

## WHERE IS ALBERTA HEADING?

**Elwil Beukes:** *Business should replace bottom-line thinking with a “triple bottom line.”*

Recent tragic events raise the question of whether we need catastrophic shocks to force us to reconsider the path we're on. Wasn't it true that after the bombing in New York and Washington, everybody had the same idea: the world will never be the same again.

The prospect of Alberta being without debt in the foreseeable future is one such occasion for change. Are we going to continue along the old path? My answer is “no.” We have to do things differently. We urgently need to begin talking to each other as citizens about the common good, instead of only fighting for a larger slice of the pie.

Is this not the time for business, that very powerful force in society, to take a lead in launching new ways of becoming more creative, more responsible, in our economic lives?

Can we now begin to make economic decisions as if people mattered most? We have all sorts of reasons for doing this. By our standard ways of measuring our performance – and that is one of our problems, we measure the wrong things – we are doing better and better. Most of us are convinced that the Gross Domestic Product (GDP) is the true indicator of how well we are doing. The truth is, this indicator never was intended to measure society's well-being.

In fact there is abundant evidence that GDP can grow or shrink without doing anything to our real well-being. Yet if spokespersons for business keep using GDP for indicating what we should do to improve our condition, their influential voices will keep steering society with this wrong signal. Business should add its voice to ask that we look elsewhere for a compass needle to steer our economic life. Benchmarks such as the Genuine Progress Indicator (GPI) have already been developed.

The power of corporations has grown so tremendously that their decisions have become a very powerful influence on the future of society. A recent National Post headline stated that a survey of business leaders indicated that they do not believe the quality of life is an economic asset. Social programs, they argued, only make a difference for those with low or moderate incomes. It's stark evidence of the great divide between the average Canadian and our business elite. We have to talk about this.

The standard opinion propagated by much of the financial press and business speakers is that business' role is what it always was: to maximize profits. Yet a marvellous new option has come to the fore. Instead of merely using financial profit (the single bottom line) as the touchstone of business success, visionary business advisors propose that the time has come to use a *triple bottom line*.

It gives equal attention in measuring business success to the economic value added as well as the social and environmental value of their activities. At its narrowest, the term “triple bottom line” is used as a framework for measuring and reporting corporate performance against economic, social and environmental standards. At its broadest, the term captures the whole set of values, issues and processes companies must address to maximize quality of life and minimize harm resulting from their activities.

Using the triple bottom line involves looking in a radically new way at an enterprise’s purpose, taking into consideration the needs of all the company’s stakeholders - shareholders, customers, employees, business partners, governments, communities and the public.

Smart companies have begun to realise that business is not divorced from the wider community. It is an inseparable part of society. Taking this seriously has profound implications for the way business operates. Realizing the value of enhanced relations with all stakeholders and caring about a healthy physical environment are the building blocks of a new approach. The triple bottom line is an idea whose time has come. It provides a promising start to remaking the role of business for the common good.

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