

# **The Economy of Sharing Project: An entrepreneurial proposal of the Focolare Movement to create and distribute wealth**

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## **1. Introduction: The Focolare Movement**

The Economy of Sharing (EOS) project originates from the Focolare Movement. To better understand this project it is expedient to briefly describe some characteristics of the Movement.

It began in 1943, in Trent, Northern Italy. At that time, Trent was under heavy bombardments by the Allies of World War II. Chiara Lubich, a young school teacher, and a small group of her friends saw all their plans vanish before them: studies, the possibility of having a beautiful home, the fiancé of one who never returned from the front, ... So they asked themselves a question: Is there an ideal we can live for that no bomb can destroy? From their hearts came the answer that “yes”: God is such an ideal! So, these young girls chose a new ideal in their lives: God. And the God they experienced was a God of Love. They experienced being immensely loved by God, and thus, they understood their mission: To bring Love to all people, beginning with a concrete, active commitment toward others. In fact, their first concrete project was to resolve the socioeconomic situation of Trent’s poor during wartime. But it was not merely charity because a very new and original spirituality simultaneously sprang up.

Currently, the Movement which is considered by Pope John Paul II as a “people” and a “significant expression of the charismatic aspect of the Church” gathers about 5 million persons of different races, languages, nationalities and religious convictions, and is spread throughout 182 countries. Most of its members are Catholics, but there are also active participants who are members of other churches and religions, and even persons without precise religious references but who are willing to collaborate for the common good. The Focolare Movement covers a wide range of aspects of life: from the spiritual to the apostolic, from charitable to the social and economical, from the political to the ecumenical, interreligious and cultural<sup>1</sup>.

## **2. The key concept: Unity**

This integrative development of the Focolare Movement is due to the key aspect of its spirituality: Unity. Based on the experience of the Love of God, and in the midst of World War II, Chiara and her group of friends understood that God loves everyone

immensely, without exclusion. As Father of all people, He does not discriminate between races, creeds, convictions, rich or poor. It was thus within this climate that one day during the beginning of the Movement, while seeking refuge in a cellar during a bomb attack, they read the Gospel and found the prayer in Jn 17 “Holy Father (...) may they all be one as You and I are one”. They immediately understood that they were born to contribute to the fulfillment of this page of the Gospel: To contribute to the unity of all.

The spirituality of the Focolare is mainly practice-oriented. Its goal is to live the gospel day by day. In such a way, to create “unity” became the basis of daily living for the persons who adhere to this spirituality. In concrete terms this means to face all possible barriers that separate people and to look for a way to bring them together in harmony. In other words, it means to create unity in diversity. They found a sublime paradigm for this style of life: Trinity. This means that, in its essence, the spirituality of the Focolare Movement consists in living a Trinitarian style of life.

The practice of unity in diversity creates a new impulse on the level of reflection as well, and it converges with modern theological viewpoints. In fact, the following critical observation by K. Rahner is rendered untrue: “If we would omit the doctrine of the Trinity, most of the theological lectures would remain unaltered.”<sup>ii</sup> Neither could we underline the position found among many modern philosophers after Kant, that in the Trinitarian doctrine we can find nothing relevant for putting into practice.<sup>iii</sup> Perhaps we are not too far away from overcoming the “fatale deficiency” denounced by v. Balthasar who observed that “the dimension of intersubjectivity on which the Gospel’s ethic is based could not find a sufficient philosophical formulation in classical Greek/Latin thought. Even today this dimension has not succeeded in becoming a central topic in philosophy.”<sup>iv</sup>

The Focolare Movement, with its practice of, and reflections on unity according to the style of the Trinity strongly contributes to overcoming that “fatale deficiency” which affected not only theology and philosophy (as we will see later), but also the economic and management sciences. In fact, to understand the Economy of Sharing Project, it is necessary to constantly keep this paradigm of unity in mind.

### **3. The Economy of Sharing project: Its history and some characteristics**

The Economy of Sharing (EoS) project started in 1991 in Brazil. The Focolare Movement has been present in this country since 1958 and its members number about 250.000 from all social classes. In spite of the practice of the “communion of the goods”, where the members of the Focolare community spontaneously share their goods to help the poorest among them, some members continued having their basic needs unmet. This fact inspired Chiara during a visit to the Brazilian community to promote a new project: the Economy of Sharing.

The basic idea is quite simple. Chiara understood that it is not enough to share the existing wealth. There was the need to create more wealth and to create a structure for its equitable distribution. She intuited that more wealth could be created if a spirit of

“communion” was applied to the process of its creation as well. This meant putting together resources, skills, and knowledge to jointly create more wealth. The objective of this project was only one: To eradicate poverty in the community. Therefore, Chiara suggested distributing the profits in three parts: one destined to alleviate immediately the suffering of those lacking their basic needs; another part to educate persons in the spirit of the “culture of giving”, and a third part for its reinvestment in the business to enable its growth.

The businesses in general try to establish themselves in the vicinity of the small model-towns of the Focolare Movement – which number more than 20 all throughout the world - where people try to put the movement’s spirituality into practice.

Within a short time, not only Brazilians, but also persons from all over the world wanted to contribute to the EoS project. There are currently 761 businesses<sup>v</sup> that participate. The graph below illustrates their distribution throughout the continents, as well as the sectors they belong to. Most of them – 736 - are still small businesses (up to 50 employees), and 15 have between 50 and 100 employees. Ten have more than 100.

While the EoS project continued past its first experiences which included successes and failures, another fact came into evidence which is perhaps the most important regarding the developmental influences of the project, and also the entrepreneurial behavior of its businesses: The protagonists of the EoS [entrepreneurs, managers, employees, and workers] projected the spirituality of the Focolare Movement into their working experience. This had some very significant consequences:

One such consequence was the “humanization” of economic activities. This meant that in the context of the EoS, all its activities become human-centered and directed toward the common good. Now, “human-centered” is a term frequently used, but in the context of EoS it acquires a completely new and revolutionary significance. That is, the center of all activities is the “person” which unveils itself only within a community context, through a “trinitarian” or “pericoretical” dynamism of giving and receiving. In this way, and in the midst of an individualistic market, all kinds of relationships become very important and so do their related values such as trust, openness toward the others, reciprocity, acting gratuitously. The EoS simultaneously promotes communities such as the community of employees; the community they constitute together with their families; the community with clients, with other businesses like the providers, the competitors and so on. The focolarian “human-centered” practice leads directly to what is the stakeholder-approach but enriches it with an essential dynamism. All of the above and in conjunction leads toward Corporate Social Responsibility (CSR) and ethical codes for business practice, which are issues looked for by many but that have yet to emerge<sup>vi</sup>

Particularly interesting is the relationship with the poor. Gratefulness, solidarity and attention to the most vulnerable persons which has traditionally been the domain of non-profit organizations now becomes part of the business strategy of profit organizations. But not in an assistance sense. Instead, the poor are one of the most important stakeholders. They not only receive help in different forms, but they also invest

something very important into the organization: Their needs, their hopes, their poverty. Their very existence makes the dynamism of giving and receiving possible. It is a dynamism which is constitutional of the EoS and distinguishes itself in essence from other approaches which are guided by the accumulation of wealth. The poor are the key-stakeholders in building up and sustaining the “culture of giving”, the culture of gratuitous giving and reciprocity. Experience has demonstrated that such involvement of the poor in the project does not lead them into perceiving themselves as being “assisted.” On the contrary, they feel profoundly dignified as persons. In fact, immediately after their own economic and social recuperation, most of them spontaneously start to share the few things they possess.

The EoS project is conceived of as an entrepreneurial project, focused especially on administrative, managerial and economic aspects. But it cannot be perceived in isolation from other expressions of everyday life such as education, cultural and religious activities, studies, common celebrating, etc. Therefore, from the beginning it was important to connect the businesses of EoS with the model “towns” of the Focolare Movement, thus, creating in their neighborhood small industrial pools. So, the economic activities become embedded within the spirit of the Movement. A spirit characterized by strong relationships of mutual giving and receiving in all dimensions of life. This is what oftentimes is denoted as the “culture of giving”.

#### **4. Some experiences of EoS businesses**

Creating wealth with the goal of voluntarily distributing the generated profits and not aiming at their accumulation violates a principle that is considered basic to the dynamism of the free market. Therefore, a common question is: Are businesses of the EoS project able to survive in the midst of a market oriented, global economy?

Certainly, there have been negative experiences as well. More or less 20 % of the first experiences of EoS-businesses failed. But this was also a very important experience for the other EoS companies. Currently, there is an increasing number of paradox experiences demonstrating that this “violation” of the market-law of accumulation by the mentality of a “culture of giving” improves competitiveness.

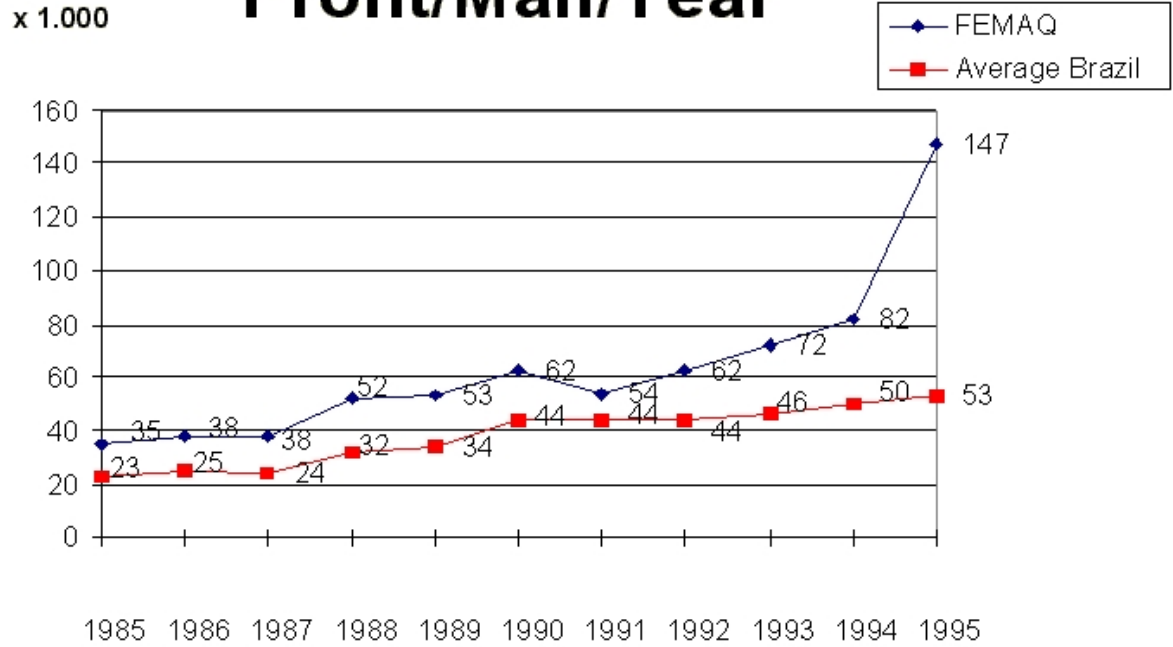
One such experience is a small rural bank in the Philippines specialized in micro-credits. When the bank joined the EoS project it began to grow at a very surprising rate, and it is now the fourth largest rural bank in the Philippines. During the Asian crisis, it was bordering on break-down just as many other banks were. But it was precisely the “culture of giving” which caused its salvation. The culture of giving had established a very strong identification of the employees with the corporation to such a point where the employees themselves guaranteed the client’s savings with their own small capital. Moreover, in very few years the bank was able to construct relationships of deep trust with its clients. This allowed the rural bank to survive notwithstanding the deepest Asian crisis.

Another example is a small industry of washing materials from the EoS Industrial Pool near Sao Paolo, Brazil, that survives and grows in a very difficult competitive situation. The reason for its prosperity is its manager's personal conviction and the relationship of trust with the clients and providers.

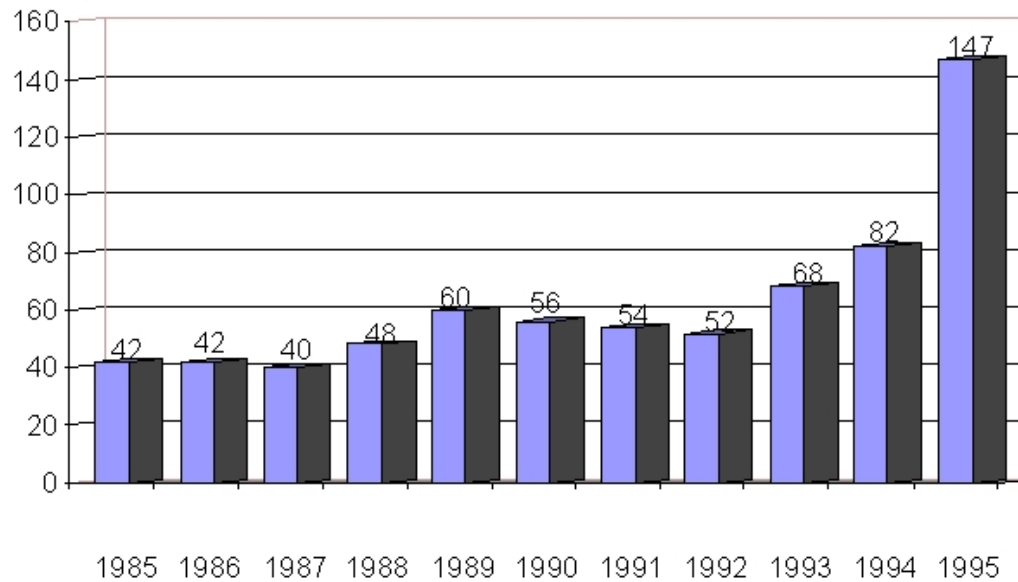
The following two graphs show the course that FEMAQ LTD., a Brazilian steel-foundry with 7 million US-\$ in invoices per year, took when it joined the EoS Project in 1991. FEMAQ LTD. had always been a bit better than the average comparable Brazilian industry, but joining the EoS Project caused the distance between FEMAQ and its competitors to grow drastically, as shown in the first two graphs. The third graph illustrates that the production of scrap dropped significantly by two thirds. The last graph shows that this development is not due to a (percentage) increase in financial investment in social issues but to an obvious effect of the new EoS approach.

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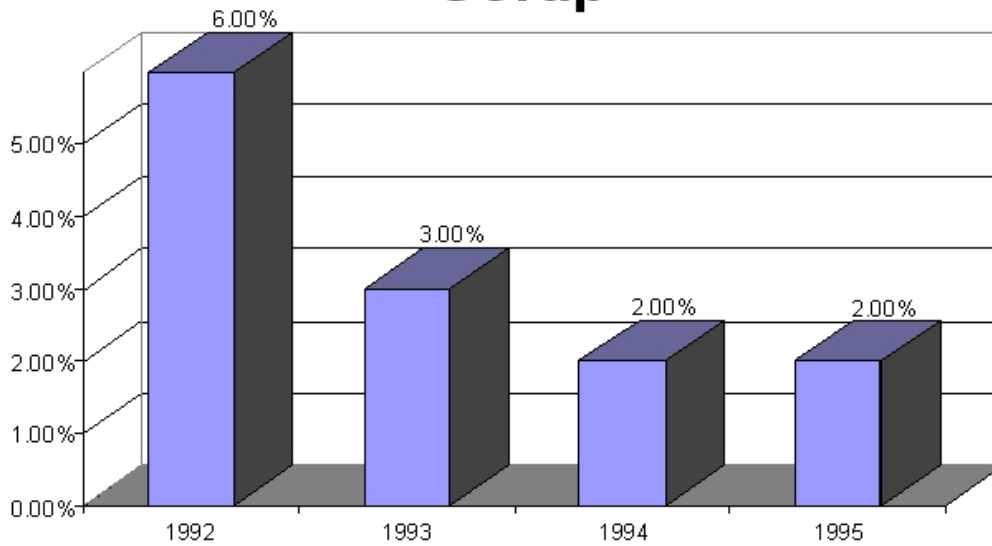
# Graph 1: FEMAQ - Profit/Man/Year



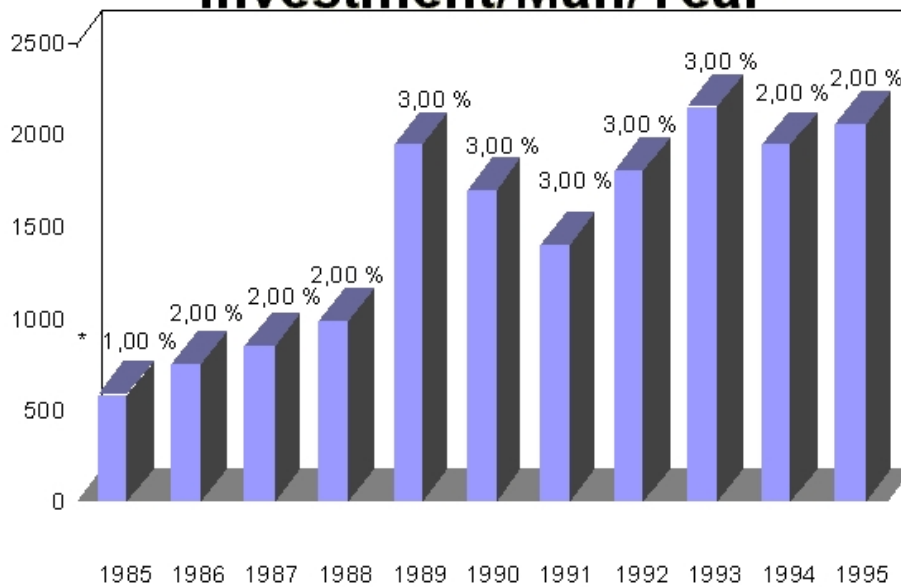
# Graph 2: FEMAQ - Profit/Man/Year



### Graph 3: FEMAQ - Scrap



### Graph 4: FEMAQ - Social Investment/Man/Year



## **5. EoS and its relationship with Sustainable Development and the theories of administration and economics**

The EoS project began as a practical living experiment. But an intuition from its beginning was that contained within this approach were many components that could give new impulses to economic and administration theory. Research studies along those lines are still at the beginning. Therefore, we will only mention three quite interesting aspects: The relationship of the EoS-project with the paradigm of Sustainable Development; some new managerial aspects deriving from the project; and the horizon of a “we-rationality” approach in economy.

### *5.1 EoS and Sustainable Development (SD)*

At first glance, we can see great convergence between the “culture of giving” that sustains the EoS-project and SD issues. Both have the same general objective: The eradication of poverty<sup>vii</sup> ; both need an integral, holistic viewpoint, and so on. Table 1 offers a short overview of this convergence while also showing the mutual complementing of both approaches:

Dimension	Sustainable Development	Culture of Giving
Approach to reality	<ul style="list-style-type: none"> <li>Holistic vision</li> <li>Emphasis on interdependencies and interrelationships</li> </ul>	<ul style="list-style-type: none"> <li>Interdisciplinary paradigm of unity</li> </ul>
	<ul style="list-style-type: none"> <li><i>Emphasis on: logical - systemic dimension</i></li> <li>Puts in evidence the urgent need of new scientific instruments</li> </ul>	<ul style="list-style-type: none"> <li><i>Emphasis on: the spiritual - historical dimension</i></li> <li>Potential power to be a methodological foundation for the building of theoretical models, of strategies of empirical research and of models of applications</li> </ul>
Dealing with the "Time-dimension"	<ul style="list-style-type: none"> <li>Long-term thinking</li> <li>Short-time aspects derived from long-term perspective</li> </ul>	<ul style="list-style-type: none"> <li>Eschatological (Principle of Hope<sup>1</sup>)</li> <li>Dense interaction of the future and the present</li> </ul>
Goal of the "development" - process	<ul style="list-style-type: none"> <li>Meeting the needs (specially the essential needs of the worlds poor)</li> <li>Tendency toward a "realistic minimum"</li> </ul>	<ul style="list-style-type: none"> <li>Full "realization" of humans in community. Enhancing happiness.</li> <li>Tendency toward a "prophetic maximum"</li> </ul>
Main dynamism	<ul style="list-style-type: none"> <li>Improving interrelational dynamism between the Economy, the Social Network, and the Environment</li> <li>Win-win strategies</li> </ul>	<ul style="list-style-type: none"> <li>New dynamism that transforms complexity in unity</li> <li>Keyword (key concept) of this dynamism: "Giving"</li> </ul>
	<i>Emphasis on: orientation toward problem-resolution</i>	<i>Emphasis on: new epistemological principle at the ontological level</i>
Strategies	<ul style="list-style-type: none"> <li>Construction of a theoretical framework</li> <li>Policies</li> <li>New patterns of production ("more with less")</li> <li>New patterns of consumption</li> <li><i>Emphasis still on the environment, but shifting towards social issues</i></li> <li>Human centered</li> </ul>	<ul style="list-style-type: none"> <li>Construction of a broad theoretical basis (at its initial stages)</li> <li>Building model "cities"</li> <li>"Economy of Sharing" project (practical and theoretical perspectives)</li> <li><i>Emphasis on: social - ontological issues</i></li> <li>"Human-in-relation" centered</li> </ul>
Anthropology	<p>Note:</p> <ul style="list-style-type: none"> <li>No clear anthropology until now.</li> <li>Environmental overemphasis.</li> </ul>	<p>Note: A very interesting and innovative vision of intersubjectivity that meets the current "society of organizations" trend.</p>

**Equitable society; no poor**

<sup>1</sup> Ernst Bloch, *Das Prinzip Hoffnung*, 1959.

Table 1: A synopsis of the main issues concerning Sustainable Development and the Culture of Giving

### *5.2 EoS and Administration Theory: Confrontation with complexity and chaos*

At the beginning of this paper we mentioned that the main goal of Focolarian spirituality was to create unity in diversity. Projected toward administration and management theory this requires facing and not avoiding complexity. Diversity must not be seen as an evil that one must fight against, but as a source of creativity and prosperity. Analogously, complexity in organizations must no longer be considered a problem to be resolved, but a solution whose problem we must seek<sup>ix</sup>. That means complexity has enormous potential that traditional management systems are not able to deal with. Traditional management systems tend to achieve complete control over the whole system. Therefore, they are made to drastically reduce complexity and not to take advantage of it.

The spirit of the Focolare Movement, and by consequence of the EoS-approach, suggests that the way to create unity in diversity is to take upon or assume all the barriers, uncertainties, absurdities, and misunderstandings and transform them through their redirection toward new harmony. Translated into management terms, this opens up a brand-new approach: Chaos-management. Traditional management theory starts with the presupposition that social systems like businesses and organizations are completely controllable if the control is done well enough. In other words, the assumption is that these systems are not chaotic. Meanwhile, it is quite clear that this presupposition is an illusion. As says J. Ford from the Georgia Institute of Technology: Non-chaotic social systems are as frequent as a chicken with teeth. However, as of yet, this fact has not entered Business School thinking. Only few approaches<sup>x</sup> propose ways of learning to live with and within chaotic systems which implies systems we can control only partially.

It would be interesting to make further in-depth research into the profound insights the EoS project offers precisely on the topics of complexity and chaos in management.<sup>xi</sup>

### *5.3 Toward an economy of trust and communion*

In considering economic theory, we can observe that the EoS project propounds a vision of economic theory that fits quite nicely into the development of this field, and perhaps offers some new and interesting elements. L. Bruni shows<sup>xiii</sup> that the classical position of economic science is based on instrumentality and individualism whose aim is to satisfy individualistic desires by optimizing the relationship between means and ends. That leads to the still current dominating idea of maximizing utilities. Game theory overcomes this strict individualistic viewpoint in a certain way by introducing the concept of “relationship” into economy. Examples like the Prisoners Dilemma put into evidence certain limits of the individualistic approach. An even clearer intent for overcoming the individualistic and instrumentalist rationality is the “we-rationality” approach (Martin Hollis, Robert Sugden) which seeks the recuperation of traditional values like trust, morality, reciprocity, etc. Bruni thinks that the economic approach inherent to the EoS project continues this tendency toward a we-rationality by adding the following new

aspects:

- a) EoS overcomes the restrictive “logic of groups” of the “we-rationality” discussed by Hollins and Sudgen (which would also apply to the Mafia). The EoS does this by opening itself toward universality, looking for the common good.
- b) The underlying anthropology changes in that the “we” of Hollins and Sudgen is constituted by individuals who have some interest in “playing together”. For the EoS however, the relationships are constitutional. That means a person becomes fulfilled only if embedded within a network of giving and receiving with other persons. This profoundly changes the vision of the relationship between all economic agents.
- c) The EoS is an example of what S. Hargreaves-Heap calls “expressive rationality” which means that economic actuation is not only directed by instrumental logic (i.e. optimization of the means-ends calculation), but by the wish to express something about the conception of economic living, the values, and some personal objective.
- d) EoS promotes a “culture of giving” which means a culture of gratuitous giving and reciprocity.

This is precisely the point where Zamagni observes that the EoS project, in part by the simple fact that it exists, also constitutes challenges<sup>xiii</sup>. He exposes that the market has traditionally been the place of actions motivated by self-interest (egoistical or altruistic), while the State has been the place for collective interest, the public place, the place of solidarity. Now he observes that the experience of the EoS project contradicts this dichotomized model of social order. It shows in fact that it is possible to use the market not only for the efficient production of wealth, but also for its equitable distribution. Moreover, the EoS shows that the market is also able to regenerate precisely those values upon which the existence of the market depends: trust, sympathy, benevolence. The project shows that the market is also compatible with reciprocity which is quite different from equal value exchanges because it requires gratuitousness. Therefore, Zamagni concludes that the EoS is a prophetic sign of the “decent society” (A. Margalit), of a society where citizens are not humiliated by the institution but where both the principles of reciprocity and equal value exchanges find a space to develop in freedom. The EoS project in practice shows that *“giving without losing and taking without taking away is not only possible, but also compatible with rationality”*.<sup>xiv</sup>

## 6. Conclusion

The EoS project was started with the goal of alleviating poverty amongst the members of the Focolare Movement. But this was only a first step. It also aims at showing that the current entrepreneurial principles which are dominated by a profoundly individualistic and instrumentalist approach must not be the “last word”. It starts with the conviction that

a new way of creating and distributing wealth is necessary. Beginning from a practical approach, it shows that this is also possible even within the market mechanism.

## Notes

<sup>i</sup>More information about the Focolare Movement: [www.focolare.org](http://www.focolare.org)

<sup>ii</sup>K. Rahner, *Mysterium Salutis III*, Brescia, 1969, 404.

<sup>iii</sup>Hans Burkard, Hacia una ontología trinitaria, Revista Gen's, Año 3 #2, Bogotá 1994, 16s.

<sup>iv</sup>Hans Urs von Balthasar, Herrlichkeit: im Raum der Metaphysik, Johannesverlag, Einsiedeln, 1965, 81.

<sup>v</sup>Carla Bozzani, *Appendice*, Nuova Umanità, XXI – 126, 11-12.1999, Rome.

<sup>vi</sup>Richard Holme, Phil Watts, Corporate Social Responsibility: Making Good Business Sense, World Business Council for Sustainable Development, January 2000.

<sup>vii</sup>Strategy strongly confirmed by all UN-documents on Sustainable Development. Look for example CSD-7, New York, 19-30 april 1999.

<sup>viii</sup>Ernst Bloch, *Das Prinzip Hoffnung*, 1959.

<sup>ix</sup>Dirk Baecker, Einfache Komplexität, in Heinrich W. Ahlemeyer e Roswitha Königswieser (ed.), *Komplexität managen*, Gabler, Frankfurt 1998.

<sup>x</sup>Peter Müri, *Chaosmanagement. Eine neue Führungsphilosophie*, Otto Verlag, Thun 1998 develops a quite clear but elementary approach to chaos-management. Less clear but more based in business praxis is the approach of Shona L. Brown and Kathleen M. Eisenhardt, *Competing on the edge. Strategy as structured chaos*, Harvard Business School Press, 1998.

<sup>xi</sup>More about this new horizons you can find in Hans Burkard, *Sviluppo Sostenibile e management*, Rivista Nuova Umanità, XXI-126, nov-dec. 1999, 679ss.

<sup>xii</sup>Luigino Bruni, Verso una razionalità economica “capace di comunione”, Rivista Nuova Umanità, XXI-126, nov-dec. 1999, 641-666.

<sup>xiii</sup>Stefano Zamagni, *Sul fondamento e sul significato dell'esperienza de “Economia di Comunione”*, Rivista Nuova Umanità, XXI-126, nov-dec. 1999, 731-740.

<sup>xiv</sup>Ibd., 740.

