

PROPOSAL ON A NEW DIMENSION OF PROFIT

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The challenge of being invited to participate in today's conference is especially great. Not only because of various events that have influenced the ten last years of my life, but also because the way in which I was brought up literally had one focus: to grow up, to augment and develop the family business, to make wine. Only along the way did I realize the depth and the nature of this business.

The attitudes expressed here are those of an employer or, more traditionally, a capitalist, looking for answers to questions.

First of all, does the word profit have the same meaning for everyone? The Western, Anglo-Saxon societies and even Greek society, are based on the concept of economic and non-economic activity. Profit is the result of an economic activity which gives rise to income, growth, prosperity, development and so on. An activity which does not realize profit is non-economic. There are certain spheres of activity, such as culture, aesthetics and morality which are marked by their non-economic character because they do not produce profit.

Economic development, however, is the permanent concern and constant preoccupation of every society. If something is judged to be non-profitable, it is considered of secondary importance and those involved in non-profitable activities are regarded as dreamers or non-functional elements. To yield profit, values such as competition, influence, expansion, greed and the like are nurtured. The terms economic and non-economic will be used in this talk to refer to activities which do or do not result in profit. Profit can also be referred to in terms of the free-market economy. Following the developments over the last few years in the ex-socialist bloc, this discussion becomes of special interest.

From one point of view it is important that the so-called West tread carefully; if profit is to be characterized as the main force behind the victory of the Western world, then it should not be forgotten that the "victor simply dies second." From another point of view, particular importance is attached today to the transition of the ex-socialist societies into free-market economies. The capitalist system, which is based on Western rationalism, must not and should not be allowed to be transplanted to countries with a different cultural basis. It is widely known that such attempts result in offense and turmoil.

This issue concerns Greece as well. Western rationalism is said to be an offspring of the ancient Greek spirit, but it is not at all certain that modern Greeks unconditionally adopt it from the cultural point of view. Western civilization absorbed the ancient Greek spirit and adapted it in a way of their own, and thus this Western civilization today is not really Greek. On the other side, modern Greeks, during their historical course, have taken this ancient Greek spirit along creative paths into different areas and cultures. This fact has only minimally been taken into account by Western rationalists.

Another key term is labor. An economics-oriented definition of labor is the human endeavor which yields profit. People work more in order to earn more. A non-working person does not earn. These statements, however, have acquired a different meaning than the one they had a few decades ago. Work is now associated with the total satisfaction or utility, of the worker, whether employer or employee. Additionally, the notion that profit equals money has been revived today in sports, arts and essentially in all human activities. The purely financial viewpoint cancels out the fact that work gives people the opportunity to utilize their abilities and therefore to be totally satisfied; that it gives them the chance to cooperate with their fellow man and thereby to overcome their selfishness in the name of the common welfare.

The financial prism has created a network of systems which has at its hub economic profit. Tax systems, whatever form they take and whatever regime they belong to, are essentially based on the profit that comes from labor, either directly or indirectly. The governing political systems develop a society which is founded on taxation so that it will improve, that is, become more prosperous. It does not matter who this prosperity applies to. But these deep rooted attitudes which are encapsulated in the glorification of profit have basically created a model which regulates our everyday lives and behavior. Naturally, the question arises: what does this model demand in exchange?

In summing up these two key points, profit and labor, I will not of course reach the point of saying that we work in order to earn enough so that we can stop working; so, why do we work? This attitude is in total contradiction to today's framework.

It is worth pointing out that the prolonged economic recession and steadily increasing unemployment carry the seeds of a new status quo. A strange slogan can already be heard from some quarters: "Development without Labor." If, with the help of technology, this attitude prevails with profit as the only goal, the outcome will be disastrous to society. There will no longer be the well-known class distinction, workers and capitalists, in simple terms. Instead, an acute social tension will result from the ghettoing of the unemployed and underemployed. The extreme poverty that leads to crime will become a permanent feature of society, even though it will concern specific groups only.

This perception of the development of a society which revolves around profit will require the intensification of labor, the use of automation and technology, an increase in productivity and the over-exploitation of natural resources. Statistics and indices show that man has started, with the tactics that he employs, to reduce his capital, defined as wealth-producing and natural resources. Thus, it seems that the returns on this capital are not sufficient, given the development rates of the developed world.

The waste of natural resources, the prosperity proposed by our economic society, the criticism of the various political systems, the evaluation and appreciation of other cultures which do not have Western ideals yet, but are experiencing the results of progress via the plundering of natural resources, are considered as given. However, these issues go beyond the limits of today's presentation.

The powerful media with their immediacy and speed make people increasingly participate, willingly or not, in everyday events. Although this participation is rather passive it generates increased uneasiness. The developed countries, by understanding this anxiety, have slowly started to set rules of conduct towards nature and natural resources, aimed at preventing, rather than rectifying, disaster. Gradually even the perception of what exactly the environment is, has started to change; no longer does nature mean something green as in the early years of anxiety. Clean forms of energy are now being sought. There are also important proposals to include the term environment in the definition of Gross National Product. But none of these suggestions is satisfactory; they are, on the contrary, worrying because they seem like efforts to treat the symptoms and not the illness itself.

People keep forgetting and ignoring the fact that monotonous labor in an automated line production, applied in order to increase productivity, offends and intimidates the worker because it renders him a part of the machine. This damage cannot be repaired through any mental activity or recreation. Moreover, there has been much confusion between the notions of machine and tool. Statistics may show a prosperous society, but how can statistics possibly reflect stress, insecurity, alienation and personal disappointment? And most of all, who takes these parameters seriously? The method of dealing with things from the economic point of view has innate weaknesses. It ignores the difference between the pricing of goods which are replaceable and those which are not. It ignores the fact that man is part of nature and not its master.

What suggestion can be made then? And how can it be incorporated into everyday life? Mr. B. Botopoulos, President of the Council of State spoke in 1993 at a Conference of the Technical Chamber of Greece for Technology and the Environment. Its theme was "Environment and Justice". He said: "Economic development is not independent of the natural environment... economic development is a social dimension, it is part of the relationship between human selfishness and the common good". And later: "To solve the problems that economic development in general generates in the environment and in man, the endeavor to create new economic ethics is not enough, however worthy it is. An economic morality must be developed to protect human dignity, social cohesion and the natural environment of man. Until now the system of free-market economics has sought the maximization of personal benefit and the minimization of cost. If the code of practice itself does not change, if only some people change, then nothing will change. It is essential for the political powers to create the correct legal framework, that is to say, for Justice to intervene." This is satisfactory because it is a suggestion for a new economic ethic; a suggestion from a man who knows the law and is confronted everyday by problems which are most probably derived from the present definition of the term profit.

The abandonment of technological progress is not being recommended; it is a part of human nature. The reconciliation of technology with human life in such a way that it does not become oppressive to man must be sought. One suggestion, therefore, is that profit is accepted as a measure which includes cultural, aesthetic, moral and environmental values. Furthermore, measures could be suggested so as to bring this concept into everyday life. For example, instead of expressing external debt in dollars, it could be computed in such a way as to include the potential of the dynamic Greeks of the diaspora. Again, banks, when financing an investment, could assess its economic viability not simply in terms of profit, but more importantly, in terms of the employment that it generates, the type of investment it is, etc. Such measures could mark a first stage. Such suggestions, however, could also once again be seen as treating the symptoms and not the illness.

It is hard to envisage a political leader or a political movement which has freed itself from the notion of public debt, or cost of living, or unemployment, and is seriously considering education as its main target. It is hard to imagine a system that allows a farmer's unsold surplus to feed the hungry nations instead of to be taken to the dump. It is also hard to imagine a sales manager who sets targets for his team with mainly qualitative, rather than quantitative, criteria, or a consumer who buys something according to his real need and not his ability to pay.

Can criteria be imagined for assessing an investment or financial backing where the continuous training of the employee, the employer's pursuit of competence and agreement over working hours are given the same importance by the financier as the return on his investment? Can consumers consider simply mending or repairing things instead of buying more? Can they carry their shopping in cloth bags instead of plastic ones?

This proposal is meant to change the limits within which our present day reality and utopia are defined, or, to be more honest, what is normally called utopia. It is initially directed towards economists, not environmentalists or other specialists. This is because it is the economist in all fields who can listen, and who, having accepted this view, can radically change people's mentality.

To follow today's road will trap us. It is worth searching beyond the limits of what is considered today as utopia, for a new definition of the notion of profit.

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