inclusive manner by providing very short contact paths; you work together, sit in the same rooms, share the same web tools, etc. The organization and the company each have their own resources for carrying out their respective objectives as well as two different perspectives; the company's operation and the association's forming of opinion.

All the innovations that arise from the network of members and employees will be headed in the direction of the company. The company ma-

kes a standard commercial assessment of the innovation and, should it prove to be positive for them, adopts it.

A situation can also arise wherein individual members develop an idea for which they need a commercial partner to develop. Funding from the association and development help from the company are both close-by possibilities.

When the development of innovations is on point, it represents a very large economic value for the company and thus also for the association.

RISK CAPITAL

The Body Shop's founder, Anita Roddick, was the person who made me understand the real potential in companization. I was persuaded to present it to her in 2004: my face turned red and I quite embarrassingly thought that it was not such a good plan to drag the idea to one of my great role models.

When I finished explaining it to her, Anita leaned back on her chair, shook her head, and said:

"Hans, if you would have shown me this idea a few years ago I would never, ever have put The Body Shop on the stock market – I could have borrowed the money from my members instead! It's brilliant! What you have done is to constitutionalize sound values in the costume of a share holding company."

I didn't get it. Well, the last part about trying to sew sound values into the company, that I understood, even if I at that point had never used the term constitutionalize (which is actually the appropriate term), but the part about the stock market and borrowing money from members, that part I had to ask Anita to clarify.

The Body Shop would have started a non-profit association. That association's purpose would be to assist The Body Shop in its work with reducing the use of chemicals and processes used in the cosmetics industry that are harmful to the environment, people, and animals. In addition, everyone would become involved in the ongoing social work that The Body Shop was running at the time, for instance the construction of orphanages in Romania and other countries.

In stores all over the world, customers would be given the opportunity to participate, engage in, and affect the operation just by paying a smaller sum for the membership and thus becoming 'part owners'.

Anita herself thought that The Body Shop would have gathered millions of members. And it was all these people that she saw in front of her when her mind, instead of thinking about getting risk capital on a short-term exchange, thought about asking her goodwill ambassadors to basically loan some of their private funds to the company.

I could hear coins jingling as I listened to Anita. She uplifted the idea of companization from being my own attempt at a well-organized social entrepreneurship to being something that could be taken much more seriously than originally intended. Since then, it's been Anita's vision that has been the defining one.

The association's membership fees, because they are often low in price, give no room for a risk-filled project. However, payments of many membership fees in advance give large revenues. If each Closure Right motivates the purchase of a 10-year membership, and if the membership fee is not set too low, then it gives the association a larger capital than what is needed for its own activities. The aim is to make this type of capital available as a form of venture capital.

The association, as the administrator of a venture capital, will make the same demands on assurance and return as all the other venture capitalists. The different will be in the perspective of farsightedness. Moreover, the association and the company share a social mission, which means that in certain cases possibly lower requirements on yield can be set, by both parties, since it comes down to initiatives that primarily contribute to the social mission.

The association's members can also be used to directly raise venture capital for projects where the uncertainty is far too large for the association. If we, for example, want to develop a prototype to ensure the viability of an innovation and only after that do we seek venture capital from the association, that money can be donated by or borrowed from the members: a form of reverse microfinance where many small contributions lead to something much greater. Today, most call this form of financing 'crowd funding' or grassroots financing, a concept that was nonexistent when we first implemented it into the companization.

We are therefore creating a long-term venture capitalist and a concrete arena for crowd funding. Could one then call it a sort of social market? Anita did.

CONSENSUS - BOTH AN ASSET AND A THREAT

The large number of committed individuals that makes up such a large asset for the company must also be seen as a risk that the company's management will have to deal with.

Assume that the company is faced with a moral dilemma that is not covered by the articles of incorporation. An idea that seems interesting from a business perspective might seem dubious from a moral perspective; a global company within the arms industry is looking to cooperate with the company and in turn give it access to markets that it cannot reach without the cooperation.

After an assessment of the moral framework the conclusion is that nothing in it impedes the cooperation because the framework makes no mention of 'pacifism' – on the contrary, every measure is allowed in the protection against human rights violations, even if it requires the use of arms (most international agreements contain precisely this, the right to defend oneself).

So, do we just simply let management make the decision about cooperating? No. Not unless one can reliably assess how the association's members would perceive the decision.

Even if the company's board is in agreement, and therefore probably also the association's board representatives (since they have half of the power), an opposing view among the members of the association would be disastrous for the company.

The same social network that previously had been such an asset has now become a risk and threatens to completely destroy the trust and confidence in the company's brand. If the members feel deceived and betrayed, that sentiment will spread like wildfire.

The assessment of the individual's moral evaluation of the company's decisions will therefore affect management's decision-making process and protect the company against a far too pragmatic interpretation of the ethical framework. However, if the argument has been made in a competent enough way and to enough members, then the members themselves become part of the argumentation by accepting it when others reject it.

To make, in unison, becomes once again an asset.

FARSIGHTEDNESS

The association helps to secure the company's long-term commitment by having its members think about their own long-term financial com-

mitment (Closure Rights) and the moral control that is made up of the members' own social network.

How does the association make use of the company?

RECRUITMENT

The recruitment of members will stand in direct correlation with the company's success. The brand that the company creates and builds up is therefore a great asset for the recruitment of members.

IMPLEMENTATION

The company's focus on business development and making provides a valuable opportunity for the organization to effectively investigate, assess, and implement ideas without having to use resources from the opinion-forming work, which is the association's true task.

ECONOMY

The company contributes to the association's economy through dividends.

CREDIBILITY

A fully functioning companization will be perceived by outsiders as an association with a successful business (though primarily companization is more about being a successful business with an ever-growing association). This gives the association a strong position to build opinion and be "a driving force in developing the possibility for owners, managements and entrepreneurs to understand, look out for and use their influence over the future of humanity by working for a sustainable financial, social and political development toward a market with "a human face" (taken from Plantagon's Bylaws and Articles).

If the association manages to thoroughly demonstrate, through ownership in the company, that it has taken advantage of the opportunities the company provides when it wants to do social work for social benefit and through this work contribute to the development of a profit-oriented organization with an alternative ownership form, an ideological drive, and a visionary leadership, then nothing else needs to be done in order to achieve the status of being a very influential agent in the debate about a company's role in society.

One can imagine a situation in which the founder has a change of heart; the company has grown faster than expected to such a value that allows the transfer to be delayed or maybe not even carried out at all. The eventual, large negative effect, which becomes the consequence, protects against that. See Principle No. 5: You need to understand the consequences of a promise.

Building a Companization

The formation of a companization takes place in the following order:

1. Selection of activities, social objective, and ethical framework.
2. Formulation of Articles of Incorporation.
3. Registration of the corporation and the non-profit association at the same time.
4. Shareholders' Agreement that governs the transfer of 10% of the ownership in the company to the association.

The above implies the election of the board of directors and management of both the company and the association. It is therefore the founder who decides who they are, how long they shall sit, etc. I recommend 2-3 years, since setup of the commercial and non-profit operation takes place before the shares are transferred to the association. – it must be ripe enough to accept responsibility.

The individuals who are active in their respective organizations must be fully aware of what role the company and the association have. The founder retains the right to decide when the association will be able to function as intended.

When that step has been taken, then a part of the control over the company is released by way of the public's access to the association and its influence over the board. It is therefore important that the companization manages to recruit owners, management, and members who have all developed similar views regarding the operation and activities.

Start with building a strong and solid business, grow your association and transfer shares when the association is ready for it.

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Summary
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The companization is an alternative organizational model that is based on the evident efficiency of a corporation but that at the same time creates a balance between economic pursuit and social responsibility.

It is a model for third generation CSR work. The first generation created the guidelines. The second generation accounts for its CSR work by publishing reports. The third generation implements the ethical policy document into the articles of incorporation and bylaws. Only then is the organization obliged to comply with them.

THE FOUNDER'S OBLIGATION

The founder assumes the role of financing and administrating the startup of the operation, just like in any other company.

The difference is that two organizations are formed at the same time and will be working together as if they were one: a Corporation and a Nonprofit.

The founder agrees to transfer 10% of ownership and 50% of control over the company's board appointees to the non-profit association.

Roughly put, one could say that the founder, in this case, will already have decided to relinquish, in the long run, personal control over the company once the operation begins. The reason for this is that the founder wants to ensure his vision's long-term capabilities and survival, as well as its quality. The founder is responsible for both the commercial and the non-profit business plan, , administration, and implementation, and for the compliance of all these processes so that they are not neglected.

- Business Idea

Shall be determined by the founder and support the Articles of Incorporation.

- Business Operation

Shall be determined by the founder and support the Articles of Incorporation. Obligatory involvement in concrete projects that make it possible to conduct business in a responsible manner. These projects are essential for the avoidance of pure consultancy work. The companization should work as concretely as possible, in order to support a positive approach to business and the individual's opportunity to make a difference in society.

- Advisory Board

Shall be recruited by the founder and made available to all of the organization's bodies.

THE ASSOCIATION'S TASK

To, within the scope of its mission statement and moral framework and through opinion-forming, education, a strong self-sufficient economy, and an operation that contributes to the achievement of the social objective outlined in the bylaws, provide maximum influence to its members.

The association shall manage its shareholding in the Company in accordance with the company's Articles of Incorporation and the association's bylaws.

The association's board shall, in accordance with the shareholders' agreement between the founders of the Company, appoint half of the members of the Company's board of directors.

WHO IS THIS MODEL DESIGNED FOR?

The model is intended for those of you who do not want to choose between profit-making and social change and who believe that combining both types of work is possible; you, who wants to ensure that the entrepreneurial drive that pushed you to start your company is not lost and that your business is ethically defensible and sustainable in the long run; you, who wants to minimize the risk of a future business culture based on greed. Your business idea is the type of idea that people can gather around and accept as a common vision.

The model is suitable for entrepreneurs who are driven equally by profit and social commitment and who do not want to let money dictate the terms but who also do not want to be constrained by market competition.

WHEN DOES IT WORK BEST?

The most likely scenario is that the model is used when a new business is started, but nothing prevents an already existing company from adopting it fully or even partially. A stock-exchange listing in all likelihood prevents the model from being used, since the voluntarily accepted ethical framework that is included with the model does not solely take into account the interests of shareholders. The model clashes with the legislation that particularly surrounds listed companies.



By integrating a clearly defined ethical framework into the Company's Articles of Association, moral issues are introduced into an otherwise purely economic forum.



At the same time, by implementing shareholder responsibility and individual participation through sustainable growth, economic issues are introduced into an otherwise purely ideological forum.



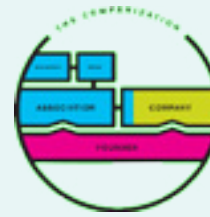
The Company's Articles of Association and the Association's bylaws follow an identical ethical framework and have identical economic and social goals.



The Company is legally obliged to reserve 10% of the shares to the non-profit Association. These shares are open to any member.



The founders establish two separate legal organizations - one for-profit Organization and one non-profit Association.



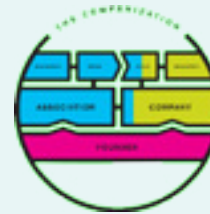
Members appoint the organization's board of directors. The board appoints the organization's management.



Owners appoint the company's board of directors. The board appoints the company's management.



The nonprofit's board is given (despite being a minority shareholder) the responsibility of appointing 50% of the members in the corporation's board of directors.



The number of board members is even and the board appoints a chairman from among the board members. The chairman has the decisive vote. An individual cannot sit on both boards at the same time.



When the articles of incorporation, bylaws, policy document, and reward system govern activities and responsibilities, leaders and board members from both organizations become personally responsible for carrying out their work within these guidelines and seeking a balance between the commercial and ideological motivations. Great accountability and productivity gains will thus appear.

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The seven
principles
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In order to facilitate the work for those of you who want to use the companization model, I have written seven principles that I formulated back in 2002 and that I believe you must adopt for companization to be of any service to you.

1. YOU MUST BE WILLING TO SHARE

Power resides in the hands of entrepreneurs and owners. These people decide the company's mission, vision, and values. You might aspire to become "the next Enron, Shell, or Microsoft", or you might aspire to become "The Body Shop, IKEA, or Ben&Jerry's". There is no reason to not make that choice from the get-go. Aside from one: if you believe that you'll make less money from sharing, or if less money means less personal satisfaction for you.

2. YOU MUST UNDERSTAND HOW DIFFICULT BUSINESS IS

The companization model is designed to work more efficiently than other business models already in use. There would be no reason for me to present it if I didn't believe it could be as profitable as the other models. A market has its borders, and trying to enter it is reminiscent of going into battle. Competition is always tough and only the strong survive, no matter the number of good reasons one has for being less sharp, for devoting time to the survival of humanity, or for contributing toward a better world. Those who don't understand business, who don't understand what it takes to win, perish. From this point of view, companization is purely a way to win.

3. YOU MUST MAKE MONEY

A companization is a company after all, even if it represents a new generation of companies. Until the day comes when the rules of capitalism and the market economy are changed, companization needs to make money, and as much as possible. The difference is that in the companization model, money cannot be made in every which way.

4. YOU MUST TAKE A STAND FOR SOMETHING

For you to be able to formulate your mission and understand the possibilities and risks that arise from the consequences of building up a brand with a clear message, which all companizations do, you must be willing to face the critique and negative publicity that could emerge. On the other hand, a clear message is the strongest tool for creating a strong brand. How much has The Red Cross spent on advertising its brand? Greenpeace? Shell? Coca-Cola? The Body Shop? This is not something you can cheat your way to, there are no shortcuts. You must

promise to keep to the Articles of Incorporation, deciding for yourself how you'll manage it in the best possible way and then giving it your all to deliver on your promise. You will be forced to be very transparent. But if you can demonstrate good content, a good ethos, in what you do, then you'll be very successful. That is, if you have not already forgotten about Principle No. 2.

5. YOU NEED TO UNDERSTAND THE CONSEQUENCES OF A PROMISE

If you handle this in the right manner, so will all of your employees, customers, suppliers, and shareholders, and they will all become your allies. Productivity will be measured in high volumes, and you'll find assistance and support even in the toughest of times. If you handle this in the wrong manner, if you abuse the trust that has been given to you, then the world will suddenly seem filled with enemies... Don't make promises you can't handle, don't talk about the things you truly do not intend to achieve, and don't try to reduce transparency in an effort to avoid making a promise.

6. YOU MUST WANT POWER

Companization is designed for people who do not see any reason for choosing between money and morals. It is also designed to compete with its competitors and win. If you succeed, you will get power: the power of money, power that lies in you representing all your interests, power that enables you to influence the opinion-forming process. A companization is made up of shareholders, board of directors, executive management, organization board, organization members, company employees, organization coworkers – the social network of the society in which you operate in will be very extensive. You will manage a large amount of influence and must therefore understand the responsibility that it entails. You will need help in order to continue doing good and in order to maintain your personal balance once the very thing that corrupts most of all is placed in your hands – power. Nevertheless, you will need it.

7. YOU CANNOT LOVE MONEY

It is impossible to combine greed with the will to share. All of your decisions must be made in accordance with your strategy, which is based on the Articles of Incorporation, mission, vision, and values. None of these documents can support greed and the love for money. You can enjoy money, you can love how it empowers you to do good in the world, but you cannot love money.

Certifications

Certification

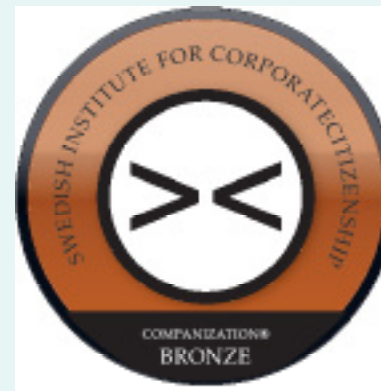
More and more people have been contacting us wanting to use companization as an organizational model. The rise of the commercial and non-profit hybrids is happening in a timely manner and companization is one of the most concrete examples one can find.

Therefore, during the autumn of 2012, work was undertaken to educate others about how companization functions. It led to a simple certification process where whoever wants to can support the further development of the companization, affecting it directly or just by using the model itself – either completely or partially. Activities will be developed at the pace the resources allow for under the brand name “Swedish Institute for Corporate Citizenship”.

The first organization to adopt companization as its organizational model for its operations was Plantagon. The other was the Microfinance Institute in Sweden AB:

(taken from the Microfinance Institute website)

”The Microfinance Institute in Sweden AB is working in close cooperation with its founder, a nonprofit organization NEEM – Network for Entrepreneurs from Ethnic Minorities. The special cooperation is based on a “Companization model” founded by a Partner Company Plantagon International AB, which is also one of the investors of The Microfinance Institute in Sweden AB.



Companization is an organizational model strategically developed to share growth and values between a for-profit organization, Microfinance Institute in Sweden AB, and a not-for-profit organization, NEEM. The non-profit organization owns 10% of The Microfinance Institute in Sweden AB and appoints 50% of its board members. Membership in the non-profit organization is open to everyone who supports its objectives, and the company has no influence over it.

The Microfinance Institute in Sweden AB and the nonprofit organization NEEM are legally bound to support each other and to commit to implementing the European Code of Good Conduct, Global Compact and the Earth Charter in their Articles of Association and the founding documents. It is not only financial but also social compliance.”

It naturally feels great to see people with so much knowledge, commitment, and potential to influence believing in the idea and passing it on. Maybe one day we'll be enough to reach the goal: an organizational structure where sound values are incorporated in such a binding way that the legislation governing businesses will be forced to adapt to it and give our current hybrid the status of being its own legal person – where social goals and responsibility for the common good are on equal footing with financial gains.

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Example
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Example of articles of incorporation

Articles of Incorporation

§1 Name

The corporate name is Plantagon International AB.

§2 Domicile

The Board of Directors has its legal domicile in the city of Stockholm, Sweden.

§3 Activity

The objective of the company's activity is development, sales and franchising of new technology for production of cultivated food, selling cultivated food directly to consumers, selling cultivated food directly to industry, development of technologies for production of medicine, development of technologies for production of pesticide, development of technologies for production of paper pulp, consulting on strategy, management, education, communication, Public Relations, Public Affairs, research projects, risk projects and with that compatible activities.

The purpose of the company is to provide maximum profit and social influence through profitability, growth of value, and a core business that contributes to a sustainable development of society according to principles set in the Global Compact of the United Nations and the Earth Charter. Through this, the company shall be a driving force in developing the possibility of share holders, managements, and entrepreneurs to understand, look out for and use their influence over the future of humanity through working for a sustainable financial, social, and political development toward a market with "a human face". The company shall manifest the obvious possibilities a company has to be of benefit to humanity and during this work contribute to the development of for-profit organizations using alternative ownership, ideological driving forces, and a visionary leadership.

§4 Share capital

The share capital shall at the lowest be SEK 100,000 and at the highest be SEK 400,000.

§5 Number of shares

Number of shares shall at the lowest be 100,000 and at the highest be 400,000.

§6 Voting

The shareholders, or their representatives, can only vote for the total represented shares at the shareholders' meeting.

§7 Board of Directors

The board of directors shall consist of between 4 (four) and 20 (twenty) members. The number of directors shall be equal. It is allowed to appoint one deputy for each director.

The chairman of the board, who shall serve until the end of the following general shareholders meeting, shall be nominated by the board. If the number of votes is equal, Onondaga Nation and SWECORP Citizenship Stockholm AB shall jointly appoint one of the directors as the chairman. If Onondaga Nation and SWECORP Citizenship Stockholm AB cannot agree on the appointment of the chairman, the appointment of the chairman shall alternate between the parties and Onondaga Nation shall be entitled to appoint the chairman the first time this occurs.

§8 Auditor

Lowest one, highest two auditors with highest two deputies are appointed to review the annual report of the company and the administration of the Board of Directors and CEO.

§9 Notice to attend shareholders meeting

Notice to attend shareholders meeting shall be distributed by mail or e-mail, earliest six weeks and latest four weeks before the date when the shareholders meeting is to be held.

§10 Matters of general shareholders meeting

The following matters are mandatory at the general shareholders meeting.

1. Election of chairman for the meeting.
2. Establishment and approval of voting roster.
3. Approval of proposed agenda.
4. Where appropriate, election of one or more persons who checks and approves the minutes of the meeting.
5. Examination of whether the meeting was rightly called together.
6. Presentation of annual report and auditor's report.

7. Decisions on
 - a. establishment of profit and loss account and balance sheet,
 - b. disposition concerning the company profit or loss according to the established balance sheet,
 - c. approval that the activities complied with the purpose requirements as stated in the Articles of Incorporation and
 - d. discharge of liability for the members of the board and CEO.
8. Establishment of remunerations for Board of Directors and auditor.
9. Election of Board of Directors and where appropriate election of auditor and auditor deputies and deputies for the members of the board.
10. Other matter referred to the shareholders' meeting in accordance with the Swedish Companies Act or the Articles of Incorporation.

§11 Financial year

The financial year of the company shall comprise the period January 1 - December 31.

§12 Pre-emption

If a share has been transferred to another party, the share shall immediately be offered to other shareholders through announcement in writing to the Board of Directors. The possessor shall prove his acquisition of the share and, when the share has been transferred through purchase, also announce the purchase price.

After announcing the transfer of the share, the Board of Directors shall immediately notify any and all entitled to purchase the shares. Any and all entitled to purchase the shares shall be instructed that, if they wish to use their right to purchase the share, they shall announce this to the company within 60 days from the effective date of the announcement to the Board of Directors concerning the transfer of the share.

If more than one entitled to purchase the share wishes to use their right to purchase the share, the right of precedence shall be appointed by the drawing of lots, carried out by a notary public. However, if several shares were offered simultaneously, they should, as far as possible, be divided among those who have announced their right to purchase the share, proportionate to previous shareholding.

If the shares were transferred through purchase, the surcharge shall be represented by the purchase price.

In other cases than above, or if total agreement cannot be reached concerning the fee, it shall be decided by arbitrators according to The Arbitration Act (Lagen om skiljeförfarande, 1999:116).

Payment of the surcharge shall be made no later than 30 days from the date when the surcharge was decided.

If no one entitled to purchase the shares announces their wish to use their right to purchase the share within due time, the announcer of the pre-emption is entitled to be registered as subscriber of the share.

Example of bylaws

The Bylaws were established at the inaugural annual meeting on January 29, 2008, and revised on April 19, 2012.

§1 Name

The association is a non-profit organization and its name is Plantagon NonProfit Association (hereinafter referred to as “PNA”).

§2 Registered office

The Board shall be registered at an address in the Stockholm Municipal District in the County of Stockholm.

§3 Activity

The association’s activities shall include seminars, education, leadership courses, publishing, lobbying, administration, and the development of intellectual property together with consulting services with an emphasis on strategy, management, education, communication, Public Relations, Public Affairs, research projects, and risk projects within the field of development, sales and franchising of new technology for the production of cultivated foods, selling of cultivated food directly to consumers, selling of cultivated foods and plant life directly to the industries, development of technologies for the production of medicine, development of technologies for the production of pesticides, development of technologies for the production of paper pulp.

The purpose of the association is to maximize its social influence through the development of public opinion, education, a strong economy of its own and an activity that contributes to a long-term sustainable development of society in accordance with the principles set forth in the United Nations Global Compact and in the Earth Charter. In this way, the association shall be a driving force in developing the possibility for owners, managements, and entrepreneurs to understand, look out for and use their influence over the future of humanity by working for a sustainable financial, social, and political development toward a market with “a human face”. The association shall manifest the evident possibilities a company has to be of benefit to society and through this activity contribute to the development of profit-making organizations using alternative forms of ownership, ideological driving forces, and a visionary leadership.

§4 Special shareholder responsibility

The association shall administer its shareholdings in Plantagon International AB in accordance with the company’s Articles of Incorporation and §3 of these Bylaws.

The organization’s board shall, in accordance with the shareholders’ agreement between Onondaga Nation and SWECORP, appoint half the members of the Board of Directors of Plantagon International AB.

§5 Membership

Any interested physical person who approves of these statutes and actively supports the membership by paying the annual membership fee shall be accepted as member. The association’s board can allow others than physical persons to become associated or supporting members. Rules for associated and supporting members are defined by the board, however no legal rights or liabilities according to these Bylaws can be transferred to associated or supporting members.

The number of members in PNA shall be unlimited.

§6 Voting

At the Annual General Meeting, each member shall have one vote.

Decisions at the Annual General Meeting shall be taken by simple majority except in the case of an amendment to these Bylaws or a decision to dissolve Plantagon, in which case §19 shall apply. If the numbers of votes are equal, the Chairman of the Annual General Meeting shall have a casting vote.

§7 The Board

The Board shall consist of no less than four and no more than twenty persons. The number of board members shall be an even number. One deputy may be appointed for each board member.

The chairman of the board shall be appointed by the board to serve for a period that ends at the occurrence of the next Annual General Meeting. In the event of the members of the board reaching a tied vote when deciding who shall be appointed as chairman of the board, Onondaga Nation and SWECORP Citizenship Stockholm AB shall jointly appoint one of the elected board members as the chairman. If Onondaga Nation and SWECORP Citizenship Stockholm AB cannot agree on the appointment of the chairman, the appointment of the chairman shall alternate between the parties and Onondaga Nation shall be entitled to appoint the chairman the first time this occurs.

Except when the annual meeting is in session, the board is the decision-making body within the association and is responsible for the affairs of the association.

The Board shall meet no less than four times a year at the request of the chairman.

A board meeting shall also be held if at least four Board members so request.

The Board is competent to reach a decision only when more than half of its members, including its chairman or vice chairman, are present. If all the board members are not present, a decision can be reached only if more than half the total number of members are in agreement.

Each Board member shall have one vote. Decisions shall be reached by simple majority. If the numbers of votes are equal, the chairman shall have a casting vote.

Minutes shall be kept for all board meetings. Each board member is considered to have agreed to the decisions recorded in the minutes, unless a member's contrary opinion is recorded in the minutes.

The board represents the association and signs on behalf of the association. The board is entitled to authorize one or more persons to represent the association and sign on its behalf.

Obligatory purposes and goals for the Board and the management:

- A) To develop the financial strength and growth of the association.
- B) To seek to maximize the association's influence in developments within society.
- C) To support, while engaged in A) and B), the principles outlined in the Earth Charter and the Global Compact.

§8 Auditor

At least one and no more than two auditors with no more than two deputy auditors shall be appointed to audit the annual accounts of the association and the administration by the board and management.

§9 Notice to attend the Annual General Meeting

Notice to attend the Annual General Meeting shall be distributed by mail or e-mail, earliest six weeks and latest four weeks before the date when the Annual General Meeting is to be held.

§10 Matters to be dealt with at the Annual General Meeting

At the Annual General Meeting, the following matters shall be addressed.

1. Election of chairman for the meeting.
2. Establishment and approval of voting roster.
3. Approval of proposed agenda.
4. Election of one or more persons to check and approve the minutes of the meeting.
5. Examination of whether the meeting was rightly called together.
6. Presentation of annual report and auditor's report.
7. Decisions on
 - a. establishment of profit and loss account and balance sheet,
 - b. disposition concerning the association's profit or loss according to the established balance sheet,
 - c. approval that the activities complied with the purpose requirements as stated in the Bylaws and
 - d. discharge of liability for the members of the board and executive management.
8. Establishment of remunerations for board of directors and auditor.
9. Election of Board of Directors and where appropriate election of auditor and auditor deputies and deputies for the members of the board.
10. Other matter which has been referred to the annual general meeting for decision.

§11 Financial year

The association's financial year shall be from 1 January to 31 December.

§12 Extraordinary General Meeting

An extraordinary general meeting shall be held whenever the board considers such to be necessary, or when at last one of the auditors or when at least fifty (50) percent of the members so request in writing stating the matter to be discussed.

§13 Documents for the Annual General meeting

No later than two weeks before the annual general meeting shall the members be sent the following by post of e-mail:

- the agenda for the annual general meeting
- the annual accounts and the auditor's report
- any matters submitted by the members and the board's comments thereon
- proposals from the board.

At the ordinary annual general meeting, no decision may be taken regarding any matter which is not listed in the agenda or is directly related to matters therein.

§14 Dispute

Any dispute between PLANTAGON and a member shall be resolved by arbitrators in accordance with the provisions of the Arbitration Act (1999:116).

§15 Resignation and exclusion

A member who wishes to resign from the association shall state so in writing. Membership shall cease immediately after the notice has reached the association.

A member may be excluded from the association with immediate effect if the member, despite having membership, has failed to pay the fee for the previous financial year, has acted in opposition to the association's activities or purposes or has clearly injured the association's interests. An offence against §4 of these Bylaws is a particular strong reason for exclusion.

A decision regarding exclusion is made by the board or in accordance with a delegation procedure established by the board.

A member who has resigned or has been excluded is not entitled to the repayment of any fees or contributions or otherwise to receive any of PLANTAGON's assets or services.

§16 Interpretation of the bylaws

If any doubt should arise with regard to the interpretation of these Bylaws, or if any situation should arise which has not been foreseen in these Bylaws, the matter shall be decided in the next annual general meeting or by the board.

§17 Interim period

During the association's startup phase, the association is administered by an interim board of directors. The interim board members are selected by the founders and appointed at the statutory annual meeting. The interim board's specific task is to establish PNA as a resource-strong entity to such an extent that the organization can take on the responsibilities listed under §4 of these Bylaws. Changes to the composition of the interim board shall be approved by the founders and documented in the board protocol as well as communicated in the report of activities. The interim period lasts until the shares are transferred from Plantagon International AB over to PNA in accordance with the shareholders' agreement that was signed by the founders when the company and organization were founded. During the interim period, the association's chairman shall be a member in the company's board.

§18 Amendment to the bylaws

A proposal to amend these Bylaws or to dissolve PNA may be discussed at the annual general meeting only if notification of this has been given in the notice to attend the meeting. A decision to amend these Bylaws or to dissolve PNA shall require either a decision of an annual general meeting where all those present are in favor of the decision or the decision of two successive general meetings, one of which must be an annual general meeting and where the decision at the last meeting is supported by at least 2/3 of those present. Paragraphs 18, 19, 20, 21, and 22 of these Bylaws cannot be altered.

§19 Decision regarding the dissolution of PNA

In the event of a decision to dissolve PNA, the association's residual assets shall be disposed of in a manner which supports the tasks listed in §2. The manner in which the assets shall be disposed of shall be decided at the final annual general meeting, except when it comes to the shares in Plantagon International AB, which shall be transferred in equal numbers to Swecorp Citizenship Stockholm AB and Onondaga Nation founders without payment to PNA or its members.

§20 Membership fee

The membership fee shall be equal to the quotient of the market value of Plantagon International AB divided by the number of shares in the company. The market value is set by Plantagon International AB's owners. The agreed-upon membership fee shall be valid until the number of shares in the company is changed.

01-29-2008, the company's value was set at EUR 1,000,000, and consequently the membership fee according to these Bylaws was set at EUR 1,000,000 / 100,000 = EUR 10.

§21 Right to compensation in the event of the sale of Plantagon International AB, so-called Closure Right.

The person who pays a sum to PNA equivalent to 10 times the membership fee will gain membership for 10 years time and an irrevocable gift in the form of a future right to participate in the distribution of PNA's proceeds for the sale of 100% of Plantagon International AB, a so-called Closure Right. The payment of one or several 10-year periods can be made in advance under one or several occasions. The minimum approved sum shall be equal to the membership fee.

In the event of the sale of 100% of Plantagon International AB, the yield from PNA's shares shall be divided in equal parts between those persons who are holders of valid Closure Rights. The possession of more than one (1) Closure Right does not give the holder the right to more shares of the proceeds.

For the Closure Right to be valid and give the right to compensation, it should be statutorily transferred and held by an individual of a subsequent and earliest seventh generation after the first recipient who received the Closure Right as a gift from PNA. By "individual of a subsequent generation", it is meant a relative who is a direct descendant or other person who is at least 33 years younger than the transferor. For it to be valid, the Closure Right thus must be issued by PNA and statutorily transferred from person to person in at least six occasions.

The maximum number of Closure Rights to be distributed shall correspond to the total number of shares that exist in Plantagon International AB. On 01-29-2008, the number of shares in Plantagon International AB was set at 100,000, which means that the maximum number of persons who can receive Closure Rights in Plantagon International AB, according to these Bylaws, is limited to 100,000. If the number of shares in Plantagon International AB were to increase, then so does the number of Closure Rights, equivalent to the same increase in number.

Information and notice to the persons who, through possession of a Closure Right, have the right to participate in the distribution of PNA's proceeds in the event of the sale of 100% of Plantagon International AB will be given in a notification according to current international practice and routines approved by the association's annual general meeting.

These Bylaws emphasize that there is no automatic coupling between the possession of Closure Right and membership in PNA.

Distributed Closure Rights cannot be recalled. Closure Rights that are not invoked by the holder and Closure Rights that have not been transferred in accordance with this paragraph shall be declared as being expired and forfeited.

§22 Transfer of Closure Rights

A Closure Right can, in accordance with §21, be transferred from holder to person of a subsequent generation. By "person of a subsequent generation", it is meant a relative who is a direct descendant or other person who is at least 33 years younger than the transferor.

For the Closure Right to be valid and give the right to compensation, it should be statutorily transferred and held by an individual who is at the earliest the seventh generation after the first recipient who received the Closure Right as a gift from PNA. For it to be valid, the Closure Right thus must be issued by PNA and statutorily transferred from person to person in at least six occasions.

The transfer shall be valid when it has been jointly confirmed by the person making the transfer, the recipient, and PNA, in accordance with routines established by the annual general meeting.

Example of shareholders' agreement

SHAREHOLDERS AGREEMENT BETWEEN

Founder 1

AND

Founder 2

SAMPLE

SHAREHOLDERS' AGREEMENT

THIS AGREEMENT is made on Month Day, Year

BETWEEN

Founder 1 (hereinafter referred to as F1).

AND

Founder 2 (hereinafter referred to as F2)

1. Shares, future developments and foreseeable amendments

1.1 The shares of the Company AB ("the Company") shall be owned by the parties in the following portions:

Party	Shares (in per cent)
-------	----------------------

F1	50 %
----	------

F2	50 %
----	------

...

1.4 ... each of the parties shall sell 5 % of its shares in the Company to a non-profit association founded by the parties. The price for such sale shall be the nominal value of the shares. Upon the non-profit association's purchase of a total of 10 % the shares of the Company, the non-profit association shall enter into this agreement as a party and the amendments to this Agreement stated in Appendix 3 shall apply from that date.

...

APPENDIX 3

The parties to the Shareholders Agreement agree that the following additions and amendments to the Shareholders Agreement shall apply the day the non-profitable association ("NPA") becomes a shareholder of the Company.

SECTION 1.1

Section 1.1 is hereby restated in its entirety to read as follows.

1.1 The shares of the Company AB ("the Company") shall be owned by the parties in the following portions:

Party	Shares (in per cent)
-------	----------------------

F1	45 %
----	------

F2	45 %
----	------

NPA	10 %
-----	------

SECTION 5.1

Section 5.1 is hereby restated in its entirety to read as follows.

5.1 The board of directors shall consist of four (4) to twenty (20) directors. F1 is entitled to designate twenty-five (25) percent of the directors, F2 is entitled to designate twenty five (25) percent of the directors and NPA is entitled to designate fifty (50) per cent of the directors.

SECTION 17 AND 18

The parties agree that NPA shall not in any case own more than 10 % of the shares in the Company and shall therefore not be entitled to make use of Section 17 or 18. For the avoidance of doubt, F1 or F2 shall not be entitled to make use of Section 17 or 18 to acquire NPA's shares.

Application of pre-emption clause in the Article of Association

NPA shall not be entitled to apply the pre-emption clause in the Article of Association in connection with any transfer of shares.

F1	F2
_____	_____
Name	Name
_____	_____
Printed Name	Printed Name

NPA hereby accepts to be bound by the provisions of the Shareholders Agreement with the amendments made above.

NPA

Name

Printed Name

The example: Plantagon

STATEMENT

(Oren R. Lyons/Hans Hassle)

Most of us would agree that mankind is not taking care of Earth and ourselves in the best way we could. Social, environmental and political development are all heading in directions no-one can fail to see, and no-one could wish for.

Economics has played a major role in creating this situation, and will continue to determine future directions. Political power is fighting to regain influence, but we already know the economy, or at least the major part of it, is driven by corporations. Today, many of the world's largest economies are corporations, not nation states. This situation confers enormous responsibility on the owners, their boards and their managers, a responsibility that comes with being the dominant institution on the planet.

In this world of ours, greed, short-term strategies and fear are strongly supported by the system, the voluntary rules we play by. As an example one can reflect upon the fact that among the very largest world markets are the markets for weapons, narcotics, tobacco, sex, and environmentally disastrous fossil energy.

There is no way we can continue business as usual, if we want a liveable future for mankind. And we should never forget that we do have a choice.

We need to see corporations that are not only fixated on money. We need to see corporations going beyond even the environmental and broader sustainability imperatives. We need to see corporations built from a deep sense of responsibility for the common good. This means a core business that is good for society, as well as democratic and transparent organizations that are able to balance commercial success with idealistic principles.

Our contribution to this necessary change is PLANTAGON, a new and modern kind of company with maximum competitiveness, building on good corporate citizenship, transparency and democratic values.

The basic principle is to combine and balance commercial and value based driving forces in one organization, exploring how to make money while doing good and using the power of money and public support to achieve benefits for society in general, over and above economic progress.

PLANTAGON's mission is functional and ecological food directly to western consumers or starving citizens of the third world. To bring this about we will introduce the Plantagon® greenhouse that will dramatically change the way we produce ecological and functional food. It allows us to produce ecological with clean air and water inside urban environments, even major cities, cutting costs and environmental damage by eliminating transportation and deliver directly to consumers. This is due to the efficiency and productivity of the Plantagon® greenhouse which makes it economically possible to finance each greenhouse from its own sales.

The quite simple innovation is to use the full volume of the greenhouse, growing in storages. The less simple but wise idea is to adjust the construction, shape and technology of the house mainly to what the plants need – not human beings. After maximizing what is good for the plants, advanced technology is used to help human beings take care of the plants in a rational way.

Parallel to the company we founded a non-profit organization with the same name as the company. The non-profit organization owns 10% of the company and nominates 50% of its board members. Membership of the non-profit organization is open to everyone who supports its objectives, and the company has no influence over it.

The company and the non profit organization are legally bound to support each other and commit to implementing the Global Compact and the Earth Charter in their Articles of Association and founding documents.

It is not only financial but also social compliance with the Articles of Association that is reviewed at each Annual General Meeting.

We call the PLANTAGON model a "Companization" - two different legal entities in one organization working for the same cause: One profit-driven, commercial organization (PLANTAGON International AB) and one non-profit organization (PLANTAGON Non-profit Association). The word Companization symbolizes the two driving forces within the organization as a whole – profit and values.

We admit we are after money. We admit we want to influence public opinion. We are therefore transparent about how we will use these two powerful resources and we demonstrate that we are prepared to share this power with everyone.

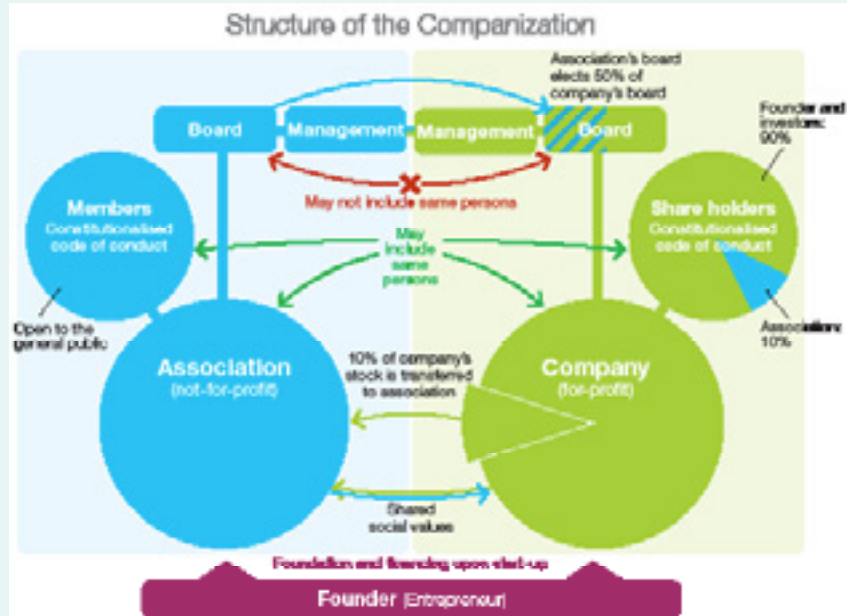
PLANTAGON integrates our mission, our promises and our values into the organization's whole structure; from our Articles of Association to how we organize our ownership to give our stakeholders influence and power over our actions.

This may be the first time in the business sector that social responsibility, transparency, and sharing are demonstrably valued at the same level as financial engagement.

This may be the first opportunity to influence a large company from the inside without being an employee, a manager or an investor, but by being socially engaged in supporting its mission.

This may be the first company to show that sharing rather than greed leads to financial success.

The Companization PLANTAGON was founded by SWECORP Citizenship Stockholm AB and the Onondaga Nation



Extracts from our original presentation of The Companization from 2002

The Companization is two different judicial parts in one organization: One profit driven / commercial organization (company) and one non-profit (association) organization. The word Companization is put together by the words “Company” and “Association” and symbolizes the two driving forces within the organization as a whole – money and sound values.

1. Overall idea:

To combine commercial and value based driving forces in one organization, finding a solution on how to make money while doing good and using the power to achieve benefits for society in general, more than economic progress.

2. Purpose:

To combine economic power and power of public opinion in one organization using this power to help create a “value change for survival” and a market “with a human face”.

3. Judicial ground:

Profit (company - limited or unlimited) + Non Profit Organization (association - open for all). Both organizations founded by the same physical or judicial individuals/entrepreneurs.

4. Constitution for Company:

Regulates obligatory purpose and objectives for board and management:

- A) To maximize economic profit and growth of value.
- B) To maximize shareholders' influence over society.
- C) To support the principles of the Earth Charter while performing A) and B).

5. Constitution for Association:

Regulates obligatory purpose and objectives for board and management:

- A) To support economic strength and growth of the association.
- B) To maximize members' influence over society.
- C) To support the principles of the Earth Charter while performing A) and B).

6. Mission:

Will be chosen by each founder/-group. Has to support constitution.

7. Vision:

Will be chosen by each founder/-group. Has to support constitution.

8. Business concept:

Will be chosen by each founder/-group. Has to support constitution.

9. Business action:

By the entrepreneur's chosen business areas according to business idea + obligatory involvement in joint venture projects establishing / showing the possibilities of responsible business. The projects are important to avoid plain consultancy work. The Companization has to work down-to-earth to support positive thinking regarding the possibilities for corporations and individuals to make a difference in developing society.

10 Advisory board:

The franchise holder will recruit international top level advisors offering support to all franchise takers.

11 Owners:

Founders and investors own 90% of company. Association owns 10% of company.

12 Board:

Even numbers of members in company board, even numbers of members in association board. One individual cannot represent both boards.

13 Election of board members:

Company board is elected by yearly shareholder meeting where association owns the right to elect 50% of board. The delegates elected by the association are voted for at yearly member meeting for association. This means the 10% stock owned by the association constitutes the right to elect half the company board. The reason for this is to share not only economic progress within the company, but also sharing power. One important role of the association is to look out for deviations from company constitution in corporate behavior. This gives power to do so and therefore management, founders and investors have to keep a good relation to this special shareholder. On the other hand, the association also has to keep a good relation to the other owners, as

they control only 10% of the votes concerning all others matters during yearly shareholder meeting. The purpose is to create a balance between the “commercial” and “idealistic”. This does not allow company management to expect a more responsible way of looking upon the core business as they, both as individuals and as a group, still have to live according to the constitution of the company. The great difference here is that the founder of the Companization is forced to share power over the company, giving away control and creating a kind of internal “institute” that always helps the commercial end to stay on the right track.

14. Chairman of the Board:

If the company or association board cannot agree on who is to become chairman, this is then decided by the founders. The chairman has to be selected from the already elected members of the board.

15. Election of Management:

Normal election by the company board.

16. Recruiting staff:

An ongoing relationship between the company and the association will create a large number of individuals possible for recruitment by the company. This is of very high value for the company, and also for the members of the association.

17. Recruiting management:

An ongoing relationship between the company and the association will create a large number of individuals possible for recruitment by the company. This is of very high value for the company, and also for the members of the association.

18. Innovations:

An ongoing relationship between the company and the association will create a large number of ideas possible for recruitment by the company. This is of very high value for the company, for the members of the association and for the association itself.

Follow-up discussion

Being an idealist is not enough

I consider myself an idealist; a person who believes that the most important thing in life is the thought and the spirit, and not the material. An idea is worth fighting for even when others say it is unfeasible.

We idealists are many, but often we seem to have a naïve world view, in my opinion. Just like the moral philosophers that Adam Smith refers to in his text, so do we often complain that society does not seem to care about wisdom and virtue; our work, our ambitions, and the great responsibility we voluntarily put on ourselves. We receive no help, no attention, and even though what we do is so important, nothing seems to happen for the benefit of us. I often think that there is a kind of victim mentality that goes on among us; without having to act on the same conditions as those we are fighting against, we will still be victorious and win their respect.

For me, it's like entering an ice hockey rink without any protective gear and asking the opposing team to not shoot as hard.

During the last five years, a change has begun to occur that warms my heart. Young social entrepreneurs who have started amazing businesses that do not compromise between idealism and commercialism do not operate in this way at all. I beg your pardon, but it is us, the older generation, that still operates in the same old fashion.

We were taught that a serious non-profit commitment cannot be commercialized, for risk of losing its warm soul. Marketing, advertising, and sales are words that we have not even had to use, let alone actively express.

We were also taught that a serious commercial venture should be ruthless, or else it loses its focus on the core business: profit. Too much talk about ethical rules, social responsibility, and societal commitment turned us into mere good Samaritans, hopeful idealists, or, in the best case scenario, enthusiasts.

The very strange effect this has is that when the demand for so-called Good Companies and brands grows, it is not the companies that have had the most suitable activities that will take the most market shares, but those that have seen the open window of opportunity and have met the demands.

For a long period of time, the Ronald McDonald Kids Club recruited more new members than the Swedish cooperative housing association HSB. Swedish life insurance provider Skandia acquired the position of

being more socially oriented than any of its competitors, despite the fact that one of them, Folksam, already had a social mission inscribed onto its mission statement, and another, Länsförsäkringar, is owned by its customers. The ethical pension fund, KPA, recruited lots of new members, despite the fact that they've never come close to reaching Folksam's standards. There are many examples of successful companies with a fairly crass view of how they should respond to the market of values. They have often had more success than they should, while companies that operate within a moral framework have, unfortunately, been left aside.

As an idealist, I cannot expect any advantages. Quite the contrary. When my opponents see idealism, they see a weakness and shoot harder just because they can. As idealists, we therefore need at least as much protection as everyone else, as well as better-angled hockey sticks and faster skates.

A new type of company, not a new type of association

Companization would not work without the Internet.

If it were organized in the usual way, the association would require so much time and resources in the initial stage that it would suffocate the commercial operation. When you promise a social commitment, you don't only attract people who want to be active on their own. You also attract those who just want to relieve their bad conscience, and those are of the kind that require service, that want something to happen and want it to happen in exactly the way they have imagined.

A companization is therefore built on what we call a synthetic relationship between the company and the association's individual members.

Both the association's and the company's work is performed primarily by hired personnel. Members engage themselves by supporting the company and have small expectations about the activities aimed at them as individual members. The activity is a part of a sound business that they can have influence over, information about, can stand to gain financially from, and can use as a concrete example that it has the right issues at heart.

On the other hand, it is very important that all of the association's members are able to collaborate, push their issues, and perhaps most

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important of all: pursue common issues in regard to society. Opinion-forming.

Most non-profit organizations are built on physical meetings between people. In the democratic spirit, they discuss, analyze, and come to a conclusion about what must be done collectively. Such an operation demands time and resources that a companization cannot offer. Instead, activities must be undertaken each and every day of the year. And sometimes mistakes and errors will be made, so there needs to be a forgiving business culture that allows for a quick 'moving on' process.

Those members who follow us are constantly updated about what is going on and are allowed to use their own energy to engage themselves in the issues that they want to influence. They represent a new type of owner, and not an old type of study-circle participant. Their influence on the day-to-day operation is enormous; we must constantly act in accordance with how we believe the members would perceive us. If we lose their confidence, then all is lost, and their social network will quickly turn against us.

This means that it is important for those of you who want to use the companization model to understand that we are not talking about a new kind of non-profit organization that focuses on social issues, but a new kind of profit-driven organization that has its focus on the commercial side.

I have scoped out two quotations from the late '90s that foreshadows the extent of our current actions.

Consultants Martin Butler and Thomas Power wrote in January of 1999 about the return to good values in business due to the large social engagement the Internet provides:

"Where's the advantage in this, we can hear you say? It's simple. An honest, caring merchant in this environment has got everything to win and nothing to lose. So e-business opens the door to those who truly want to do a good job and makes it easier for them to do so."

The E-business Advantage Butler Group, January 1999

At about the same time, The Knowledge Foundation in Sweden published a report about the new network-based companies, "spiders in the social web", that they saw spreading:

"In the world of spiders, the Internet's ability to coordinate an extensive array of agents for the purpose of joint action is safeguarded. It is carried out not through order, but through a central figure with the competence

to shape the right conditions for a coordinated effort, in terms of who shall work together, under what rules and conditions, and in which arena. What we get is a world of participation and interaction, where he who controls the conditions exercises the utmost power. Every individual component must have the best efficacy and be of the best quality."

What comes after ethics?

There is a clear demand for companies and brands that stand for something other than financial profit. As early as the year 2000, in The Millennium Poll on Corporate Social Responsibility, where over 25,000 people in 23 different countries spread across six continents were interviewed, it was found that:

- People all over the world indicated that how they perceive a company has more to do with the company's work in the social-responsibility sphere than with its advertising and financial results.
- Two-thirds of those surveyed said that they wanted companies to move on from their historical role of focusing on making a profit, paying taxes, hiring people, and complying with legislation; they also wanted to see more companies contributing to a more far-reaching social goal.
- More than one-fifth of all those surveyed reported that they, during the last year, had either chosen or dismissed a company's service based on how they perceived the company's acceptance of responsibility to be. And just as many had considered the same.

Since then, the trend of consumers, employees, and others demanding more responsibility for the common good has continued. Even financial markets have begun to recognize the value in social responsibility – at the very least as an important part of risk management.

Good ethics, or rather, morals, has thus become one of the demands that the market puts on companies. And there will be more. A good reputation has always been crucial, that is nothing new. What is new is how consumers, employees, and other groups that companies depend on define a good reputation. Also new is the extremely high speed with which a negative reputation propagates. "Business as usual" is an approach that no longer works.

Shortly after the end of WWII, in the late '40s to early '50s, a consumer's trust for a particular brand was built through product availability; that it was simply easy to get what one needed. For companies, the requirement was that they had to supply this demand. When more

and more companies were successful in getting production started, and when a larger selection of equivalent products were being offered, the need for companies to differentiate themselves from others in order to attract clients arose. Quality was the solution; more product for the same amount of money or more money for a better product. It was during this time that the concept “Swedish quality” grew strong. In the ‘60s and early ‘70s, the new requirement became being able to supply with high quality.

In the middle of the 1970s, a new discussion entered the public domain, one about the environment and a sustainable society. Sometime during the ‘80s, environmental issues began to make an impact on markets, and ‘environmentally-friendly’ became a new demand that was placed on the products we chose. The term ‘responsible consumerism’, which I had personally thought of as ‘spending your money wisely’, suddenly gained a whole new meaning. In the ‘90s, environmental issues grew stronger and the new requirement was being able to supply with high quality and with regard to the safekeeping of the environment.

During the late 1990s and early 2000, when companies increasingly found themselves in the spotlight for the discussion of who or what actually was responsible for societal development, what most described as ethics became consistent with the latest in line of market-demand approaches that people could relate to. This in spite of the availability of environmentally-friendly products, environmental statements (which sometimes, to highlight the seriousness of it, are included in annual reports – Swedish company SKF received a lot of attention for this), and new guidelines that most, reasonably far-sighted companies then made public. It all happened very quickly, perhaps primarily because of the parallel development of the very rapid, global communications network that the internet allowed for.

Concepts such as shared values, social responsibility, and the company’s overall role in society became new issues for discussion inside boardrooms and between management. As I’ve already mentioned, risk management or potential strategic advantages were usually the driving forces behind discussion; a company’s long-term decision-making process is either an issue of legitimacy or of productivity. But, now there was another factor influencing discussion: values. Those companies that already ran a sound operation and that had nothing to hide and were already pushing for social commitment – they were familiar with the new market demands that were now being observed.

The Good Company became something attractive, something to strive for or be seen as. For many, being able to supply with high quality, on environmentally-friendly terms and with social responsibility, became a sought-after status.

What I am talking about are complex issues like ethics and values, which each and every one of us has the democratic right to hold different views on; it’s about what is right and wrong, what is good and evil. The ability to supply, quality, and environmentally-friendliness were simple to speak of in relation to this; all that had to be done was adapt the physical process. But to cover the necessities of a market composed of something as abstract as good values, how would that be done?

There is much written about this here. I will not write further on it, but I will recommend three books that together give a very good image of how the demands for ethics, morals, and values can be met:

“The Enlightened Executive: Conversations on Corporate Citizenship” and “Oanade möjligheter” (not yet available in English) by Karl-Erik Edris, two rational, philosophical accounts that base their stories on how a management team chooses to handle a media storm that they have become involved with and where the company’s reputation is on the line, and “Det ansvarsfulla företaget – Corporate Social Responsibility i praktiken” (not yet available in English) by Daniel Steinholtz and Ola Löhman, 2003 winner of the Management Book of the Year award in Sweden.

The aforementioned authors are friends of mine whom I’ve previously worked together with and whom I can vouch for, especially with regard to their knowledge and reasoning.

But now, the question that is this chapter’s title arises: What comes after ethics?

The market is always skeptical and suspicious. When more and more assert roughly the same thing, then the morals and ethics that a company claims to have must be proven to be real. Why would I believe in such claims about good morals when it comes from a section of society that is infamous for brandishing completely different principles?

The large companies will go from environmental statements to social reports and total sustainability accounts where economic, environmental, and social indicators are alleged to be of equal value. In order to be able to do so in a credible way, a new system of reporting must be developed where all these different indicators can be implemented in a rational way.

If the reports and their systems are to give credit to any sort of confidence in the market, then, just like all reports and systems, they must be examined by an outside party. Auditors will therefore acquire completely new missions and be forced to learn to assess a business from a more holistic perspective.

At this stage it is a very, very good development that forces companies to accept their environmental and social responsibilities, because those things will be measured and must be approved by third parties. This will have a major impact to the benefit of us all.

But, do remember that this happens because the market forces companies to comply, and not because they suddenly, out of the kindness of their own corporate hearts, have decided that the “esteem of wisdom and virtue” has become more interesting than the “desire for wealth and power”.

By no means do I mean to say that there is anything wrong with a company being forced to comply, which is how market demands work, but there is potentially a very serious and doubtful consequence of the business world being forced to accept voluntary social responsibility: that society will see businesses’ sudden interest in Corporate Social Responsibility and Corporate Citizenship as a truly ethical movement, and that we therefore peacefully and quietly will continue to transfer even more power to the business community and its owners in the hope that they have now understood that what is for the good of all is also good for them in the long run.

I look at such a development with concern and believe that it is a direct threat to the representative democracy that we live in today. We can end up having a society that is built on a sort of consumer democracy. Such a society is completely exposed to those who with the largest resources can gather the most influence.

If a company is to be allowed a serious chance of accepting responsibility for the common good, they must also open up to our common influence. The company, as a form of organization and with regard to its legislation, must in this case be renewed.

I belong to the group that actually agrees with Milton Friedman when he says:

“A company’s social responsibility is to increase profit”. As long as it is in accordance with the law, that is exactly the purpose of a company in a society. The pursuit for profit gives economic growth and even surplus to share among others.

The problem is that there nothing today that balances the drive to create profit. When I argue that “a company’s social responsibility is to increase profit”, I mean that this can and should only be true if something else is in place to regulate and see to it that the pursuit for profit is balanced and counteracted where needed. A company’s social responsibility should be to increase profit – it’s the only thing they’re built to do, but reality is of course different.

I believe that we need something that takes over when the old type of companies are no longer enough, no longer working in the environment that they now operate. The types of businesses that we use were born out of a completely different time, in a completely different context and with quite different responsibilities than what are required today.

What comes after ethics is therefore something completely new, something that can answer the question of Why?. Not just What?, When?, or How?, but the purely existential question of Why?; what gives a company the right to speak of existential matters anyway? If you have ever asked yourself existential questions, then you know the in-depth analysis and change that they often require.

The simplest conclusion is that maximum profit can no longer be a company’s sole reason for existing.

Change begins with employees choosing work content before salary (if they are forced to choose), with employees leaving companies for the benefit of a competitor that offers better moral grounds, with journalists revealing that companies with great ethical guidelines are just as good as all the other companies... and so on. To be able to correctly respond to these new demands, we are forced to lead with evidence that proves what we say by somehow binding our promise. We must also have the courage to discard those who do not agree with us – existential questions are answered differently by people of different values.

Therefore, after ethics comes a new sort of faith. Faith in what we say. Just like all types of faith, it is easier digested if the framework is clear. It will probably swoosh past a few “Corporate Religion”, “Corporate Soul”, and “Corporate Spirit”. But when that phase is over, we’ll have reached what must be honest ambitions – which is voluntarily constitutionalized into all of the company’s bodies and in its full operation.

Otherwise no one will believe us. Of course, companization is a concrete example of how things could be.

[www.youtube.com/
user/PlantagonSweden](https://www.youtube.com/user/PlantagonSweden)

What values must be changed?

Sometime during the late '90s, a group of very influential people gathered to discuss the world's future. The Dalai Lama was there, the Bishop of Canterbury was there, Mother Theresa was there, the former Soviet Union president Mikhail Gorbachev and our chairman at Plantagon, Chief Oren Lyons, were also there. They had gathered to try to come up with a single common stance – what is needed to achieve sustainable development, a future not threatened by environmental damages and global conflicts over resources?

You can watch Oren Lyons speak about this occasion on Plantagon's YouTube channel. In forty-five seconds, he'll tell you how, after three days, they came up with the following four words:

Value Change for Survival

If we don't change our values, we won't survive...

I have many times discussed with Oren about which values must be changed above all others. Most often, of course, it has been made with a focus on business and trade.

What I have come to the conclusion of (in the business world) is that:

- To get back must be valued higher than To give back.
- To receive power must be affirmed and To take power must be rejected.
- To accept responsibility must be the foundation for leadership instead of To demand rights.

We are born good . When we've grown up, we act on the basis of what we believe to be good for our beliefs (a formulation that is close to the one author Karl-Erik Edris uses). What differentiates us is our beliefs. I will therefore completely open up and try to give you what I believe is the reason for us ending up in such a bad situation.

If evolution is real, and I believe it is, then it drives life on. No life remains the same, but evolves in the direction that it finds supportive considering the conditions it has been given. Evolutionary biologists are probably laughing at me right now. But that is ok. I only say what I believe in.

When I imagine the purpose of evolution, when I try to convert something that is just there into something that I can understand and which has meaning, I often find that that which nourishes evolution and which pushes it forward is the love of life itself. A strong will to live. Sometimes when I sit on the porch during a quiet summer night with the sun going down, I think

that that is the purpose of life. Love, the will to live. "Love, the will to want to experience life, is what drives evolution", I often think.

A fish that lives in the dark develops other ways of seeing without its eyes. A bird that must find its way back home develops a sort of GPS system but without any satellites. A tree-climbing, four-legged primate stands up and begins walking in the direction that will put her in a position where the survival of everyone else is dependent on her choices.

If we are a part of evolution, then what precisely is our life form's best way to evolve and ensure our own vitality? Being physically stronger, enduring, and faster? Physiologically speaking, lose a greater number of those "tails" that link us to our origins? For me, the answer is obvious. I believe that we will survive just by evolving our ability to make the right choices, the wise choices – choices that are always based on what is best for our offspring, and not what is best for us. We are the only species that reflects and makes conscious choices. In other ways, we are a product of the same stardust and chemical reactions that form all other life.

My conclusion is that we must develop our ability to make the right decision.

But, how do we know what is right? We can't truly know. We must however at least know what we believe in, and on that basis form decisions about what we believe is right. And now we're getting closer to values.

SAFETY VS. DANGER

There are two fundamental perceptions that I carry within me: safety and danger. Am I in a situation that looks to be good for me and my wants, or am I in a situation that I perceive to be dangerous? Do I want more or do I want less of what I feel? Can I eat up the tiger, or do I risk becoming a meal myself; somewhere deep inside me this physiological and psychological radar ticks, and it takes its cues from generations of experience (as well as from my own). Only when I've interpreted the scan do I then make my decision, my choice – based on what I personally believe to be correct path for my purpose.

LOVE VS. FEAR

There are two driving forces that I carry within me: love and fear. When I make a decision, it is based on the conviction that what I do is good for what I believe in, or it is based on the fear of not being good for what I believe in. To me, it is obvious that my Love for what I believe in is a more sustainable life strategy than the Fear of doing wrong. Still, I think I see that

virtually all of the social systems that I've grown up in have been driven by fear, perhaps particularly when it comes to the business world. What we reward is 'Fear of', and not 'Love for' – even though we all know, deep inside our hearts, that that is wrong.

I remember a wonderful interview with Swedish businessman Pehr G. Gyllenhammar, a person whom I've always admired for his fearless stances. There had been yet another VOLVO deal gone wrong. A young journalist asked Gyllenhammar how it felt to have failed once again. He raised his eyebrow, curled his lip slightly, and gave quite a friendly look, with a hint of indulgence, as if he had to answer a pretty dumb question asked by someone who was still learning: "If I hadn't dared to fail throughout my life, I would have never succeeded in anything."

A person who allows himself to be driven by what he believes in stands on firm ground. A person who allows himself to be driven by what he believes in is as strong as that ground. A system driven by fear will always crumble.

SO, WHY CAPITALISM?

The trading of goods became a way for us to develop. We have always needed goods, but in other time periods we ourselves have been the ones to collect, grow, and produce what we needed. Now we are devoted to developing that which we did not know we needed, for the sake of growth. Without growth in the economy, there is no new capital to risk in order to keep the wheels turning. Succinctly put: no profit, no progress.

Even if I personally feel reluctant toward materialism as a system, I believe that we have always endeavored to acquire more than what we need in the immediate moment. The reason is because of feelings of security and self-affirmation that we experience when we go above and beyond the call to secure the needs of those we care for and love. Personally, I am convinced that all progress has been made out of the concern for those we love and is facilitated by cooperation with others who want the same; when progress occurs, it is because we gather around that which we find meaning in.

Humanity is driven, I believe, by the will to create good relationships, to create tangible results, and to explore – to somehow make progress toward that which we deem as better. And yet, it has taken us where we are today, on the brink of our own annihilation. The question is: what responsibility will you and I accept in the world that comes after ours?

Since we always strive for what is best for us, I believe that we have allowed capitalism to become the system that would build our future because it quite simply seemed like a good way to conduct business; some of us were allowed to gain much more than others, while the risk-taking gave many the opportunity of a better life. The fact that the legislation regulating capitalism is not based on this view, but is instead at the behest of what the Left call 'capital', a category that includes people who are much better off than most, does not mean to me that the bearing idea behind the selection of systems must be something other than to create a good society for as many as possible.

Even if I am an idealist and slightly naïve, I obviously do not believe that at some point in history capitalism was chosen as the system after people had come together and discussed over a long period of time about what would be the best option. Capitalism spread, rather, as a way of keeping society as it was, to distinguish the well-off from the rest and to protect their interests. What I mean by we have chosen it is that we have allowed it to progress. By "we" I mean citizens who have had in all eternity the possibility to demand something else.

Within a capitalistic frame, and with the help of risk-taking investors, a company's task is to create services and goods that will lead to economic growth; any surplus that is not distributed among the company's owners is instead invested into society in the form of taxes and other fees, and that money is used to further society. From that perspective, a company's responsibility is to maximize its own economic growth. For that to happen, a company needs more money from investors so that it can maximize its profit. Simple. Keep on this path and someone else will deal with the rest.

In order to maximize its profit, a company must produce goods or services that are desired by many. Customers must also be willing to pay a good sum above the cost of production. Finally, a customer must be able to have faith that what they pay for will live up to expectations. A company's task is to produce that which people want and to present it in such a way that people trust what they will get before they've even tried it. The most important factor of running a business is therefore being able to build trust so that one can then deliver effectively on what one has promised.

Any social responsibility that a company accepts is based solely on what it is forced to comply with, and not on what is best for society. The actual responsibility is placed on those who determine regulations. A company's task is to follow the regulation as effectively as possible. Swish!, the morals and values that we live by in our everyday life have suddenly gone out the window – when we arrive at work, it's all about Productivity and Legitimacy.

Along with all the revenue that is in the same way generated from state and municipal activities, a detail that often seems to be forgotten about.

The invisible hand is Adam Smith's description of the free market.

The Responsibility becomes something we are forced to answer to – the rules we follow, the rules we are afraid of breaking, instead of the moral convictions about right and wrong that motivate us to work harder for what we believe in.

And then we have the market economy where different goods and services are offered and we are given the choice of deciding which companies survive.

If we assume that the market is made up of rational citizens who understand what is good for sustainable development and who accept that responsibility, then the market would be able to function as a sort of “invisible hand” that makes sure to discard what we know is not good for us.

If we instead assume that the market is made up of irrational consumers who are primarily concerned with their own well-being, then a lot of work needs to be done in order to prevent the “invisible hand” from transforming into a sociopathic “blind fist”. The society we’ve been shaped by is driven by profit, and since the rules of the game benefit those who abide by this, then why wouldn’t I as well consider abiding in the same way? Why would I suddenly include moral issues into a market where no one else is concerned with morality?

The way society and legislation looks today, I have to agree with Milton Friedman when he says: A company’s social responsibility is to increase its profit. That’s what society looked like when the legislation that defined capitalism was created, that’s how most view a company’s role in society today, and that’s how a company is built institutionally. The idea was that society would be built on an economic and political sector in balance with one another, where one party created surplus and the other distributed it – now capitalism is spiraling out of control and we are standing in disbelief, watching what we previously believed in ruin our planet.

Love or fear is what we choose; good or evil. We chose to believe in the good. In our faith of the good, our values told us to seek security. We needed to improve, materialistically speaking, and so we concentrated on that. As the engine of the system and its progress, we chose to desire power and wealth. Soon, we had what we needed, and should’ve begun to focus on getting those who had not been so fortunate the same standards that we had acquired. Instead, we became scared of losing it all, and at the same time the system told us it needed more fuel, more money. Even though we did not need it, we progressed

further on the feeling of fear by producing more so that we could feel safer, by wanting more than we actually needed, and not because we believed in that progress. We began to reward fear instead of love. And now, when the consequences are obvious, we stand atop of the development pyramid and must choose our future vision and pursuit – love for what we believe in or fear of losing it all. I believe that we should value Love higher than Fear.

BUSINESS VALUES

We return to those values I believe are needed to change the business world. I’ll speak of them one at a time.

- To get back must be valued higher than To give back.

When Bill Gates gives back almost everything he has ever earned, it is of course a grand gesture that must be applauded. But when the love streamed toward Steve Jobs whenever he presented a new product... that was even bigger – he gave us the sense that what he was doing was for us and not only for himself. I am convinced that Apple will outlast Microsoft, at least in the context of which company changed the world the most. Jobs’ leadership was built on what he believed in, and became something that others could engage with. What Gates believed in brought the company to trial on grounds of unfair competition. Besides, who really loves Windows?

We’ll always get the leaders we deserve since all real power comes from the group – one does not need to be a socialist, collectivist, or something “worse” to claim this. There is simply no room for an individual or a group to hold on to power in the long run if the masses do not want it so.

- To receive power must be affirmed and To take power must be rejected.

Organizations need leaders, someone to show the way. Not everyone is fit for the task, and most people never seek it in the first place. Wanting to be a leader is therefore not something that should bring shame. A leader is given responsibility for the common good and therefore acquires the power to make the decisions that will affect others – a leader’s position can only be defended as long as the confidence is present and the mandate comes from enough people who are affected by his decisions.

If the confidence disappears, then the basis of this power should be discarded. Still, we all know how the business world keeps bosses around who are devoid of their workers’ confidence (aside from their yes-men), bosses whose power is not founded in the organization. In this sense, a company is highly undemocratic, and many seem to think that it must be this way. I am not one of them. Leadership that is built on democratic principles will always be more effective than leadership that is built on un-

Milton Friedman's article "The Social Responsibility of Business is to Increase its Profits" was published in the New York Times Magazine on September 13, 1970, and can be viewed at www.umich.edu/~thecore/doc/Friedman.pdf

democratic grounds, where one person instead of everyone decides a company's progress. A boss who only by virtue of his position demands that I respect his decision is, of course, only a boss and not a leader.

Leadership should be built on sound values and the will to come together to achieve a goal, and not on the fear of another individual. When Nelson Mandela chose to risk the power he had received by building his leadership up through trust, even from white South Africans, it gave him the icon status that he holds today. Deep inside, we know it's the right thing to do, but too few of us are willing to risk something for what we claim we believe in. When we see someone else daring, that's when we know we have ourselves a leader.

- To accept responsibility must be the foundation for leadership instead of To demand rights.

Instead of a title that grants me access to a special parking spot, higher salary, or bigger office, my role as a leader should be regarded as a post where the respect for the responsibilities I accept is self-evident, but where the respect for me as a person is based on who I am and how I interact with others. In my work with the Onondaga Nation's chief council, I have experienced up-close what such a leadership looks like and functions.

The chiefs are chosen by the women, the clan mothers, and are instructed to abide by their inner convictions of what is right and wrong – every decision they make must be measured with this question: Is this good or bad for the seventh generation following ours? In this ingenious way, the foundation of leadership thus becomes responsible for future generations.

In one occasion, several years ago, on the eve of the spring festival Valborg (Walpurgis Night), I was at my home in Katrineholm awaiting a FedEx package. It was the first written agreement with the Onondaga Nation before the start of Plantagon. The agreement itself was a big deal, since it was the very first written agreement the chief council had ever signed.

When the package arrived, it was therefore a great pleasure to open it up and finally see the result of what we had worked on for so long. Two dotted lines had been left empty on the document, where two signatures were to confirm the agreement; my own, as CEO of Plantagon, and Sydney Hill's, holder of the Iroquois Confederacy's highest office, Tadodaho – a title that has been passed on from generation to generation for over a thousand years. Tadodaho demands all my

respect whenever I meet him at his office. I, along with the members of the council, must beg his pardon when we wish to address him. Sidney Hill, on the other hand, is a cool guy with a lot of humor who is given no such special treatment outside of his office. On the blank spot where Tadodaho Sidney Hill was to write his signature, only the title Tadodaho was present. Because who was Sidney Hill to sign a deal on behalf of his people? As a person, he does not have that right, only his position does. Today, I have the agreement framed on the wall as a reminder of what good leadership is all about: Responsibility.

MY DEFINITION OF GOOD ETHICS AND MORALS

To take a stand for what is right,

to act in accordance with this belief

and to accept full responsibility.

MY DEFINITION OF A COMPANY'S SOCIAL RESPONSIBILITY

To strive for the greatest possible benefit for all stakeholders involved,

to contribute to an ecologically-sustainable society,

to accept social responsibility

and ensure its own viability.

"Corporate citizenship can be defined as striving for maximum benefit to the company's stakeholders while contributing to a sustainable ecological development of society, accepting social responsibility and securing the company's own viability.

(Hassle 2001, Global Compact Research Report Sweden)"

The Red Capitalist

The book I now sit down to write must seem pointless to many—if indeed I dare imagine “many” will have the opportunity to read it—since of my own volition, without anyone’s request, I undertake such a work, and since I myself am not quite clear as to the purpose. I must and will, that’s all. The demand for purpose and method in one’s doings and sayings has become more and more exacting, lest a single word might be uttered haphazardly; but the author of this book has been forced to take the opposite course, out into purposelessness, because even though my years here as prisoner and chemist—they must be more than twenty, I suppose—have been well enough filled with work and urgency, there is a something that feels this to be insufficient and that has inspired and envisioned another labor within me, one which I myself could not have envisioned, and in which I nevertheless have been deeply and almost painfully involved. That labor will be completed when I have finished my book. Consequently, I realize how unreasonable and irrational my scribblings must seem in comparison to all rational and practical thinking; yet write I must.

Leo Kall, in Karin Boye’s novel “Kalloccain” (translated from the Swedish by Gustaf Lannestock)

On wealth, power, wisdom, and virtue

I grew up in a place called Stureby, a district in the southern part of Stockholm. It’s a suburb built sometime in the ‘50s, where 3-story houses line the rather narrow streets and the kids in my days used to belong to different ‘areas’. If you were seen as the King of your area, the older boys from the neighboring areas would beat you up. Only extreme skills in soccer or floorball could bridge the divide between the different area crews. We used to buy candy at Tobbix, Nanna’s and Sven’s place. I, who had been selected to sing on Swedish Radio by radio host Sven Jerring on several occasions, was sometimes asked to sing a small piece and would then not have to pay. The brothers “Korta Kenta and Kurt” (the first word, Korta, is the Swedish word for ‘short’) sniffed paint thinner and chased us smaller kids around. I’ll never forget the terrifying cries every time the brothers were spotted: “Korta-kenta-kurt are coming!!!” It was spoken as a single word with emphasis on the last syllable: Kortakentakurt. To this day, I still shudder whenever I hear that name.

In Stureby, most are named Olsson, Andersson, or Johansson. Someone was named Karlsson, but I don’t remember a single name that in and of itself conjured feelings of respect from others. Not a single one.

I also don’t remember anyone being respected because he or she lived in a bigger house, had a nicer car or better toys. But there was jealousy. Someone had a more recent version of Dinky Toys than I, or a newer bike. Sometimes, you would simply “borrow” an item for a short period of time, until shame and your mother’s hand brought you knocking on the true owner’s door... asking for forgiveness for having borrowed the item a little too long.

I remember Stureby as a simple place, where the worst thing one could do was try to be more than what you were; try to posture, or be extraordinary, or too good. It was ours, a home built for the working class after World War II, in the late introductory stages of the Cold War with the threat of nuclear war hanging over our heads. It was a great time to live in Sweden, where we all thought we belonged, on equal terms, and nothing was impossible.

I know that today that is not the case. If what you want is for Wealth and Power to spontaneously embrace you, then you do not want to be from Stureby. You should be of a different name, have gone to a different school, and be able to refer back in time to higher standing people who are not painters, carpenters, or housewives. In my search to understand why we treat the world as badly as we do, I have met with presidents, kings, queens, business leaders, ministers, scientists, and many, many others. I've listened to what they've had to say, seen what they do, and sometimes not been able to understand how we as humans are able to live when we're so conscious about the big difference between one's vision and one's reality.

They've almost always blamed you and me when I've asked them why they act against their own values: "It's my job. If I don't do what I'm forced to do, then I'll lose my job and someone would just take over and do it anyway..." or "Because you and everyone else demand it from those of us who have as big a responsibility as I do... or else your pension wouldn't be as high, the schools wouldn't be as good, or our country wouldn't be such a safe place to live in." There's always an excuse.

My simple conclusion is, or has become, that we have it the way we do because there are too few of us who are ready to risk anything at all for what we believe in. This goes for us all, not just presidents, kings, queens, business leaders, ministers, and scientists.

In Stureby there was a man who was prepared to personally take a risk for what he believed in. Born in a very poor home in Dalarna, center of Sweden, he came to Stockholm sick with TB to scrape trays at a bakery. He became a painter instead. Fifty years later, he left his life's work behind him—a privately owned painting business that at the time was Sweden's largest—when he discovered that the CFO had been overcharging one of his oldest clients for quite some time. He took a bow, exited through the headquarters entrance, and never came back. By then, he had handled big missions for presidents, kings, queens, business leaders, ministers, and scientists.

Nine months after his defection, only nine employees out of the previous hundreds remained in the company. The rest had left as a direct consequence of the enormous confidence they had for this man.

I could not be considered honest if I weren't open about the fact that a large part of what constitutes my pursuit for finding healthier and more long-term sustainable solutions within the business world has been inspired by the lack of admiration and esteem that "smart businessmen" showed this man who was interested in nothing else but a job well done. Reliability and consideration to the relationships he shared with other people was what had built the leading business, a business that was then ruined by simple greed. He was my father, he was an entrepreneur, and he started his business in the basement of the address Bastuhagsvägen 46. That was where everything began.

He, along with many of the entrepreneurs formed by the spirit of that period, had ambitions other than doing business in the same way that many of his executive colleagues had been doing. It was a time where it was possible to lack name or money and still be able to move ahead in the world in much the same way that the upper-class has always done. Within this group, wisdom and virtue were

Bastuhagsvägen 46, Stureby. In the basement, my dad had his paint shop.



held in high value, because it was simply the case that moving ahead in the world would go quicker if they could trust each other.

Today, we can see many of the trains of thought that were built long before this period are susceptible to an implosion because of their emptiness. They are simply perceived as lacking a long-term view.

There doesn't have to be anything wrong with capitalism. There doesn't have to be anything wrong with the market economy. However, it is due time to insert long-term, sound values into a corporation's mold, because it is the corporations that are the engines of the system. Adam Smith probably knew too well that far too few think as he assumed they would. We who admire wisdom and virtue have let the other way of thinking shape our system and especially our legislation concerning ownership and business practices. We have watched from the shadows for far too long and during that time, the Corporation, the most effective form of organization we have seen so far, has become antiquated in its current form—just like anything else that is created in a context different to the one it is actually used in. How could rotten morals operate in the long-term as the driving force behind a values-creating society? How could greed and the lack of responsibility for the common good be more effective than the will to share and the possibility to influence by seeking responsibility? Did Adam Smith not fire a bullet into the foot of capitalism when he accepted that which did not seem sustainable in the long-term as if it was an axiom for our social structures?

THE COLD WAR

In 1973, the Vietnam War ended. I remember that I cried like a child. Well, I was a child. As a twelve-year-old, I belonged to the generation that had grown up with what the grownups described as “The Cold War”.

For me, the Cold War was something invisible, something you couldn't touch or grasp. It was a state that we lived in, that affected everything but that we still rarely talked about. It imprinted in me a feeling of fear; fear that the world would be destroyed by nuclear weapons because those the adults called the superpowers could not get along.

We sometimes sat at the dinner table and talked about it, as if it was something that could actually happen. On the TV, you'd sometimes see frightening footage taken from test sites where atomic bombs had been detonated – whole communities blown away, disintegrated in a way that was so absolute and simple that it was as if it had never existed at all, that community, that safety.

Still, it could never go that far, could it? We knew that there were a few men somewhere in the world sitting next to their own little red button, men who could trigger it all. And it all came down to who the men were and what they were thinking. Were they evil or were they good?

The Vietnam War was, for me, proof that the unimaginable could very well happen. I believe, that when the television set showed Hanoi being bombed on Christmas Eve, 1972, bombed into oblivion in the largest offensive since World War II... on Christmas Eve... that a limit was reached for the many of us watching the pictures of mutilated Vietnamese children... the limit was reached on Christmas Eve, 1972, a limit that we have since not gone back from.

If that which has already happened did happen, then everything else that was evil could also happen.

It also seemed as if they had already been murdered one after the other, no longer here, all those who stood on the other side, the good side. The memory of John F. Kennedy was still alive. When his brother Robert was assassinated in June, 1968, it had only been two months since Martin Luther King's murder. I remember feeling complete desolation at the passing of both men.

So when the Vietnam War ended, I cried like the child that I was but this time out of happiness. Finally, something good had happened, something right, something that maybe could lead to less fear. We swam in the Talja lake outside of Flen in the evening, and I remember how I hugged my mother intensely as she

helped me put on my bathrobe. Still; a personal suspicion toward authority was building up in me during these years. Before turning out the lights, the world seemed completely insane and a life-long belief that nothing could be trusted replaced my insecurity.

THE OIL CRISIS

The Oil Crisis came seemingly out of nowhere—still speaking from a child’s perspective. All of a sudden we weren’t allowed to ride in cars as much as we wanted to, we were forced to walk with socks when indoors so our feet wouldn’t freeze and, worst of all, I could no longer enjoy my wonderful, 20-minute-long showers. Instead, to my incredible discomfort, I had to turn off the water while I soaped myself. The bathtub was off-limits.

Most of all, the oil crisis punctuated our lives by turning streetlamps off. It is, of course, quite dark in Sweden during the winter. At best, every other streetlamp was turned on, and to a child that seemed very, very eerie – that something as obvious as ‘there should be light’ was a concept that could no longer be trusted. Sometimes it was actually quite difficult trying to find your way home.

WHEN NATURE BECAME THE ENVIRONMENT

The adults had varying explanations for the reasons behind all of this. Some said that our oil supply was running out, others claimed it was all about politics. But everyone spoke about something called “alternative energy sources”, and in school we suddenly began talking about something called “environmental issues”. My teacher, Miss Mohri, said that we waste too much of our resources and that such a course could not continue. Perhaps everything in our society would change if we did not adopt a different lifestyle and started taking care of the “environment”.

Up until that point, most people had probably called it “nature” instead of “the environment”. It was just... there, and we used it without restrictions. Freedom to roam, and all that. In my father’s paint workshop, they would flush paint and thinners down a specific toilet and suddenly the harmful liquids were gone. Nature was so strong that what we learned was to respect it so that we could protect ourselves, to have respect for it – it was infinite, eternal, and a little bit dangerous. No one had said anything about respecting it for its own good. Until now.

I won’t say much more about how it was to grow up in the late ‘60s to early ‘70s, but I do have this to say: those who were of the same age as I and who were not

affected by what was happening around us must have been very different from me. My whole life has been marked by this period.

A MORALISTIC MONSTER

That the world wasn’t necessarily well-kept was an unavoidable conclusion. That it needed more people trying to make a difference was also obvious.

I, who had already stopped Swedish Radio’s live news report by hitting its host, Sven Jerring, and who, therefore, knew that anything was possible, accepted the challenge. At the age of 12, I decided it would either be “people” or “the environment”, that is, my calling would fall somewhere between those two, simply because I wanted to improve our way of life.

My parents often told me about how I, during that time, changed from being a pretty average kid to being a moralistic monster (my words, not theirs) who yelled out while inside the car if I saw someone littering by throwing a cigarette butt or candy wrapper out their car window (this form of littering was quite common back in the days). And no more flushing paint down the toilet!

When my thoughts and ideas had become somewhat mature, they formulated into three separate visions inside my twelve-year-old head and heart: chemical engineer, social worker, or journalist. One of those would be my future. It was only a few years later that I understood what politics was, or, still is..



At Mister Sven Jerring’s show, Barnens Brevlåda (The Children’s Mailbox). It was the first program from the new studio in the then-recently inaugurated Radiohuset in Stockholm. I went over the allotted time slot, since I refused to stop singing. The news could wait. See the clip at <http://www.facebook.com/plantagon>

I TESTED MY VISIONS IN REVERSE ORDER

Politics: I gave that up after a few years where I journeyed from black to light-blue, which lasted from the time I was 15 up to when I turned 21. To me, the cultures were all roughly the same, regardless of all the different slogans written on all the different political stickers. I got the sense that most people were just in it for themselves, hungry for power, or were content in just sitting around discussing into infinity. Nothing was done. It was not my thing.

Journalism: a quick education at the Poppius School of Journalism. Lasted a few years till Eric Fichtelius, my then perfect role model, showed me how journalism actually works. I and a few others had spent weeks working on a scoop. We revealed how Swedish banks were cheating their customers out of billions every year by letting deposited money ‘move around’ before applying an interest rate to them. We had decided to focus on SEB (Scandinavian Private Bank), since I had attained a copy of their instructional film for employees about how to get the customer to deposit money on a Friday so that they could move it at no cost and give the impression that the bank had made a profit by lending it out during the weekend.

The day before our scoop was supposed to go live, Eric decided that the segment was not going to get the allotted space. The bankers Jacob Palmstierna and Hans Cavalli Björkman, along with another person, were supposed to answer



The result of an exposé cover-up in the newspaper Dagens Eko.

questions live from a panel at the Lunchekot (a daily news bulletin). Instead, Eric went from informing us that the segment would remain at number one before lunch, to then informing us that it would be moved to a more secluded slot, and to finally breaking the news to us at the 14:00 bulletin that it had been completely removed. No panel discussion would take place. The then-current boss of the Konsumentekot (consumer's news bulletin), Per Gullbrandsson, told me the reason: "Eric has been called up by N.N., who sits in Swedish Radio's board of directors. He also sits on the Scandinavian Private Bank's board. They'll shut down the Konsumentekot if we run the report as is."

This was another time where I cried. I sat at home by the radio and listened to an on-going cover-up. The tears were not about the ego lacking affirmation (not all journalists get the chance to have their scoop on Ekot), but about feeling sorrow for a society that seemed to function just as badly as I had thought. The times when Jacob Palmstierna yelled "You damn journalist brat!" into my ear through the telephone and when Hans Cavalli-Björkman simply burped over the phone to try to get me off balance, I thought those times were part of the job, part of the price a journalist must pay to obtain the truth – not that any of them could stop this process by acting the way they did.)

A few years later it was Amelia Adamo who got me to make the ultimate decision to never write another word in a newspaper ever again. I met her when she was head of the Aftonbladet Sunday magazine (she later went on to create M-Magasin), and the year before that she had won the "Swedish Grand Journalism Prize" for her work with the magazine (I myself thought her work consisted mostly of approving pictures of half-naked women under such captions as "Wonderful Miracle" and other things that remind me more of tabloid journalism than anything else). Aftonbladet Sunday was to publish my story



Amelia Adamo. She was the nail in the coffin of my journalism career.

about a Tibetan funeral where a body had been incised. Amelia read the story and even praised it. But when she asked, "... you don't have any gorier pictures, with more blood in them?"; I turned around and went home without saying a word. The story was never published.)



A cemetery outside Lhasa, Tibet. A "sky burial" is where the corpse is cut into pieces for the vultures to fly up to the demons.



Social worker: I began studying psychology in Stockholm but stopped after a few months. It was too much of a distance from start to finish and there were too many people who seemed more interested in their own beards than the problems of others. Seriously.

Then, by chance, I became part of the popular education movement. Spent a few amazing and fun years learning how to develop, organize, and implement projects aimed at getting young people to become interested in everything from music and media to the economic crimes related to alcohol, tobacco, and narcotics. Everything went very well and one of the privileges I received was the chance to acquaint myself with the founder of the youth activity center Fryshuset, Anders Carlberg, Sweden's largest social entrepreneur, according to my view of things (we competed in opposite educational associations but shared the same vision and values, and so we still helped each other out).

Things were looking up, so much so that my character began to receive attention in the newspapers and internally in our own organization. Now, this was happening in a collective culture where such things were not always appreciated – even if management was telling me to travel all around Sweden and speak about how I had done the impossible, it became unbearable being a (still) very young person who had to deal with colleagues who did not greet, who slandered, and who were generally ill-willed. Someone, many years ago, gave me the phrase "glass ceiling" when I said how saddened I was over what had happened. He meant to say that that was what I had hit, a sort of glass ceiling.

We hired someone to take over for me and I resigned.

Politics, journalism, education, and popular education. All tried, all rejected. As a 25-year-old, I had no idea what it was I should be doing.

One suggestion had still been untested, but was ultimately rejected: My father's offer to employ me in his painting company with the possibility of someday getting the chance to take over the business. His company, Hassle&Olsson, had been bought by a large construction company and was at this time well on its way to becoming Sweden's largest privately-owned painting company. It was a graceful offer given to me, an offer that I not so gracefully turned down. My scattered reasons for declining, ranging from me not agreeing with capitalism's exploitation of the working man, to the fact that it gave me a headache to merely think about the paint and thinners that I, during the summer months, worked with and sifted through a pantyhose and then poured down the drain of the toilet used for dumping



My job consisted of getting young people to embrace popular education, a mission given to me by the adult educational association Vuxenskolan.

the liquids, must have deeply wounded my father. I am glad that I had the time to make it right with him many times over before he passed away.

The Journey

So I left. When I was 14, for a reason that I no longer can recall, I made a promise to myself that I would spent a whole year of my life living all by myself. I wanted to know how it felt to leave behind everything that was safe and familiar.

I was now heading into my 26th birthday, had accomplished quite a bit, was running a type of information office and sometimes had the urge to live off of that instead of “people and the environment” – it was easy to get assignments and it was well paid. If the job didn’t stick, then maybe it was time to fulfill that promise.

The day after my mother’s 60th birthday, on the verge of Christmas 1985, I stepped onto the ferry to Helsinki. In my backpack I had a train ticket to Beijing, and that’s as far as I had planned. When my weeping parents and girlfriend disappeared on the quay in the mist behind the boat, I went inside to find a place to go. The



June 13, 1986. I’ve taken myself as far east as is possible in New Zealand, and am focused on the sun off in the horizon, outside the International Date Line. I wanted to be the first man in the world to witness this exact daybreak....

Travel can change perspective, and sometimes it even changes people – regardless if it happens on the inside or the surface. The beginning of my transformation took place on the surface and lasted a year, and has since then continued inward.

During my year of loneliness, I was often not alone, as I had so dearly dreamed of. In reality, it was very difficult to be alone or even be left alone. Backpacking was already quite popular in 1985, and there were Swedes, Americans, Canadians, Dutch, and Japanese everywhere. Most were heading toward some beach somewhere. My need for solitude therefore led me further and further away from the places where others could be found.

I had understood that in reality I did not want to choose between the life of an idealist, which I thought would lead to bitterness over the lack of money and resources to do the things I wanted, and the life of a career man who feels ashamed at abandoning his ideals. I knew that none of the platforms for creating change in society appealed to me, but at the same time I knew that I could not give up on my efforts of finding my own platform ...

The search led me on a long journey, both geographically and mentally. Experiencing mortal fear, spurred on by others devaluing me, was what would blow away for all eternity my worries of people judging the things I do.

To know what bloodlust feels like changes you.

I select a few of these stories.

RAPE

I was alone when I encountered a group of roughly one hundred men in the middle of the Sumatra jungle where I, against the warnings of everyone else, had traveled alone. The flirting from one of the men, which at first I found kind of funny, had already crossed the line and gone into groping and gross abuse. A few others closed in on me and I was left with nowhere to go, certain that there was no help to be gotten. The restaurant we were in was filled with men with no women, men who fell silent and watched with anticipation, with eyes curious for what would come next. I was dressed in shorts and a sleeveless shirt, as I had refused to follow the advice given to me about how my outfit could encourage rape.

Somewhere from within, I felt that my only option was to face fear head on by accepting it. Not to run, not to try to escape, but to meet it. What happened next is difficult to describe and I feel a stronger sense of discomfort now as I write this than I felt at the time. I suddenly stood up. I pushed away the waiter, who had

started it all, without much force. Most Indonesian men are smaller than me, and that was my first realization after standing up; “They’re much smaller than me”. The natural reaction would’ve been to think “They far outnumber me”, but that’s not what I thought. I think I had left that insight behind me.

Then I started to speak Swedish in a calm but loud voice. I told them that they were welcome to try what they were intending on trying and that I had no fear of facing small men like them. I smiled and told them to come and get me, I wasn’t afraid of them. Then I yelled something that I can’t remember. My emotion was almost of pleasure – I knew that I was mentally stronger than them.

No one confronted me. I sat down and finished my meal and then left the place, heading toward the bus that most of us would continue on.

Clint Eastwood. I’ve always admired Clint Eastwood. But I have never seen him shake as much as I did after getting myself out of that restaurant. The feeling of dread came afterward; before the incident and afterward, but never during.

No one touched me during the rest of the journey, which lasted 36 hours.



The bus in Sumatra



On the roof of Jokhang, the most sacred temple in Lhasa, Tibet's capital. In the background the Dalai Lama's palace, Potala Palace, is visible.

image of myself in the mirrors lining the stairwell on board the ferry, is one that I can evoke at any time. Loneliness, uncertainty, regret. All that.

THE PISSING MEN OF TIBET

I came to Lhasa, the capital of Tibet, in January 1986. The area had opened up for tourists just a few months prior. It was winter, very cold, and food and board were scarce. I slept in a room with no heating and broken windows, fully dressed in the two army jackets I had purchased in China. At night, the temperature went as low as -30 degrees Celsius, and during the day the sun shined bright and the place could get quite warm.

I had the good fortune to visit Lhasa as the Chinese occupation was getting ready to allow the Tibetans to celebrate New Year's in their own traditional way for the first time in 20 years. Pilgrims poured through the street of the holy city every day, dressed in fantastic costumes made from yak hide. Sometimes they offloaded dead people from the trucks, both adults and children – they had simply frozen to death on the way there.



A family who have completed their pilgrimage to Lhasa, the capital of Tibet, for New Year's celebration, 1985.

Even though it was winter, there was no snow in Lhasa. The city is located on the Tibetan Plateau, 3,600 meters above sea level, and the snow stays on the other side of the mountain ranges surrounding the plateau. It was therefore possible to walk, bike, and hitchhike with trucks to where you were headed – sometimes to areas that were off-limits.

For me and many of the Westerners, Tibet represented the holy land, the utopian Shangri-La where wise, meditating monks embodied what we called kindness and spirituality. That image had been partly conveyed by early travelogues made by, among others, the Swedish explorer Sven Hedin, and partly built up by the mysticism surrounding the totally closed-off country located on the roof of the world, and of course by James Hilton's novel "Lost Horizon".

I myself would experience anything but Shangri-La.

After three weeks of being in and around Lhasa, and together with the men and women from the Kham tribe of northeastern Tibet, I felt settled enough to head inland. A road between Lhasa and Kathmandu in Nepal had just been completed and was traversable. My asthma had calmed down and the high altitude was no longer a problem.



View toward the holy lake Yamdrok Yumtso in Tibet, seen from an extremely high location.

A loud German was heading in the same direction. He and I had spent quite some time together, and he had been travelling for years and often told me, as well as taught me, about both the travel itself and the other cultures he had encountered, often Buddhist in nature and one time of a more primitive culture he had visited in Indonesia. He told me that they hunted with blowguns and bow and arrow, but ate mostly trees (!). Exciting stories, but the hardship he endured to get to those places put me off from going myself, I who had just begun my journey. A few months later I would find myself there anyway...

We were now in Tibet, on our way together from Lhasa to Nepal. I would then proceed to Varanasi in India while the loud German, who I was having a difficult time with, would return to Lhasa from Gyantse, the first town we would reach on the way to Nepal.

It was very early morning, or very late at night and completely pitch-black, when we left the hostel-like establishment we had been staying at. It was just as cold as usual when we stepped onto the unheated bus.

When we a few hours later stopped for a break atop a pass to admire the view over the emerald-green holy lake Yamdrok Yumtso, we found ourselves

more than 5,000 meters above sea level. We stayed for about a quarter of an hour, a span of fifteen short minutes that took me from feeling like I was on top of the world to feeling total confusion. I had come down with a serious case of altitude sickness. Nausea, headache, nosebleed, and stomach pain – my whole body felt out of whack, defeated. As I had heard the stories of fatal altitude sickness long before travelling to Tibet (which is why I stayed so long in Lhasa, to acclimatize), I of course became very frightened. Suddenly I was more than happy to have the loud German with me during the trip.

Since we couldn't turn back, we had to keep going and heading away from the healthcare that I knew existed only in Lhasa, away from the airplanes that could easily take me down to lower altitudes. Taking that step onto the bus felt wrong, a feeling that travelled all the way down to my bone marrow. At the same time, I knew that we were heading off the pass and toward Gyantse, located 4,000 meters above sea level, just a little higher than Lhasa. Maybe I'd start feeling better once we reached it...?

But that didn't happen. I ultimately felt so bad and tired that the loud German had to carry my backpack, since trying to carry it myself made me vomit. I became worse and worse; it was now imperative that I as quickly as possible find a transport back to Lhasa, where I could get the healthcare needed or catch a flight down to China and a lower altitude. Otherwise, both the German and I understood that I would die.

He, the loud German, now proved to be an incomprehensible tough guy. When he thought that I was complaining too much, he threatened me. "Get your act together... otherwise I'll leave you here!" was the phrase he uttered most when he wasn't busy calling me a "coward".

At night we found lodging in a stall. We shared that space with chickens, goats, and a Tibetan family heading for Lhasa. A bare and bright light bulb hung from the ceiling. Inside, there was a lot of scattered noise coming from animals, kids, and adults, and so I thought that that was the reason why I could not fall asleep. After a few hours of sleeplessness, I went out into the field, wide awake. Since I did not have the physical fortitude to stand up for long periods of time, I went back inside, pleaded with them to unscrew the light bulb, and went back to bed. Wide awake. The whole night passed and I was just wide awake, not a single feeling of tiredness. I had insomnia, a condition that caused me to not sleep at all and that naturally drained me of my strength even more.

In the morning the German carried my backpack to the gravel road that led to Lhasa, leaving me and the backpack at the side of the road and heading off to find a truck or bus that could take us back.

There was nothing. The celebrations of the upcoming Tibetan New Year meant that every vehicle heading toward Lhasa was packed with pilgrims, leaving no room for us. We couldn't even find an oxcart that could take us back.

One night and two days later, on the evening of my third day in Gyantse without any sleep, I was so tired and scared, and so certain I would die there in the dust by the side of the gravel road, that the only thought in my head was of how my parents would manage to survive if I just disappeared. No one knew where I was and the German probably wouldn't do anything to help with the matter. He had, during the last two days, evolved into a loudmouth whom most of the time I was terrified of.

That loud German. Tobias. The onne who made it possible for me to write this today.

That night, he took a pill out of his pack . It was a large, round tablet with two different colors on each half that he showed me as we headed to the stall for our



Gyangse, a village on the Tibetan Plateau 3,977 meters AMSL.

third night there. Tobias explained that he had seen altitude sickness before, that he had been forced to “scare the life into me ” for me to be able to continue functioning, for me to have the drive to live. He then gave me the tablet, which was part sleeping pill and part painkiller. On the third night. He only had the one, and didn't think I could survive another night without sleep.

To see a man change from being someone you hate to someone you understand, someone who is selfless, who is not trying to get acknowledgement for what he does, and who has given you all the love he has... that sticks with you.

Tobias tucked me in that night and I slept as if my body felt no pain.

The next morning he carried me back to the gravel road and went out again to find a ride.

This was now my fourth day at that gravel road, lying on the ground next to everyone else who was heading in the same direction as I. In the beginning, I tried to look at them, tried to make them understand that I needed help, but that only resulted in them sneering, laughing, and spitting at me, so I gave up. I was completely oblivious as to why they treated me with either disinterest or some sort of disdain or hatred. I was in Tibet, I was in Shangri-La. Something wasn't right.

Finally I became too tired to care. I just lay there and thought about my parents while waiting for Tobias.

Then a bus stopped right in front of me. The front wheel glided in from beneath my field of vision and stopped. The door opened. I could see the driver.

The passengers stepped out to stretch their legs. They were clearly heading for Lhasa, the only place the road led to. That's as far as my assessment went before I realized that a group of men had gathered around me. They were pointing, laughing, and soon started pissing on me. Not on my face, or upper body, but on my legs, my thighs and my feet.

I lay dying by a gravel road in Shangri-La and people were pissing on me. And since I couldn't muster up the strength to walk I crawled. I crawled away from them and toward the direction of the bus, where the driver was still sitting behind the wheel. With the men jeering behind me, I crawled up the steps of the bus and entered. I was now on my knees in front of the driver.

With a puzzled face I asked, Lhasa?. He shook his head. I turned to face the passengers who were still in the bus. Lhasa? They nodded. I asked the driver once more, but even this time he shook his head, seemingly irritated. And again I turned toward the passengers... they nodded and one of them gave me a crooked smile, mockingly, and then I understood that they were telling the truth. In ac-



Not so far away from the Ganges' source in Tibet. The Dalai Lama fled across this very section of the river when he left the country in 1959. Potala Palace can be seen in the background.

tuality, I had known the whole time, since the road only led to one place, but the man's crooked smile telling me You will die here, and we aren't taking you with us even if we could, made me realize what I had to do.

I laid on my back, grabbed a hold of the handrail that was right behind me, and screamed. I screamed as loud as I could while the driver and his ticket-taker, a boy, tugged at me, pulling at my pants which were drenched in piss, and tried to make me let go, tried to throw me off the bus. Tobias, who was only a few hundred meters away, came running. He jumped in the bus and started fighting with the driver and the boy. A real fistfight. I yelled that I had 30,000 Swedish kronor in my

backpack, and that they'd be given all of it so that I could escape death on a gravel road. I wanted to go home, wanted to get away. I didn't understand a damn thing.

The next thing I remember is Tobias and me sitting on the floor of the bus, in the middle section where the rear doors are, the section where, back home, baby strollers are placed. Tobias tells me: We can ride with them now, it's cool, we had to pay 52 kronor extra. 52 kronor..!? We could've just bribed our way in this whole time? By paying 52 lousy kronor?

But we have to sit on the floor, we can't sit on any of the seats.

I looked around the bus and saw that it was not full. There were plenty of seats available in the back, behind the passenger with the crooked smile. I asked Tobias why, and he just shook his head: We have to sit here on the floor. We just do.

I looked up and met the eyes of the man with the crooked smile. Right before he dragged a puff of air into his lungs and spat a glob of mucus at me, I understood why. We were sitting on the floor because we did not belong in Shangri-La.

I'm now going to try to tell you something that during many of my years was considered a secret. I did not dare formulate it to anyone because it felt completely foreign to me; I didn't think anyone would understand.

I don't quite remember how long the trip to Lhasa lasted. Maybe a day. During the whole trip, both Tobias and I had to endure globs of spit on our bodies from men who despised us, who thought we had no business being there, who gave us no dignity at all. Only one thing kept me sane then. It was a feeling that in my entire life I have only experienced in that exact moment. A feeling I never even knew existed.

I knew that if one of the spitting men came close enough, I would kill him.

I would use the last strength I had and sacrifice my own life just to kill him. A punch to the knee joint, a fall down the steps by the rear doors, then I'd throw myself over him and no one would be able to tear me off until I was finished, until it was over. It was a calm and concentrated feeling. Not anger, or hatred. Just pure concentration and patience. At the same time, that feeling gave me pleasure because that feeling gave me strength. It was a very, very nasty experience.

But nothing happened, because then I wouldn't be telling you this story right now. No one came close enough to me.



Rest after being on the brink of death in two separate occasions.

Many years later, I told this story to Oren Lyons. Aside from Karin, my life partner, no one else had heard it until then. I felt ashamed. Oren smiled, tapped my hand which lay on the table where we sat, and formulated the feeling for me:

Hans, what you felt is an emotion that your culture has repressed but which we still live with, sometimes even admire. You had nothing left of your dignity, you felt cornered and it didn't help that you were afraid. It is the last thing that happens when an animal or a man gets put into such a situation, stripped of dignity. We strike back. What you felt is what we call bloodlust. It is a feeling we carry inside. We all do.

Since that day, I feel an understanding for hatred born out of the sense of being violated. I think that it can grow slowly, fed with small portions that do not need to involve urine or snot. I think that if condescending looks, playful comments, and everything else we use to oppress, degrade, and reduce, if all of that goes on for too long, then the feeling awakens and perhaps takes its form as anger, which leads to hatred, which finally leads to that awful emotion.

I later read about why they did the things they did. In Tibet, my Shangri-La, most are Lamaists. Lamaism is a branch of Buddhism that is differentiated by the fact that

Lamaists believe in demons. Demons have good or bad attributes, and it's important to keep on good terms with them. Since they are convinced that the demons live in the sky, they consider themselves closest to these demons because they live in high altitudes, on the "Roof of the world". The rest of us poor people living down here are on equal footing with dogs, cows, and anything else that at best can be used for a good purpose.

They were just racist. Obviously not all of them, but the ones that did what they did. The rest just watched, like most of us do.

INDIGENOUS PEOPLE

I recovered as soon as we got to China. Had to endure a sinus infection for quite some time until we arrived in Hong Kong where I could receive proper antibiotics. The colorful pills that were given to me in large quantities at the hospital in Chengdu did not help.

Tobias and I separated in Bangkok. He was heading to Australia and I wanted to see more of Asia. After just a few weeks, I arrived by cargo ship to Siberut, an island outside the eastern coast of Sumatra which Tobias had spoken of in his story about the people who ate trees.



The boat from Sumatra to Siberut.



Sago palm is soaked in the river so as to soften the marrow, preparing it for cooking.

On Siberut, the Mentawai people live, and they are animists. They believe that everything around us has a soul, even rocks, trees, and rainbows. All these souls have equal value. Therefore, they do not take more from the earth than they need to survive and even ask nature, in long ceremonies, for forgiveness before taking what they need. Consequently, the logging companies in Indonesia have had a difficult time finding local labor for the harvesting of Siberut, even if it does happen on occasion. Even though the Mentawai are a hunter-gatherer tribe, functioning without the use of money or any economic system, it sometimes happens that the

men take on part-time jobs for one of the logging companies. They do this because they know that the money they'll receive after completing the work will allow them to purchase whatever they need at the local market set up by the Indonesians who live out on the island's coastal area. Once they've earned enough to purchase what they want, they leave and the company must then find a replacement willing to do the same job.

In addition, the dances performed as part of the ritual that must be completed before every tree is felled takes way too long from the perspective of a logging company with a tight operation schedule.

This is why the Mentawai culture was still remarkably

untouched when I got the opportunity to experience it. The photographs I took there were actually close to being part of an exhibition at the Museum of Ethnography in Stockholm, but I had too few pictures of their craftsmanship.

We met on the riverbank, the whole Rok-Dok village and I. Mr. Sayaruhdin had taken me upstream in a motorized canoe, far into the Siberut jungle.

It was incredibly beautiful, untouched, and wild. Snakes, stunning birds, and hollering monkeys were all present, just like the nature shows I had seen on the TV.



Mr Sayaruhdin, the man who took me to Rok-Dok, the Mentawai village..

When we met on the bank, the whole Rok-Dok village and I, it felt as if I really was in a very remote location. In front of me stood half-naked people in loincloths, with tattooed bodies and sharpened teeth. One was holding a bow, another a blowgun.

My face turned red when I suddenly realized that I was judging those who stood closest up and down, on the outside, like an object. My shame disappeared when I saw that they were doing the same to me.

One morning, a few days later, we were going to trek further into the jungle so that I could experience the Mentawai lifestyle of living where the crops were located, where the trees were being prepared for consumption. In order to get ready for the hike, I was forced to undertake various trials imposed on me by the chief elders while many of the villagers looked on. I must have seemed completely worthless in their eyes. Couldn't hit a single coconut with the bow and arrow, not even from fifteen meters away. I almost shot my own foot at one point, to the men's jubilation. The Chief showed me how it was done by grasping the bow at the hip, letting the arrow fly away and splitting the coconut in half.

But now we were set to go, straight through the dense jungle where the presence of snakes required one villager to walk behind me with a machete and one to walk in front. I packed my extremely powerful sleeping pills and painkillers that I had received by bribing an oncologist in Malaysia. ("You'll lose your hair and make your skin turn yellow" he warned me) – I had no clue when the next boat away from the island would come and I had learned from my experiences in Tibet.

It was the middle of the rainy season. My thin Tretorn shoes weren't doing me much good. Siberut is a mountainous island, and I was sliding and plummeting way too often down the muddy trails. Of course the men were getting plenty of laughs from the big white man who couldn't even walk and creaked when he tried to, but they soon understood that there was no point in asking me to be more careful. Maybe they wanted to illustrate the differences between us; suddenly they just vanished. Complete silence. If they did not want me to see or hear them, then I had no choice but to go along with that. When they finally peeked their heads out and showed themselves, I must have looked pretty lonely without a single machete near me. They laughed kindly, but sometimes they laughed quite... loudly.

It was very hot and humid, but still I had to protect my body from leeches by wearing a long-sleeve shirt and pants. When a leech managed to suck itself on to me, one of the villagers came over, removed it, and rubbed the wound with tobacco. It stopped the bleeding almost immediately. The heat, lack of water, and all



Bebeget with his wife and son outside their home in Siberut.



Loite, Bebeget's brother. Note the state of his legs, which suggests polio – and still I was not able to keep up with him in the jungle. The leaf hanging from Loite's necklace shows that he is not married, meaning that his chastity is still intact and that any women can claim it from him. At any time. I too received such a leaf, but no one wanted me..



Rok-Dok's medicine man, and a few other men and children from the village.



The path that leads to Rok-Dok

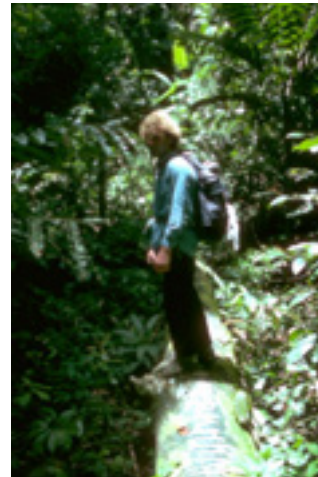
the climbing and tumbling I had been doing in the end became too much and everyone was forced to wait for me while I took a break and puked. I was extremely tired.

Then a very old woman caught up to us, heading toward the same direction. She looked like she was 80 years old, but was probably around 50-60. She conversed for a while with my guardians, who then pointed at my direction. She smiled, waved, and carried on. I had met her earlier in Rok-Dok when I helped her lift a heavy piece of sago trunk that she then carried away in a sling. I understood that we would meet her again once we arrived, probably long after her.

A feeling of being quite clumsy and ignorant began to grow. When one of the men showed me a tam-tam drum (that's what they're actually called) that was laying on the ground where we were, when he played it and we could hear that someone answered his song from far, far away... I felt impressed over the cleverness he had just showed me.

I won't be turning this into an anthropological observation of life in Siberut. (By the way, I saw a TV program quite some time ago about these very people, and they seem to still be living in the same way; a Swedish family was tasked with spending time together with the people of Siberut and their encounter was documented.)

It's just a few of the separate instances that have affected me more so than others and that I want to share.



On the way from Rok-Dok to deeper inside the central parts of Siberut, where people still lived traditionally. I had just thrown up from fatigue when the picture was taken.



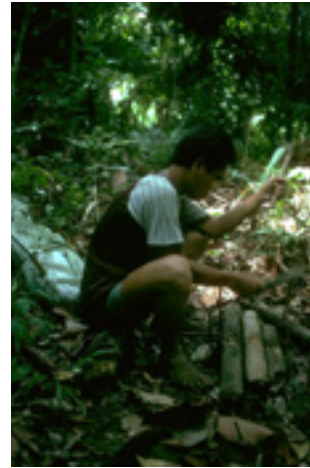
Bebeget's house, my home for a while.

What I felt not only then, but still feel today, when I think about the tribe's technical solutions to the challenges they faced in their every-day lives, is the same feeling I get when I consider our Western innovations. Please forgive my ignorance, but before the journey to Siberut I was convinced that we who are a part of Western culture were the most advanced people, were the ones who developed the most complex ideas, and were more technologically inclined than those who live in our time but whose ways are more akin to those of the Bronze Age. I have known for the past 25 years that that is not the case.

We just live in different conditions and therefore need different solutions. The difference is that when tribesmen invent something that works well enough then there is no reason to tack different innovations onto it in the same way we often do. What you have is what you get, and that is enough. Knowledge, on the other hand, is not lacking. Knowledge that we in Western culture do not have, in the same way that they do not have our knowledge.

It's also not the case of them striving to live as us, even if our medicines and various other items are things one would like to have.

Anyway, on the same night that I trained with the bow a man died in the hut next to mine from a snake bite. The burial ceremony would be held the following



Antonio, my guide, announces that we are on our way.

day and I experienced a completely different feeling than ours when it comes to dealing with death. No one asked if I had any medicine. They all accepted that the man would die. Sitting outside his hut, as he lay there listening to us, we actually had a fun time.

When an airplane flies over the Mentawai, they do not think it is a metal bird. They know that they live in a way that is different from ours and want to maintain that isolation from our economic and cultural systems. They simply choose to preserve their way of life and are still fighting for that very cause today.

The common values that we in the West have are not necessarily shared by everyone else.

On one of my first days there (on second thought, it must have been the very first), I wondered where I could go to do my needs. The women I posed the

question to pointed in the direction of the river.

"Of course", I thought, "The river will take care of ..." and then I felt as I had often felt in Siberut; pretty stupid for even asking the question.

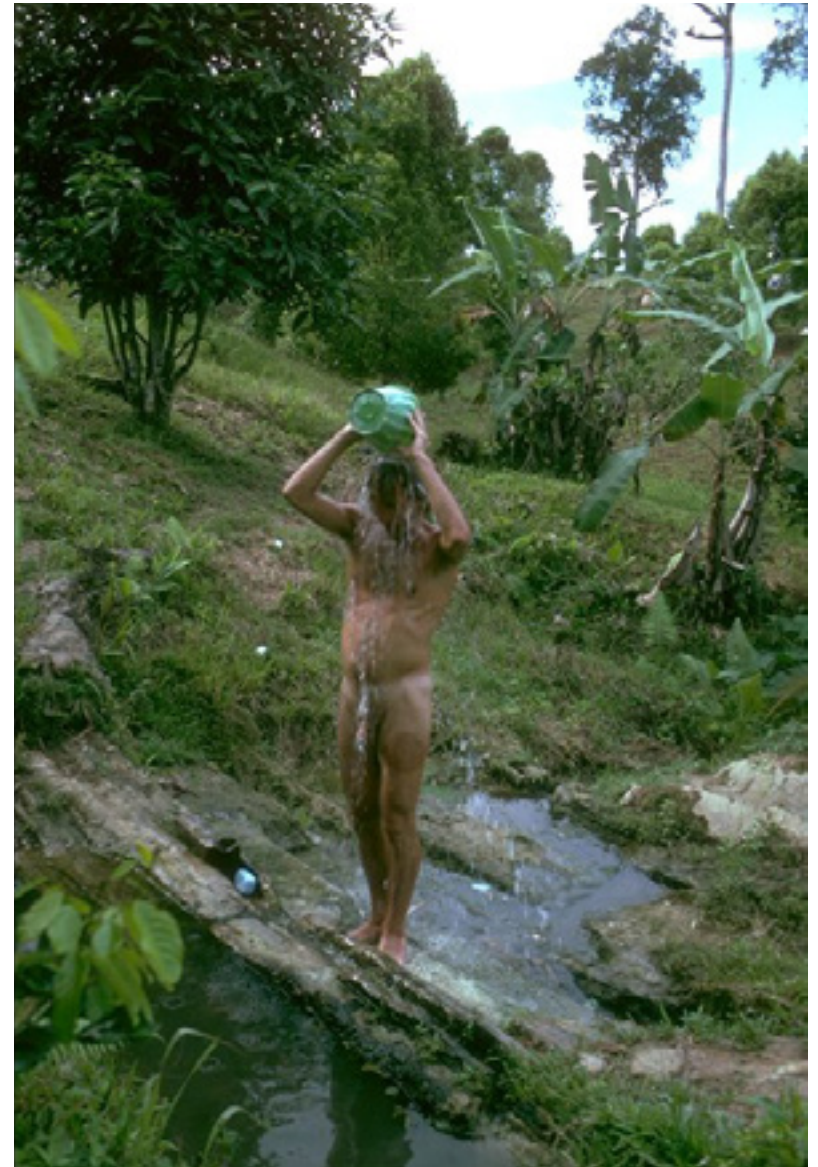
When I, quite nervously and with full concentration, was trying to keep my balance in some sort of half-sitting position out in the river, remembering that I had just seen a small green snake swaying its body by the river's edge and therefore wanted to finish as quickly as possible, someone started yelling from the shore. It came from further down, the same place where the trail connects the river with the village. More people started arriving and soon, ten to fifteen people were yelling. It was obvious that it had to do with me. I pushed as hard as I could and started wiping with the toilet paper (!) I had brought. Then they came running into the river. They tugged at my arm, dragging me away from the area I had chosen to relieve myself in, and I understood why: naturally, it was the green snake I had seen. It was somewhere around us and I started flailing my arms around the water to scare it away.

But it wasn't about the snake.

I had gone upstream to empty my bowels, that was the problem. How dumb can one human being be? The water that the whole village depended on was gathered at the river, and now everyone would be forced to go upstream, past the place



A grandmother collecting food for the animals. The sago trunk on her back, I could barely lift..



jungle shower.



They said green snakes were particularly dangerous.

that I had made my own personal toilet, just to get clean water. No one was going to risk getting bacteria from the inner parts of my body onto their food.

Of course, I had to clean my toilet pretty thoroughly. When I arrived back at the village, a few of the women gathered around me, giggling and laughing. At first, I could not understand what they wanted, but that soon became clear – they wanted to hang a leaf on the collar of the sleeveless shirt I was wearing. I gladly let them,

I later noticed that all the women would giggle and whisper as soon as I was near. What I didn't understand then was that they had completely condemned me as a man and citizen. Such a leaf as the one they hung so prominently on me implies that the male wearer still has his chastity intact. Any of the women then have the right to claim that man and tell him to follow her into a hut so that she can teach him about a very important part of life. Anyone, at any time.

But no one approached me. I think that they thought that I was not a suitable partner.

The knowledge we hold does always have the same value everywhere.

Lastly, we have arrived at the card game, an incident that still to this day I do not fully understand but am fascinated by. My greatest cultural experience, which I carry with me to this day and which absolutely belongs as one of the moments in my life that has impacted me the most, occurred during a game of poker.

The people who live in Siberut don't really have a numeral system. They also have no concept of time or money. They completely lack the understanding for some of the things that we in our culture consider to be pillars. "Lack understanding" is probably not the most fitting way of putting it.

Since the marrow of a single sago palm is enough to feed a family and their livestock for three whole months, and since they do not take from the Earth more than they need to survive, the villagers work no more than a few, maybe three, hours every day. The rest of the time is spent socializing. Maybe they have developed extreme social abilities because of this.

The men came home from work about the same time that I woke up, round seven in the morning. We tried communicating with each other through the use of sign language and the drawings on my notepad. I particularly remember the laughter after I had told them that where I came from one could walk on water during part of the year and

that I was an ace down the slope with pieces of wood attached to my feet, much better than they would ever be.

Once we had drained ourselves of stories, and once I had learned all the songs they wanted to teach me, I pulled the deck of cards out. I wanted to try to show two men how to play poker, without any of them having a notion for numbers higher than five and without any of them having previously seen anything that even resembled a spade or a heart.

That night, I lost for the first time. My competitive side took over and my spontaneous reaction to losing was a strong one: "How the hell did I just lose a poker game to..." and my thoughts approached that judgmental area again, just like in our first meeting by the riverbank. When I looked up I was staring directly at my opponents' happy faces. They had already caught onto the fact that I was both surprised and pissed. And so that's what they were, my opponents and friends, Loite and Bebeget. We who just a few days earlier, filled with unconscious prejudices, had eyed each other like objects, as if we came from different planets. Our lives, seemingly so different, the lives of us who had been at such a distance, were now close and we sat there and behaved just like friends do when playing a game of cards and either winning or losing.

Right then, right there, I realized just how similar we all are. In spite of all our external differences, inside we are more alike than we are different. All it takes is for us to seek each other, to give each other the time it takes to understand.

I also realized that our intelligence is based on different conditions and cannot be measured in the way that we do today – because how had Loite and Bebeget been able to learn all that was needed to master poker in such a short time?

We have become friends, Loite, Bebeget, and I. And it had gone by so quickly.

Our knowledge does not make us smarter than other people.

A Self-made businessman

After a year of living among the tribes of Tibet, Indonesia, and New Zealand, it became quite clear to me: I would dedicate the rest of my life to changing the business world. It was there that power rested, and it was there that most of the decisions that ended up being problematic for “people and the environment” were made. Instead of chemical engineer, social worker, or journalist, I would become a businessman, just like my father. So, how did it come about? It was probably a number of events, which were mostly focused on ethics, morality, and knowledge in general rather than on the entrepreneurship that led me there. The world had seemed so large and intangible when I first began my journey, but that was no longer true. I didn’t feel as small, or even as powerless, and that was maybe due largely in part to all the encounters I had had with people and cultures that were far more separated from our own way of life than I’d ever imagined possible.

- Facing mortal fear changes you. It happened to me three times during 1986.
- Being grossly abused changes you. It happened to me twice during 1986.
- Experiencing your own resolute when facing people who mean you harm changes you. It happened to me twice in 1986.

THE 30-YEARS’ WAR COMMENCES

My plan was to prove that I, through investments in my company’s “people and the environment”, could reach a higher profitability, growth, and credibility, and in that way influence the economic interests that control the business world to move closer to a more morally-sound way of thinking.

After making various calculations about the number of people I could directly influence through practical action that would, over a long period of time, clearly show an alternative way of operating, I concluded that it absolutely was purposeful. Even if I, in the worst case scenario, could influence only the individuals that my own company had contact with, then that would still be enough. My timeframe was 30 years. The first five years would be dedicated to simultaneous business, culture, and organization development, and the last 25 to more growth than I had thought imaginable. That was my strategy.

The sub-target was to have 25 employees as soon as possible, and by the 10-year mark to be the leading company with a unique operation that would always arouse people’s interests.

Looking back, I smile just as much as I think you, the reader, might be smiling. A young and almost completely inexperienced businessman suddenly deciding to dedicate thirty years of his life to creating a better type of company than anyone’s ever created and through it try to affect society. A person who up until then had considered businesses as being the worst expression of exploitation of the working class. Quite a curious story, isn’t it?

THE RESIGNATION

It was unfortunately the same case for me as had been for my father. After almost fifteen years of work, where together we had achieved many of the goals I had set when the company was first formed (there were those who actually wanted to conduct research into how we had done it), I went home one day just as disappointed and dejected as my father. The commitment was gone, there was no trust left between me and the company’s other owners. We had over 40 people when our operation was at its largest, and we were heading toward a stronger position in our industry and were without a doubt one of Europe’s most talented companies within our field.

My very self-absorbed letter of resignation went as follows (one can almost assume that everyone who received a copy did not bother to read it, but still... I place full responsibility for its existence here in its entirety on the book’s editor): Today, February 28 2000, I, Hans Hassle, relinquish my position as CEO of Vision and Reality Communication NetWork AB. In other words, I resign. Aside from a short break, I have been active in the post for fourteen years.

The background to my decision is the fact that I, after a long and careful deliberation, have come to the conclusion that I am the wrong person for the job of carrying out the measures that I consider necessary for the company to be able to comply with the strategic plan present and thereby achieve the goals that have been set.

Vision and Reality Communication NetWork is not my own company, even if I think some people might actually consider it so. Maybe I have sometimes also seen it that way, or acted as if it were that way, but in reality I do not believe it to be so.

I am one of many shareholders. I own the largest share, I am active in the board, I am the CEO and am often involved in the production. I sell, work with development and administration, and am responsible for personnel issues, policies, and



The world's largest electronic billboard.

strategies. Aside from that, I once started the company. So, it is not so difficult to understand the notion that it is “my own” company. But that is not so.

I am, as previously stated, one of many shareholders who have invested in the company. I sit on the board that appoints and removes the CEO of the company, and I am the CEO. As the CEO, I am naturally supposed to be leader of the company’s operation and development.

As a CEO, my chief duties come from the company’s board. As a leader, the demands placed on me come from the entire organization, where the employees are the ones with the strongest say. In both roles, I need to feel like I have the trust required and must assess my abilities to execute the decisions that have been made. That is my job.

Currently, the board’s insight into the company’s activities is dependent largely on what I myself see. In such a situation as the one the company now finds itself in, I must therefore carry out quite difficult (not to say backbreaking) mental gymnastics so that the end result is the right one for the company. My own wishes, dreams, and limitations have no bearing on the decision-making process unless they do not clash with the demands the company sets and do not have an adverse or negative effect on my ability to perform.

During the latest months, a strong feeling has been growing inside me: “It’s not working out, I don’t fit in anymore.” It is difficult for me to accurately say why, there are many different reasons, but I can after all state the most important one: I no longer feel any love toward the company and am convinced that the love a leader has for his company is precisely the most important aspect of being a competent and successful leader.

To me, love is the desire to live. The desire to develop, explore, and experience. To see where the good in human beings lie and to have the courage to open up to your own greatness and that of other people’s. To come in contact with the entire grandeur that surrounds us. To live to the fullest together with others.

For me, ‘to feel love toward something’ means to deeply care about, to always forgive, but it is not the same thing as love. What I am trying to describe is that the force and the conviction I have always felt sprung forth from my love toward Vision and Reality is gone.

I love Vision and Reality, but I feel no love toward it.

Love creates faith. Faith creates the perception that what one does is right. If a leader loses his faith, or lives without it, then it becomes a crisis for the organization that he or she is responsible for. Crises either create growth or lead to downfall. In our case, I want to do everything in my power to nurture the company into continued growth.

I will attempt to explain the roots of my emotions, but first I want to share the assessment I have of Vision and Reality in its current state.

1. Vision and Reality Communication NetWork has created a very strong, good, and clear values-system to stand on, which can and should be used to further develop and to consolidate a stable and bearing culture. The culture can already be discerned today, but it is not stable.

2. The company has chosen a very good mission that is consistent with its values-system and which creates great opportunities for the self-realization of both the company, its organization, and its stakeholders (the company is comprised of more than just us employees, for instance shareholders, customers, and suppliers, and they should be regarded as a separate person each with their own identity and desire), something that is very unusual.

3. The company has a very good vision that is consistent with its mission and values-system and which can support the company and its people toward the goals that have been set – something that is also very unusual.

4. The company's management has formulated the outlines of a long-term strategic and tactical plan which I deem as fulfilling all the demands that should be set on the basis of the values-system, mission, and vision.

5. The strategic plan and the company's objectives are both deemed by me to be fully feasible and attainable if one excludes all other factors than those I have so far mentioned.

So far so good then; an exciting and sympathetic company with ready “dynamic structures”, teeming with well thought-out future plans – a company that should stimulate the leader, management, and its employees to do everything, absolutely everything, in their power to fulfill their visions and thereby a piece of themselves.

But, that is not how I see Vision and Reality.

What I see, not always but all too often, is an organization where individuals turn their backs on each other, where agreements are not kept and where external relationships and results are valued so much higher than the respect for oursel-

ves, our goals and ambitions, that the behavior is in fact a clear sign that what we are talking about is not based on reality. The relationship-oriented culture is not strong enough because this occurs without anyone reacting or saying anything, so that the conflicts that should exist are created. It seems as if most just look on with indifference or apathy at the faults that are probably obvious to the vast majority.

If I am correct about my long-term assessment of how a successful network-centric organization should work, if we are headed toward a “relationship society” where values, culture, human capital is crucial for a competitive advantage, then my personal judgment must be that Vision and Reality needs to correct itself, “remember its true self”, before the growth period that is clearly ahead of us can commence. Otherwise, the company will fail.

I may of course be wrong, but that has no practical significance for Vision and Reality since it is I, in my role as CEO, who makes the final assessment and proposes the measures.

Vision and Reality needs a significant improvement and strengthening of its administration and production. Not in the form of system and methodology (where we are sufficiently in sync with ourselves), but in the form of clarification of what we claim to be and what we aspire to be. We need to begin to live up to our word. We must learn what that means, understand its significance and the consequences it has. In depth.

Without deep understanding, there will be no altered or lasting behavior that puts into effect the ideas that we simply accept because there is no reason to turn against them – if one does not understand the consequences. And I think this applies to us all, always.

(“Peace on Earth!” is another good idea, which has yet to come to fruition because we are not ready to deal with the consequences that it demands from us. Apologies for the farfetched comparison, but to me it is relevant. Ideas that are obvious always feel self-evident but are likely the most difficult to implement. It has to do with contradictions between emotions, and intellectual, psychological, and cultural drives. Or so I believe. One becomes engaged in a battle between what one knows is the right thing and what looks to be the most accessible in the short-term. From there, character, steadiness of conviction, and one's own greatness, or smallness, becomes the deciding factor.)

An honest organization stands for “Bad!” and demands recognition for “Good!”

An ambitious organization delivers what it promises, always, and goes out of its way to do more than what is required, which is not exactly the type of thing that puts one in the clear. You offer priority to, and solve problems for customers, suppliers, and colleagues. When you fail, you push yourself by showing how you choose to handle failure, creating even greater confidence than you previously enjoyed. You try to understand for growth's sake, try to learn, and you know that that is the only way to move forward.

A visions-driven organization pushes all barriers aside for what it perceives as "greater than itself" and goes into a "holy war" to realize its dreams. The only real demand imposed is to keep the agreements one has made, since nothing is considered unnecessary or too small. The decisions, on the other hand, can always be questioned, and changed, because nothing is more important than the "cause".

All of that, and much more, is required to be successful today, I believe. You are convinced that you have an important task to complete and you sure are hell aren't going to settle for less than having tried hard to complete that task. Fall as you might, you still enjoy having participated in the battle.

Does that sound stimulating? Does it sound horrible? Do you not give a damn about which one rings true, so long as you make progress? It really doesn't matter. If I am right about how I assess our future market, and if we work in a company that has made such an (actual) analysis of the world around us, the future and its possibilities, then we must all pitch in to reach that goal. Not because there is a cause in itself when we all come together, even though one would think so, but because it is required of us. We must think as many, but act as one.

Because I talk a great deal, I also write a great deal. Somewhere from within is the natural need for personal affirmation, the need to be seen and understood. Therefore, this will probably be the world's longest letter of resignation. But, in order to give both you and me the chance to understand what is now going on, I believe it is necessarily so. That which I write must be long, because it is always the reasoning behind the decision that is most cardinal, that gives the outsider the opportunity to make their own assessment of what seems reasonable, and what is right and wrong. This is why I continue.

In other words, my assessment is that I as CEO have not successfully implemented (incorporated) our mission, vision, and strategy into the day-to-day operation. I had previously planned for the implementation of those things to be mostly

done by autumn and finished by spring so that we could calmly and stably but still at a high tempo further develop and become one of many to carry the culture further into all of our encounters with the new people that would soon be embraced by Vision and Reality. A network of companies and people of quite similar standings who would form one of the first "imaginary" or "virtual" organizations where the functions are effectively run and where the relationships are controlled and steered. A better and simpler way of creating profitability and growth.

I no longer believe that Vision and Reality is up to the task.

Everything that I have described, if I'm right (individuals turning their back on each other, agreements not being kept, external results valued higher than the respect for ourselves), puts the respect for our own values and the company's own vision at risk of being forgotten and eventually crushed. It pertains to such concrete things as profitability and growth, both in the short-term and long-term, which are basically the absolute goals for a business – everything else is just choices we make about how we, with our conditions and dreams, get ourselves there.

When management makes such an assessment of the situation, that is, that the company has just the right ideas but is incapable of achieving them, and if one assesses that the value of those ideas are such that it should motivate the company to continue in the direction set forth, then something must be done. In our case, I see several different plans of action:

1. "Purification, calmness, and patience": Lower the ambition level temporarily. Wait for the organization to settle down, and make sure it is ready in all areas (development, production, administration, and marketing) before implementing the strategic plan.
2. "Grab the bull by the horns": Targeted action against that which is creating the weakest link, so that in the shortest time possible life can be breathed into mission, vision, and implementation; increase the organization's commitment to what must be done through the help of very high demands.

3. "The simple way": New mission, new vision, new goals, new strategy. The company goes through and adapts itself to the temporary conditions and then selects the vision that looks to most easily lead to increased profitability and growth.

There are of course other alternatives, but these three quite accurately describe the main features of the measures that must be taken by Vision and Reality, for it to become a successful and profitable business.

Once more:

1. Purification, calmness, and patience.
2. Grab the bull by the horns.
3. The simple way.

According to my view of things, they all lead to progress. Maybe not to the exact degree that I want, but for Vision and Reality it doesn't matter what I want, since the company has its own path to follow. I still believe that we, Vision and Reality and I, want roughly the same thing. But Vision and Reality demands of me something that I cannot give right now and do not have the power left to give. None of the plans of action that I have tallied up fit me.

I would prefer the first, but do not have the patience it requires. I want to move on, and cannot imagine having to deal with "corrections" for the next 3-4 months (the time I think it would take). I am also very disappointed over the fact that I could not make it further than here and that there is still much groundwork to be laid, something that I do not think I am capable of going through on behalf of the needs of Vision and Reality. If I did think myself capable, I would not experience the problems that I now do and that I believe we have.

The second alternative also appeals to me, but my whole chest feels heavy and I become winded and break out into a cold sweat whenever I think about it. I have previously done similar efforts and am right now far too tired and lacking faith for the integrity, tenacity, and energy that I know would be required of me.

It's not that I feel powerless. On the contrary, I have never been so convinced about what the future offers us all as I am right now, but this type of work to me is linked to negative energy – even if the consequences of the work are often positive – and my heart is on the verge of exploding because of something entirely different, which I must be able to release. And that is why I can't.

The third option I can't even begin to imagine how I'd tackle. I know that it would be devastating for me to step out of my very own dream, to discard everything that I feel we can accomplish together, just to make money in a simpler way. Don't want to, and can't either. If it is only a dream, then I rather keep on dreaming.

I'll stop here, by stating that I, as a shareholder and board member, can see that the company which I have invested in, and have great responsibility and love for, has a CEO who cannot fulfill his duties.

As a CEO without the confidence of the shareholders and board of directors, I can only do one thing.

I'm through with the mind games. I also hope that I can contribute to a period of serious, deep, and engaging examinations and conversations together with the currently most important stakeholders of Vision and Reality; the employees, the shareholders, and the board.

The undersigned is at the company's disposal until 000331.
Stockholm / Hans Hassle

Nine months later the company went bankrupt.

Those of us who went through this development, from founders to employees to newly-appointed owners and suppliers, naturally all have a different description of what really happened. I do not wish to take a stand for someone's description, not even my own. Nothing can defend the fact that I, as main owner, waived my responsibility in the manner that I did, by giving up in the end.

On the other hand, is it important to take advantage of the insights we might have, regardless of how they've come about.

I have learned that no matter the operation and objective, a company must be seen as being the own person ("legal person") that it is. A company is not just a collection of people who have decided to cooperate toward a common goal, it is also its own organism that is open to all who influence it or who are influenced by it, not just the owners. It doesn't matter how well-intentioned its purpose might be, a company primarily revolves around responsibility, not rights.

Lack of knowledge can lead to a situation where the company becomes like a razor in a drunken man's hand, a man who is blindfolded. It harms itself and others without even knowing how it happened. I truly believe that the risk of that happening is especially great when a company is used for a purpose other than financial gain.

The rules that bind a company are primarily shaped with profit as its base, and a balance between the company's obligations and rights is often sought through different types of financial transactions. A socially oriented business that operates with moral guidelines and maybe even social objectives risks becoming a place where the good cause justifies the means.

One can reflect over our state and municipal companies. Does morality seem to be ranked higher in listed companies or in our large cooperative companies...? Is there anyone who believes that decisions are not influenced by the owners' own interests? Is there anyone who believes that corruption is less here thanks to the lack of interest in making a profit?

Leaving the company that I was passionate about for fifteen years was something that I felt forced to do. The choice was between continuing on living together with colleagues that I no longer felt any confidence for or my family and health. I chose to relinquish responsibility for the benefit of my health and family. Since it contradicted with everything I had claimed to stand for, many became disappointed and angry, not to mention furious, with me. I left them to fend for themselves.

Despite this, and even though I myself suffered very large economic consequences because of my resignation, I still do not regret my decision. It is obvious that one cannot run a socially motivated enterprise without sharing values. Regardless of which of us had the right or wrong values, we could all agree that at least they were different.

The event that marked the start of our troubles was as follows.

BREACH OF CONTRACT

A very large, state-owned company broke a contract they had with us. They were dissatisfied with our delivery. The problem in our cooperation had begun after they retroactively halved the budget used to implement the proposal that we had won their internal competition with and that we had agreed to do.

Shortly after the message about the task being canceled had come through the fax, the large company's chief legal officer called and explained to me that another company would take over the task. They would even, without our approval, take over all of the work that we had done so far and finish the job instead of us. We would not be compensated for our expenses or for unbilled work. He lamented that it had happened right before Christmas and expected us to sue for breach of contract.

The sense of panic I felt then was difficult to handle. I tried to make him understand that I had fifteen employees, each with their own families... how could he reason the way he did, when he himself admitted that it was wrong...? I'll never forget his answer:

"That's not my problem. You as the CEO will have to deal with it. I only do what is best for my company. In this case, it comes down to altering the budget and reducing cost. The cost for the settlement that would likely be the outcome of a lawsuit goes into another account and will probably be one fifth of the real cost, tops. That is my job."

I felt like a naïve idiot who should have understood the response before receiving it. We wished each other Merry Christmas and hung up (many years later the large, state-owned company paid 20% of the actual cost to the bankruptcy estate).

That night, sitting by the kitchen table, I promised myself to continue through with my work but to concentrate solely on what I then called Corporate Citizenship. It led to a change of direction in my important sales work at the office, and the effect it caused was a dramatically lower income for us. We had broken one of our founding pillars: to not let any employee or client dominate our finances too much.

SABBATICAL YEAR

After resigning I put myself in "voluntary quarantine" for just under a year. It was primarily out of selfish reasons, to protect myself from the accusations of having left the company for personal gain. If any of the clients that had left the company together with me suddenly got in touch and wanted my continued help, I turned them down. Karin, I, and the kids lived off of our savings. The wealth that had been tied to company was of course gone.

It gave me time to work on that which I did not want to be paid to do. During this year, I dedicated myself to working for no pay under a couple of NGOs, some small businesses, and a few municipalities.

In many ways, it was one of the most interesting years of my professional life. I got the opportunity to meet people such as Ted Turner, Steven Rockefeller, and Mikhail Gorbachev. The highlight was when I, as a Swedish observer, had the chance to participate in the Millennium Peace Summit (described in the Guinness Book of World Records as the world's largest meeting of religious and spiritual leaders), held in the UN's General Assembly hall. There, my contacts were reestablished with the indigenous people.

The reason I was invited (formally by the Green Cross) was because Chief Oren Lyons, Faithkeeper and chief of the Iroquois Confederacy and Onondaga Nation, wanted me to present a film idea that he and I, along with Tonia Moya from the Green Cross, had been discussing for a few years' time. We needed another four leaders of indigenous people, which I would now have the chance to meet.

Two years after this amazing experience, Oren and I began working on Plantagon.



Conversing with the highest leader of the Irokese, Tadodaho Sidney Hill. Behind Tadodaho you can glimpse Chief Oren R. Lyons and clan mothers from Onondaga Nation.

CORPORATE CITIZENSHIP... SORRY, CITIZENSHIP

Seven years prior to the formation of Plantagon, I, together with Göran Pettersson, then-current CEO for the Red Cross Center for Ideas and Development in Mariefred, and my old cohort Magnus Hjelmare, started a consulting firm that specialized in corporate citizenship. The company's name was Corporate Citizenship AB. 10% of it was owned by one of listed company Sweco's (an engineering consultancy) concern companies, Sweco Energuide.

Together with Sweco's then-current head of environmental affairs, Gunnar Nordberg, we developed the very first management tool for what is today called Corporate Social Responsibility (CSR): Global Compact Index. The work was done in agreement with Global Compact – UN's and Kofi Annan's initiative for an increased voluntary accountability among multinational corporations.

Its aim was to identify, teach, and implement concrete projects that both made our customers act more responsibly with regard to their businesses and increased their profitability.

There are many exciting stories from these years, even if my own feelings became increasingly characterized by the sense of "framing other people's paintings", as I used to say at home. For a great number of years I had been concentrated on

building myself up as an entrepreneur, and now I was working as a consultant for other people.

The defining story, relevant for the development of companization, is a single one.

Global Compact Index consisted of some eighty issues that were based on the UN recommendations of the Global Compact. The areas it touched upon were human rights, labor law, and the environment. With the starting-points based on existing, international agreements, the UN, on Kofi Annan's direct initiative, had simplified all of these agreements and broken them down into nine principles, which Annan encouraged the international trade and industry to support. Behind every principle were concrete recommendations, for example how a company should handle a situation where a mistake had occurred and that involved child labor.

Global Compact Index was shaped starting with these recommendations. What we did was simply take the UN's recommendations and make them issues.

Example: If one of the recommendations behind the stance against child labor was to provide education to a child who had erroneously been used as labor, then the question or issue we would pose could be "Would the company offer education to a child who had been erroneously used for labor?" And the available answers would range from "Of course" to "Highly unlikely".

The questions were written in a way that from the perspective of international law there could only be obvious answers.

After a very comprehensive survey on Swedish trade and industry, we were able to conclude that the answers were not so obvious. Even if the result that we presented together with the Stockholm Centre for Organizational Research (SCORE) showed that many companies were in favor of the UN recommendations, there were also many serious exceptions.

The report received a great deal of attention, and was published on the UN webpage for Global Compact and is still available for download today.

What is not present in the report are the comments, opinions, and attitudes from some of the people invited to participate in the study. It was them who left a lasting impact on me. Even though the UN's support for our methods and study gave us the clear option of gliding around TV channels to proclaim ourselves as 'gurus' in the CSR field (I believe that to this day we are still the only company



Chief Oren R. Lyons has just delivered his famous speech: "The Ice is Melting".



to have had such material published by the UN), we chose instead to revamp our entire operation.

We knew what we were capable of, being good at what we did, but we also knew that three conclusions could be drawn:

- The market we intended for with CSR-consulting would become smaller and smaller. We were handling way too sensitive information and wanted to draw moral conclusion based on that information. Even if we geared all that work toward profitability, we were still idealists, and the customer was actually at risk of having our own personal code of ethics take precedence over our professionalism.
- The expansion of more PR-related, superficial CSR-consulting among the advertising agencies was easy to predict, a direction that we understood would take up a lot of space and that we wanted nothing to do with.
- What we meant with Corporate Citizenship and CSR, the companies could not handle. They were simply not built for it.

The fact that I personally was having a difficult time relating the questions of child labor, debt bondage, and pollution to whether something was profitable or not, eventually led to a crucial point. It was during a dinner at home with the family that I finally decided. We sat around chatting, as families do, about the day that had gone by, and I told them about my day and said "Imagine if mom and I educated you in the same manner that we talk to each other at work... Then I would say to you guys to go to school tomorrow and only accept responsibility when you yourselves have something to gain from it..."

The children's moral dilemmas as I

The children's moral dilemmas as I



Story in the Swedish newspaper Dagens Industri, June 17, 2005

tried to explain to them that it wasn't always so simple, that it sometimes took longer, and... it was as I said the deciding factor.

Corporate Citizenship AB, which at this point had changed names to Swecorp Citizenship Stockholm AB, abandoned all consulting activities and focused solely on what we called CSR 3.0 – projects where the environmental, social, and economic responsibilities are implemented into the operation from the get-go and are secured for all future time.

We sent out a press release about it and got a fair share of attention. Three full pages in the Swedish financial paper *Dagens Industri* with the heading “Many businessmen can not, will not, and do not understand”. Even if it was a misquotation—it should've said “companies” instead of “businessmen”—it was an effective way of getting rid of all CSR missions. We received even more press from the newspaper *ETC*, a radical socialist publication, with the heading: “Capitalism will save the world!”

It was fun to see both articles, as we had seemingly taken some sort of stand that interested people of differing perspectives.

SHARPENED ELBOWS

Just like the character Leo Kall in Karin Boye's novel *Kallockain*, I have been forced into the opposite direction, out into the purposelessness, to reach my understanding, my conviction. It is a very long series of events and experiences that might not seem connected to each other but that to me are infinite, a thread of destiny. They are bound by a dream I have of a more permissive society where we are able to meet each other without so much protection, without having to dissimulate ourselves.

So, after all this, what is my final conclusion?

To be able to reach a state where Business as usual is over and where we can create Kofi Annan's market with a human face, we must first understand Business by the book.

Since we are moving into a world where Adam Smith's moralistic rottenness rules supreme, we have the choice between accepting it as it is or fighting against it as a concept. The latter is more a question of ethics and politics rather than running a business.

Just like all the women who have had to fight for their right to have their voices heard in a male-dominated world, so must we, both women and men who are

driven by a sense of idealism in the business world, understand that no one will take for granted what we say in the beginning. We must be better than those with whom we share space with; smarter, more audacious, and at least just as adamant. We are limited by the moral framework we have voluntarily committed ourselves to operating within, our own personal morality and of course the legislation that surrounds us all, but we cannot think that our good intentions in any way require less in the way of entrepreneurial spirit, skill in business, and economic disposition.

I quote Adam Smith once more:

This disposition to admire, and almost to worship, the rich and the powerful, and to despise, or, at least, to neglect persons of poor and mean condition, though necessary both to establish and to maintain the distinction of ranks and the order of society, is, at the same time, the great and most universal cause of the corruption of our moral sentiments. That wealth and greatness are often regarded with the respect and admiration which are due only to wisdom and virtue; and that the contempt, of which vice and folly are the only proper objects, is often most unjustly bestowed upon poverty and weakness, has been the complaint of moralists in all ages.

“The Theory of Moral Sentiments”

It is therefore time that we who admire wisdom and virtue stop acting like moral philosophers, sharpen our elbows, and make sure to prove that it can be done in a better way. No one else will do it for us. We must achieve a change in the foundation of business, if we are to survive.

The world's first companization, Plantagon, was founded January 29, 2008, in Onondaga Nation, New York State. On that Tuesday, members of the Onondaga Nation's chief council, Oren R. Lyons, Vincent Johnsson, Virgil Thomas, and I all signed the document that we had been working on since 2004. In practice, our signatures meant that we shared the company's revenue and the long-term control over Plantagon starting from when the company was first formed. It had taken us six years to go from words to action, and none of us knew how it would turn out.

Today, as I write this, it has been close to four years. We still have a long way to go to prove that companization is an idea that works, but already now we are considered a global market leader within our area of urban agriculture. Plantagon's work has been awarded with numerous international awards, among them the Red Herring for being one of Europe's 100 most innovative companies.

Personally, I have received the “CEO of the Year” award in Sweden from European CEO (www.europeanceo.com) for my work with valuation issues in the business world. This means much for our continuation, the fact that they, thanks to companization and its development, placed me at spot number 5 out of 20 of my CEO colleagues in Europe.

Did you notice that? “CEO colleagues”... yes, I’ll accept it. From the street where I grew up in Stureby and my father’s thinner-smelling workshop, I have made it all the way here. I guess you could say I’ve moved up in life. But have I really? No, it doesn’t feel that way at all. What I do is the same thing my father did, I’m just trying to run a company based on my own commonsense. I am troubled by the same ‘education complex’ and sense of being uncomfortable in the company of successful people, as if I don’t belong there on their terms. But there is a reason behind it all and that is why I continue.

At a recent meeting in Singapore, I was introduced for the second time in my life with the words, “Welcome to the top of the world!”. It came from a person who truly believed that that’s where she was, the world’s top, and apparently I was also there. “Thanks... Hi..!” My work in Plantagon had given me yet another opportunity to show a very influential person how the love for what we believe in can overcome challenges that most of us are too afraid to face. That meeting led to a decision that could be crucial to the success of creating a sustainable way of delivering food to populations in future tropical megacities.

If it makes any difference is yet to be seen, too often I do have doubts. The most important thing for me is that I’ll always know that I tried, and that I truly believe it is possible if we just help each other out. Sooner or later we’ll understand this.

Thanks to

My colleagues at Plantagon, who asked me to write. Without them, I wouldn't have dared.

Tobias Geimer, the friend who saved my life in Tibet, and who formulated my thoughts so that I could understand them.

Göran Pettersson, Secretary-General of Forum för Frivilligt Socialt Arbete (Forum for Voluntary Social Work), who with great knowledge and innovative thinking on organizations brought many crucial ideas and points of view to the table, among them the idea of the organization's influence over the company's board of directors.

Mats Tyrstrup at the Center for Advanced Studies in Leadership, who questioned everything in an admirable way and forced the details to the forefront.

Anita Roddick, founder of The Body Shop, who lifted my perspective to a whole new level and introduced the idea of a "green stock exchange".

Oren R. Lyons, his generation's most influential representative for the world's indigenous people, who, together with the Onondaga Nation, gave me the opportunity to test the waters.

Åke Olsson, innovator of Plantagon's vertical greenhouses, who immediately understood everything and dared to pass on his own vision to me.

Karl-Erik Edris, author and wise man, who withstood the pressure when I was at my most doubtful.

Tonia Moya, Secretary-General of GreenCross Sweden, who, through her work at GreenCross, showed me the Earth Charter, spread companionization as an idea, and shared her enormous network and love with Oren R. Lyons.

Simon and MoaLee Hassle, our children, who grew up with a father who had a job they never could successfully explain.

Karin Hassle, my life partner, who listened when no one else understood and then gave it all.

Alla ni, who, by being living examples of how badly greed, sordid ambitions of power, and selfish acts work as an incentive for long-term sustainable development, have convinced me that "Business as usual is over".

Glossary

An asterisk "*" before a word is a reference to its base form, found in this glossary. That means that, for example, "*" the company's" is a reference to read more under the word company.

administer [see administration], be in charge, manage information for decision-making process.

administration [from the Latin administrare, to serve], management

annual general meeting is the name for the annual assembly of the members of a party or organization, or of the shareholders in a corporation.

annual report, financial statement of a company, economic association, or similar organization. According to the Swedish Companies Act, the annual report should include the income statement, balance sheet, and administration report, and be presented at the general meeting. Larger companies should also give interim reports. After the accounts have been set by the general meeting (and after the executive management and board have been granted discharge of liability), it should be sent to the Swedish Companies Registration Office for publication.

articles of incorporation, one of a * corporation's board documents. Details, together with the legislation, the framework for the company's operation. See also the facts on page 33.

audit [from the Latin auditus, a hearing], the examination of financial accounts such as bookkeeping, accounting, and administration of a company, organization, or public body. Its purpose is to clarify that the accounts are true and the administration is secure.

auditor, a person who professionally and on behalf of the company performs the * audit.

auditor's report, a statement that, among other things, the Swedish Companies Act mandates should be filed annually by an auditor. In addition to communicating the results of the audit, the balance sheet shall be set and, if the results allow, discharge of liability shall be given to the board of directors for the last accounting period.

board of directors, group of persons who hold the responsibility for the organization and management of corporations, associations, foundations, or any other legal person. Generally, members are selected at the annual general meeting, mass meeting, or something similar. The board is led by a chairman.

brand is a name, symbol, or design that is used to identify a specific product or service. A brand has a fundamental importance for a company's marketing, and the term often pertains to the whole consumer experience of a company, that is to say that the brand spreads the company's positive impression to the general public. A brand is an intangible asset and is protected by trademark (registered with the PTO, Patent and Trademark Office).

bridge loan, a short-term loan intended to provide liquidity while a company works toward a long-term solution.

business economics is the study of marketing, corporate organization, accounting, and financial control, among other topics.

bylaws, the internal rules and code of conduct of an organization or foundation. See also Articles of Incorporation.

capitalism, economic system based on a market economy, employment, and individual disposition over production means. Capitalism has been dominant in the developed countries since the 18th century.

chief executive officer, CEO, the person who is responsible, under the board, for the ongoing management of a company or organization.

Cold War, name of the tense relationship between the West and the Eastern Bloc between approximately 1946 (after the end of WWII) and 1962 (Cuban Missile Crisis). It was primarily an ideological battle with propaganda and diplomacy as a weapon. Direct acts of war were avoided. At the Potsdam Conference in 1945, disagreement was exposed between the Allies, which led to Germany being split in two with the Iron Curtain in between, something that was further bolstered by the Czech coup of 1948 and an increase in the Sovietization of Eastern Europe. In June of the same year, the Berlin blockade arose, to

which the Americans answered with an "airlift". The West, in 1949, created the military alliance NATO, and the Eastern bloc responded with the Warsaw Pact. In 1961, the Berlin Wall was erected. The first military show of force was the Korean War (1950-53), followed by a number of other crises. The most serious being the Cuban Missile Crisis, when Castro approached the Soviet Union. When the Soviets sent missiles to the island, the US responded with a sea blockade, and the world was brought to the brink of nuclear war, which was averted by a direct settlement between Kennedy and Khrushchev. Following that, a number of attempts at disarmament were tried (for instance through the SALT meetings), but the arms race, whose purpose was to maintain the balance of terror, continued on for a long time.

companies law, summary of the descriptions of the laws relating to legal persons. (corporations, partnerships, trading companies, economic associations). A nonprofit organization is an unregulated form of association.

Corporate Citizenship, term used for a company's social responsibility (other terms with similar content include CSR, Corporate Social Responsibility, and SR, Social Responsibility). This social responsibility can be divided up into different parts: economic, environmental, social and ethical responsibility, which together should govern corporate behavior. There are different control mechanisms to ensure that the company lives by its values. One is * GRI (Global Reporting Initiative). Since 2010, there is also an ISO standard (ISO 26000), which gives global guidance. Today, instead of Corporate Citizenship the term sustainability is used, and it is considered as having a more scientific content.

corporate governance pertains to the decision-making process through which the owners control a company, directly or indirectly. Larger companies can deliver a special report about issues of corporate governance in connection with the annual financial statement. Many listed companies comply with the Swedish code of corporate governance, which was drawn up by the Swedish Corporate Governance Board.

Corporate Social Responsibility, see Corporate Citizenship

corporation, a common form of business organization. It is an entity that is separate from its owners and holds many legal rights and responsibilities, such as the right to hire employees, borrow capital, issue stocks, and stand as plaintiff or defendant in a civil or

criminal case (the latter only as a defendant). A corporation's shareholders can participate in the payment of profit to its owners, called dividends, but cannot be held liable for its debts. There are different types of corporations; some limit the total amount of shareholders while others limit or specify the scope of operation. Corporations can be publicly- or privately held, meaning shares are made available to the public or are kept private, respectively. A corporation must have selected a board of directors prior to its incorporation and must keep an account of its dealings.

CSR, see Corporate Citizenship

diffusion, the spread of an innovation. Users of a new innovation are often categorized by how fast they adopt the new idea: the quickest are called innovators, followed by early adopters. The last to embrace the innovation are called laggards.

discharge of liability, legal term which means that those in charge at the annual general meeting or general meeting get an approval for the last accounting period. Discharge of liability means the organization or company does not have the right to retroactively sue for example members of the board or CEO. The ruling of discharge of liability is an obligatory process of the annual general meeting.

dividends, payment of assets from a company to its shareholders. The part of the profits that is paid out is calculated by the dividend payout ratio. The size of the dividend is proposed by the board of directors at the annual general meeting, but the decision is taken by the shareholders.

economic association runs economic activities in order to promote the economic interests of its members. Its activities are carried out in accordance with cooperative principles (unlike those of companies and nonprofits). An economic association can be registered with the Swedish Companies Registration Office to become a legal person. The association should have a board of directors with at least 3 members, an auditor, and establish an annual report.

economy [from the Greek *oikonomia*, management], housekeeping, individual or public business position. Scientifically, the word economy encompasses * macroeconomics, * microeconomics, and * business economics.

entrepreneur [from the French *entreprendre*, to undertake], a person or company who takes on contracts (commitments of larger scale) within a particular area. Since the 1980s, the word has also been used to denote an innovative

businessman who has the drive and boldness to start a new business (entrepreneurial spirit).

equity issuance, see issue.

ethics (from the Greek *ethos*, custom), the part of philosophy that attempts to answer questions such as "what is good?" and "what is right?". Descriptive ethics describes historically given concepts of good and right, while normative ethics seeks to set standards for how we should act. Compare with * morality.

Euroclear Sweden stores registers of the majority of shares and securities traded on the Swedish financial markets. Formed in 1971 under the name Värdepapperscentralen (VPC).

evolutionary economics studies the economic processes initiated primarily by innovation.

exchange, see stock exchange

foundation, an organizational structure (legal person) that is used to, for example, manage a fund according to a testament, deed of gift, or something similar. Unlike companies and associations, a foundation has no members or owners. A foundation is run by a board of directors or a trustee, and is controlled by a memorandum. Predominantly non-profit or public foundations benefit from special tax rules. Most foundations are under the supervision of an administrative board.

general meeting, * the corporation's decision-making body.

Global Compact is a global platform that was created in 1999 under the initiative of the UN secretary-general at the time, Kofi Annan. In a speech at the World Economic Forum in Davos, Annan called on the business world to take responsibility. Read more on pages 18-23.

Global Reporting Initiative, see * GRI.

GRI (Global Reporting Initiative), a standard for showing a company's results in relation to social responsibility. Used in sustainability reports, either as part of the financial statement or as a stand-alone report. See Corporate Citizenship.

growth capital is needed for a startup company to be able to evolve into a mature company. See also bridge loan.

idealism is a branch within philosophy that considers the primary concern to be consciousness or spirit, in contrast to realism or materialism.

innovation [from the Latin *innovare*, to renew], name for new technical or cultural ideas, methods, inventions, etc.

investment bank is a financial institution that gives out (issues) and sells financial assets, often combined with consultation and trade for its own account.

ISO 26000, a guiding standard for corporate social responsibility, developed by countries and international organizations under the leadership of the SIS, Swedish Standard Institute. Published 2010. See Corporate Citizenship.

issue [from the Old French *issu*, to flow out], the offering of securities such as * shares, bonds, and debentures for sale. The issue price may not be less than the par value. At an equity issuance, the company's share capital increases through the issuing of new shares.

key performance indicator, the name of a certain measurement that can be used to evaluate a company and assess its development. It is primarily the equity ratio, liquidity, turnover, yield, and net margin that are analyzed. One example of a key performance indicator is * P/E ratio.

law [from the Proto-Germanic *lagan*, to put or lay], doctrine of legal rules and their applications.

LBO (Leveraged Buy-Out) is when a company is purchased using a combination of equity and loans. Often, the purchased company's assets are placed as collateral for the loans. The aim is to enable large business transactions without investing too much of own capital.

LCO (Leveraged Cash-Out) is when a loan is taken out by a company. The aim is to reduce the equity ratio so that the company is forced to improve efficiency.

legal person is a legal concept for an association (companies, organizations, states, counties, bankruptcy estate) that has its own legal personality. The legal person may sign contracts, have employees, own assets and incur debts, stand as a party in a court of law, and more. A legal person can protect its owners from personal liability.

legitimacy [from the Latin *legitimus*], qualified.

Leveraged Buy-Out, see LBO.

Leveraged Cash-Out, see LCO.

macroeconomics, the study of the general features and processes that make up a national economy.

management is a group of people who hold executive power and who have been appointed by the company's board of directors to, under direction of the general meeting's mission, protect the interests of the shareholders. The work is headed by a CEO (Chief Executive Office). The rest of the management team can be consultants with different competences. Often, information between departments is coordinated by an administrative coordinator.

Management Buy-In, see MBI.

Management Buy-Out, see MBO.

materialism is a branch within philosophy that assumes that there is an outside world independent of our consciousness (realism), and that this world is exclusively physical (not transcendental) and therefore can in principle be understood by science.

MBI (Management Buy-In) is when an external group buys into a company and takes over management.

MBO (Management Buy-Out) is when management buys out the company, sometimes together with a venture capitalist.

microeconomics, the study of particular aspects of an economy or particular agents.

morality [from the Latin *moralis*, relating to manners], ethical, the norms, rules, and principles that are part of a culture and are seen as being right. Certain aspects of morality are studied in * ethics.

NGO (Non-Governmental Organization), an organization without any ties to a state or government. Can operate voluntarily or commercially, even across nation borders.

non-profit organizations, organizations that do not engage in economic activities. Read more on pages 35 et seq.

organization [from the Greek *organon*, tools] large associations, for example companies, trade unions, societies. In daily speech, the word means to coordinate different parts of a joint collaboration.

P/E ratio is the share price divided by earnings per share. It gives an indication of how high or how low a share is valued in relation to the actual profits.

personal finance, the branch of economy that deals with an individual's revenue, expenditure, assets, liabilities, and much more.

politics [from the Greek *politicos*, related to the state] activities, even those of parties, groups, or individuals, undertaken in order to gain influence over governance. Also related to policy, the guidelines that an organization, company, or individual writes up to show how to act in a given situation.

productivity, efficiency of production, for example the size of the output per hour worked. Productivity can also be used in general regarding ability or fruitfulness.

quota value indicates the ratio between a corporation's share capital and the number of shares outstanding (formerly known as nominal amount).

realism is a branch within philosophy that believes there is an outside world that is independent of human consciousness. In art and literature, the term denotes real life depictions.

risk capital, collective name for a variety of ways to finance a business' start-up or expansion. Venture capitalists can invest money in companies with a need, develop the business, and then sell it at a profit. There are two types of risk capital * venture capital and * buy-out.

seed capital, see * venture capital.

settlor, the person or persons (natural or judicial) who set up a foundation.

share [from the Old English *scearu*, to divide], ownership in a * corporation. Shares may be transferred. It gives the shareholder the right to participate and vote in the company's annual general meeting and to take part of the company's profits in the form of dividends. Through equity issuance, * issue or * split, the number of shares or share capital in the company changes. A distinction is made between different classes of shares, such as A shares and B shares (with different voting rights at the annual general meeting), and common stock and preferred stock (with different rights to the company's assets and profits). The reason behind issuing shares with different voting values can be that in a capital increase (equity issuance) a certain group would want to reserve the decisive role in the influence over a company.

share capital, see share.

share certificate is a document that verifies a shareholder's ownership in a company. It is issued to a specific person and may include one or more shares of the same class type. In Sweden, it is issued by Euroclear Sweden, formerly VPC (Värdepapperscentralen).

share class, see share.

share price, see share.

social responsibility, see Corporate Citizenship.

split, the division of a share into smaller parts without change to the par value. A 100 to 1 split means that a share with the par value of 100 SEK is divided into 100 shares each with the value of 1 SEK. Such a split might be done to, for instance, increase ownership, affect the stock quote, dividend amount, or something similar. A reverse stock split is when several shares are put together into one and the effect it has is the reverse of a split (can for example be used when value of a share has fallen to fractions of a penny).

SR (Social Responsibility), see Corporate Citizenship.

stock exchange, marketplace for shares at market price. A corporation can list their shares on the stock exchange so that buyers and sellers can conduct business in a controlled environment. A listing is preceded by a comprehensive review, when the company undergoes due diligence. Those who want to sell place a sell order (number of shares and price) on the exchange. Likewise, those who want to buy place a buy order. The minimum selling price and the maximum buying price constitute the share's transaction limit. Today there is comprehensive computerized algorithmic trading. In Sweden there are two stock exchanges, NASDAQ OMX for established companies and NGM Equity for growing companies.

stock market, a place for trading in securities. Trading usually take place on a * stock exchange, but can also be done between individuals.

stock portfolio, a company's or person's total shareholding in at least two listed companies.

taxable persons are obligated to declare their income and pay a tax on profits. This includes, for example, corporations.

venture capital, seed capital, the initial funding that an entrepreneur needs to develop an idea and start a company.

virtue denotes, in the classical sense, the will's focus on good. Greek philosophers listed four cardinal virtues: prudence, justice, temperance, and courage. Christianity added faith, hope, and love. Especially during the 17th and 18th centuries, virtue was a watchword.

voting rights in companies, see * share.

VPC, Värdepapperscentralen, nowadays called * Euroclear Sweden.

wisdom, the ability of a person to combine knowledge, understanding, intelligence, and experience, and use them as the basis for making a decision.

WTO (World Trade Organization), international organization whose purpose is the monitoring and liberalization of international trade. The organization has three main contracts: GATT (General Agreement on Tariffs and Trade), which regulates merchandise trade between countries, GATS (General Agreement on Trade and Services), which regulates trade in the service sector, and TRIPS (Trade Related Aspects of Intellectual Property Rights), which regulates intellectual property such as copyrights and patents. In addition, there are a number of agreements in place on a wide range of areas. The WTO was established in 1995 and has more than 150 member states.