

HCBM

Human-Centred Business Model

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Mongolia, 11 October 2019



HUMAN-CENTRED BUSINESS MODEL

A HOLISTIC APPROACH TO A SUSTAINABLE BUSINESS ECOSYSTEM

The Human-Centered Business Model (HCBM): A Holistic Approach to a New Model for Doing Business

There is substantial public and private sector interest in improving options for doing business in a more **sustainable way**.

- **Aim:** A sustainable and more equitable model of doing business that will advance inter- and intra-generational equity, shared prosperity and inclusive economic growth (aligned with the Sustainable Development Goals set in Agenda 2030)
- **The Origin:** The concept of the Human-Centred Business Model (HCBM) derives from the conclusion that an entirely new business ecosystem is needed for entrepreneurs sensitive to the social, ethical and environmental impact of their activities who wish to run an economically sustainable business.
- **Partnership:** over 46 partners of the Global Forum on Law and Development, including World Bank and OECD Development Centre,

Application

- The concept of the HCBM arises from the conclusion that an **entirely new business ecosystem is needed** for entrepreneurs **sensitive to social, ethical and environmental impacts who wish to run a for-profit business.**
- The project elaborates a “business ecosystem” that will enable businesses and enterprises to focus equally on:
 - (1) economic principles
 - (2) social sustainability (including human rights)
 - (3) environmental sustainability, and
 - (4) ethical and integrity principles
- The Model’s framework will be built upon human rights and globally-accepted ethical principles, with substantial flexibility to allow it to be tailored to specific circumstances in both developed and developing countries.

Key Contributions

- Some of the **key contributions** of the Model include:
 - A **sustainable business** model that reflects current business and societal priorities and environmentally responsible practices;
 - A **flexible business model** that can be realistically adopted by any government and entrepreneurs in almost any business environment and sector, in developed as well as in developing countries;
 - A **holistic approach** that offers a detailed model and guidance on relevant processes and procedures, such as corporate governance systems, financial instruments, fiscal policies, public and corporate procurement practices, and capacity building options;
 - A business model that supports communities and **fair economic growth**.

Structure

The **project** is structured in **six “Pillars”** of the Model:

1. Guiding Principles;
2. Legal Framework and Governance;
3. Financial Mechanisms and Instruments;
4. Fiscal Regime;
5. Corporate and Public Procurement;
6. Stakeholder participation.

The project’s innovative approach (its multidimensional approach) is linked to **SDGs (Social Development Goals or Indicators)**

Fiscal Regime

This Pillar elaborates a provocative tax system constructed on the innovative approach of holistic consideration of enterprises' positive and negative externalities (social and environmental) in addition to the economic performances (profit). The Fiscal Pillar will build on existing techniques of using **fiscal rewards and disincentives** for government regulation of business activities.

- Pillar 4's methodology **will include researching ways to reward positive corporate performance** under the HCBM through fiscal policy. The system will not create market distortions, and will be developed specifically to counteract current distortions;
- Pillar 4 will establish ways in which the rewards/disincentives will be **calculated according to the performance indicators developed by the Pillar 1**);
- The fiscal regime will thus **be linked to the performance**, with indicators of a better overall performance.
- Like the other pillars, this component of the Model will offer flexibility to be adapted to different legal and economic environments.

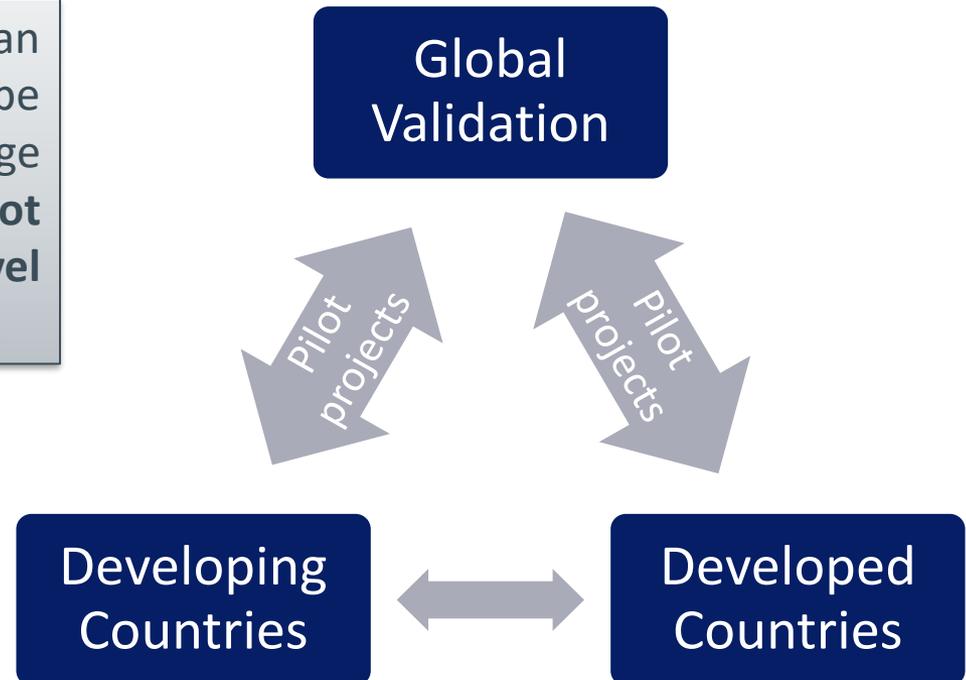
GTAP & CFE Partners to Fiscal Pillar

- GTAP & CFE are Partners to the Fiscal Pillar



Next steps of HCBM

Once the several pillars of the Human Centered Business Model will be completed and validated, the next stage will be to have it **tested with pilot projects at national or subnational level in developed and developing countries.**





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