Companies: Money Machines or Social Organisms?

Companies are the backbone of the economy. They bake our bread, connect us to the internet, build our bikes. Without them, nothing works. And yet the system is far from working the way it should.

When profit beats real needs

Ideally, companies should meet human needs. In reality, they mainly meet their own. Owners want profits, managers want bonuses and competitors are meant to lose.

Competition is supposed to create efficiency. In truth, it generates waste and contradictions
• companies invent **artificial needs** to create new markets
• advertising sells **emotions instead of products**
• many goods are built to be **short-lived**
• parallel structures **devour resources** because every company reinvents the wheel

And because profit is the only metric that counts, production gets outsourced, wages get squeezed and jobs get cut. As long as the balance sheet shines.

The wrong yardstick

Why do we measure companies by their return instead of their contribution to the common good? Why does it matter more how much dividend they distribute than how well they serve people?

A system built like this inevitably creates perverse incentives. Ecological and social value often stands in direct conflict with profit maximization.

Corporate forms we no longer need

Some structures are fundamentally flawed:
• **Publicly traded corporations** are dominated by funds like BlackRock that demand returns, not sustainability. Stock trading and derivatives have turned the stock market into a financial casino, as far from the common good as Las Vegas is from the rainforest.
• **Family and medium-sized firms** are often romanticized, but here too decisions depend on individuals. A patriarchal boss with a big heart may appear charming, but remains an autocrat. And not every CEO is necessarily a lovable character.
• **State-owned companies** whether the former Deutsche Bundesbahn and Bundespost or East German combines suffered under monopoly power, political interference and inefficiency. Civil-servant mentality in the West, party discipline in the East. Both suffocated innovation and customer orientation.

Neither profit rule nor state control

The conclusion is simple and radical. Companies should not be playthings for investors or governments. They should belong only to themselves and be governed by citizens.
Then they can do what they are actually meant to do: meet real human needs instead of artificial market desires.

How this works in practice is shown in Part 2: the BEcompany, a model that unites independence, sustainability and the common good.

Your TEC-Learnings:

- The logic of ownership and the common good don’t align systemically.
- Competition often creates waste rather than

efficiency.
- Companies should belong to themselves—and be governed by citizens.