



A New Cooperative Economy

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A New Cooperative Economy

By Guy Dauncey

Our task is to fashion a political vision and a political narrative that is a compelling answer to neo-liberalism and the ideology of competition, free markets, and the primacy of capital. We need a political economy of cooperation, solidarity, of mutual benefit. - John Restakis, *Civil Power and the Partner State*, 2016

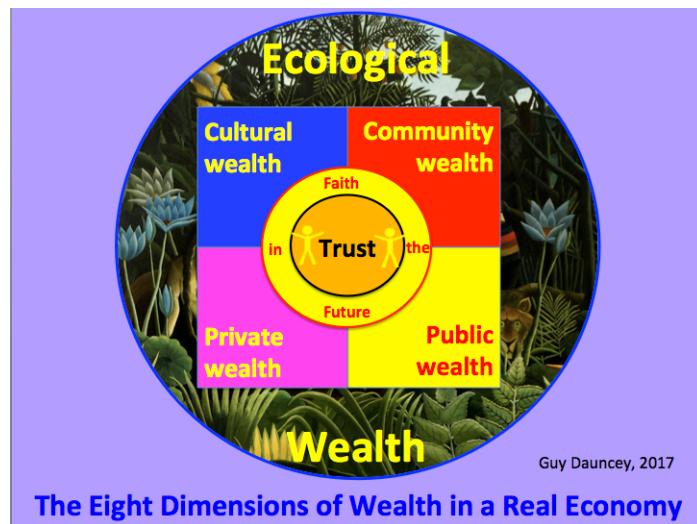
Our modern economy is in crisis. Can we build an alternative economy as our ancestors did in the transition from feudalism to capitalism? It's a question that takes us deep into our values, culture, history, politics—and visions of the future.

The list of factors behind the crisis is long, from the corruption of democracy by corporations and elite plutocrats to the steady advance of robots and automation, widespread ignorance of our impact on nature and climate, and inherent flaws baked into capitalism's foundations. It's easy to feel confused and overwhelmed. And we're not alone: In Germany, 88% of respondents to a survey expressed a desire for a new economic order. In Austria, the desire was 90%.¹ Similar desire for a new way forward surely exists elsewhere.

Where are the enlightened leaders and economists to guide us to a new future, the way Roosevelt and Keynes did in the 1930s after the Great Crash? It's almost as if economists and politicians live in a different world. But without a solid analysis of what's gone wrong, we risk crafting a new economy on a flawed foundation that stands no chance of being realized. In that spirit, here is a start.

What is an Economy?

Every economy, whether a hunter-gathering tribe, a farming village or a modern city, has eight dimensions of wealth:



At the core of every economy is ecological wealth, without which none of us could exist, let alone trade with each other.

Next there is the wealth of personal agency, which enables us to act in the economy, whether by being creative and entrepreneurial or by taking on an essential role such as teaching, caring or administering.

The third form of wealth is trust between two or more people. This is the invisible currency without which an economy cannot operate, enabling business, banking and loans. Trust runs much deeper than confidence, which ebbs and flows with each day's financial data. Trust binds all positive relationships, from the earliest interactions of childhood to those within the family, community and the economy. When trust erodes as income inequality increases society weakens too, as Richard Wilkinson and Kate Pickett make clear in their book *The Spirit Level*.²

Surrounding trust is faith in the future—the confidence that things will be in good shape next year and the year after. We take it for granted, but when it vanishes investments dry up and unemployment quickly follows.

The fifth dimension of wealth is cultural wealth—the knowledge, science, technology, tradition and art without which an economy could not flourish and life would be bleak. The sixth dimension is community wealth—the accumulation of assets such as affordable housing, social space, green space, affordable transportation, affordable childcare, and more. And finally there is public wealth, including essential assets such as good governance, and private wealth, which we are all familiar with.

Only at our peril do we ignore the ecological wealth that undergirds the economy, the trust that makes all good relationships possible, the cultural wealth that allows knowledge to grow, and the community wealth that supports each generation. The new cooperative economy will need to appreciate and nourish all eight dimensions of wealth.

The Seven Foundations of Today's Economy

Today's economy rests on a foundation built from seven deep assumptions, which act like critical strands of DNA. When the DNA is faulty, things easily go wrong.

1. Hierarchy and Dominance Are Normal

The first assumption harks far back into the mists of time. While some hunter-gatherers lived in partnership cultures, male domination—the code of warriors and wealth—has been the norm in most cultures for thousands of years.

Over time, hierarchies grew into caste and class systems in which the conquerors were superior to the conquered, men were superior to women, free humans were superior to slaves, men and women with property were superior to those without, white humans were superior to Jews and people of color, sexually straight humans were superior to gays, and 'normal' humans were superior to people with a mental or physical disability.

Equally important, humans were superior to animals. The ecological wealth that supports an economy was assumed to be so vast that humans could never harm or deplete it. After all, didn't God himself tell us (in the Judeo-Christian world) to go forth and multiply, to fill the Earth and subdue it? Even today, few professors of economics, CEOs or ministers of finance understand the carbon cycle, the marine food chain, or the ecological importance of the top predators.

This ingrained code of dominance justifies militarism, exploitation and ecological abuse in pursuit of corporate and national gain. But a new generation that finds life to be more fun, creative and economically effective when it is lived with mutual respect is challenging these old assumptions.

2. The World Can Be Investigated

The second assumption was established by our neolithic astronomers, in their quest to understand the mysteries of the sun, moon and stars. The notion that the world can be investigated has become fundamental to the economy.

The pursuit of rational knowledge has continued. The Renaissance, the Reformation, the Enlightenment and the Industrial Revolution all sprang from it, and scientific investigation that generates knowledge continues to spur innovation and economic growth.

Intellectual leaders like Voltaire and Locke embraced rationality, and early economists found it natural to assume that humans act rationally in the economy (if not in love and war).

In reality, our institutions are imperfect and our motives are often non-rational. But rather than ditch the pretense that economics is a science, conventional economists prefer to ditch the reality. As Jack Reardon, founder of the World Economists Association, writes of this state of play: It's as if an anatomy professor was giving lectures that had nothing to do with the human body.³

As an illustration of how skewed this assumption is, mainstream economics treats race as a static variable, not influenced by other variables. If that were true, racial discrimination should disappear since it's irrational. To which some might respond, 'And what planet do you live on?'⁴

3. Economic Growth is Good

The third assumption also traces back to our neolithic ancestors and the development of tools. But it took a long time to accumulate the technologies that sparked and sustained economic growth. Between 1000 and 1500 AD incomes in Western Europe grew by only 0.12% a year, and most lived in a world where nothing changed.⁵ From 1500 to 1820, per capita income in Western Europe grew by only 0.14% a year.

As the pace of innovation accelerated, aided during the Industrial Revolution by the newly released power of coal and steam, incomes rose by 1.3% a year from 1870-1913 and by 4% a year from 1950-1973. Perceptible gains like these generated the belief that continuous growth was possible, promising a better life for all.

Today, ungrounded optimism about growth's desirability and feasibility persists. The growth imperative has been passed on to economists, bankers, CEOs and politicians, and millions who wait in line to achieve the American Dream, even though it's causing Earth's ecosystems to blow multiple fuses.

4. Individual Advance is Good

Economic growth liberated people from the inflexible and often cruel expectations of tradition, village and family, encouraging factory workers to tell their children that if they worked hard and got a good education they could make something of themselves and escape their parents' poverty. All across the developing world, families dare to dream of advancing as free people into a new world. But personal advance has come to mean increased material wealth, and wealth's other dimensions are being forgotten.

5. The Economy is an Objective System

One of the energizing people behind the Enlightenment was Sir Isaac Newton. His discovery that nature was an objective system with inherent laws was a breath of fresh air after centuries of church-talk. Inspired by his influence, what could be more natural than for early economists to assume that the economy was also an objective system that followed natural laws?

This fallacy has misled generations of economists. In reality, the variety of human behavior does not lend itself to the rigor needed to qualify economics as a science. Objective experiments cannot be set up, and economics is permeated with politics and ideology. To build a more resilient, ecologically sustainable economy, we need a

real world economics infused with history, politics, anthropology, literature, climate science, ecology and evolutionary biology.⁶ Hard science or not, economics can better accommodate the messy realities of human existence in this way.

6. Humans are Self-Interested

During the long economic stagnation of the Middle Ages most Europeans believed that their position in the world was set by God, kings, priests and landlords. Pursuing self-interest was less important than acting with others to support the commons and the community, which were the main sources of sustenance. During the Enlightenment, the idea of ‘progress’ emerged, and with it the belief that it was good to advance. From there, it was only a short step to forgetting the past and assuming that all humans pursue rational self-interest. Economists created *Homo economicus*, and found him useful.

The presumption also applies to CEOs, shareholders and the stock market, which imposes the need for financial gain on every listed company. As Milton Friedman wrote without a hint of embarrassment and to great effect in 1970, the corporation’s only social responsibility is to make a profit.⁷

Friedman’s assumption, baked into the heart of capitalism, has been taught to students of economics and business for decades, embraced by the stock market, and embodied in the misguided advice that conventional economists often give to governments. The beautiful old building knocked down to make way for a big box store, the locally owned retail businesses shut down soon after Walmart moved into town, the viable manufacturing company taken over by corporate raiders who stripped its assets and sold it off in pieces, the Ecuadorian rainforest that had sustained its people for thousands of years sold to an oil company—these are textbook examples of how rational self-interest works in a free market. These decisions are endorsed by neoclassical economists, justified by mathematical micro-economic equations that no one outside the profession understands, and loved by the Wolves of Wall Street.

In America, Ayn Rand developed a creed of pure selfishness that continues to inspire right-wing plutocrats and economists, including several in Donald Trump’s cabinet. Embracing this assumption turns mainstream economics into a kindness-free zone.⁸

To change, we need to ditch the faulty strands of DNA and enter the complex, messy world where real humans interact with each other, and with our changing values, ecosystems, and, yes, our kindness. We need to replace *homo economicus* with *homo amicus*.

Self-interest is essential, since it reflects the core of personal freedom and agency. But to allow it to be the only game in town is to allow our Mafiosi sub-personalities to rule our lives.

7. Markets are Self-Regulating

Finally, neo-classical economists assume that when businessmen and traders act out of self-interest, competition in a free market causes prices to self-regulate, creating a self-correcting equilibrium system that hums with activity in a naturally occurring state of optimum efficiency. This observation, coupled with the assumption that market participants have perfect information at hand, led to the mistaken conclusion that the only interactions that matter are those in the market, which operates best without government interference, except to prevent or break up monopolies.

This faulty assumption became an unquestioned tenet, even after 2008, when almost all economists failed to forecast the greatest market failure in recent history, wiping out \$10.8 trillion of wealth in the US alone. Bad DNA, bad results.

This wrongheaded notion also disguises the motives of those who benefit. The unsubstantiated ‘principle’ that the free market operates better without government interference is very convenient for a CEO who finds it easier to discharge toxic wastes into a river than to have to treat and recycle them.

By any objective accounting market information is far from perfect. Inter-bank lending has become so complicated that banks have recently found themselves unable to trust each other, and even the regulators don’t understand enough to be able to regulate. Many banks are still too big to fail, and their collapse could bring down the whole economy, yet regulations to re-impose order have been fought at every turn.⁹

How can we understand the future direction of the market when its switchboard has no price signals for the loss of trust, or of failing education, community collapse, ecological losses and looming climate disaster?

Given these failings, on what stronger foundations might a new economy be built?

The Eight Foundations of a New Economy

1: Nature Matters

The first foundation stone is a set of truths that will soon be accepted by everyone:

- The human economy is a subset of nature.
- Nature’s ecological wealth and services are essential components of the real economy.
- Earth has ecological boundaries that we need to protect.
- An ecologically active democracy is essential to protect nature.
- Our use of materials needs to occur in a circular economy with zero waste.
- Nature has inherent subjective and ecological value.

2: Cultural Wealth Matters

The second foundation stone is the importance of cultural wealth, including the accumulating knowledge and technology that give weight to an economy, the scientific way of thinking that has enabled our understanding of the universe to grow, leading to an astonishing increase in the productivity of human labor, and the artistic expressions that bond us together, building trust. This stone needs to be solid.

To those who appreciate the power of science it is unthinkable that we should abandon our efforts to learn more about this amazing universe. As science probes the mysteries of consciousness, however, new understandings of our place in the Universe may arise, leading to changed understandings of what matters, and a new appreciation of the inherent wholeness of existence. The ‘consilience’ of knowledge from different fields that the biologist E.O. Wilson has foreseen may find unexpected unity as new appreciation of the role of consciousness causes the known laws of physics to evolve.

3: Community Wealth Matters

The third foundation stone needs to be equally solid—that community wealth matters.

Students of economics study microeconomics, macroeconomics, and a variety of secondary courses. Some are offered courses on environmental economics, but Ecology 101 isn’t a required foundation course, and nor is local and regional economics.

Community economies are taken for granted, neither measured nor seen. That's why few economists and policy-advisors notice when they start to collapse, even if local politicians observe the pain. There is widespread ignorance as to what happens in community economies, and what makes them tick.

New methods are being developed to measure Gross National Happiness, but nothing to measure community economic syntropy—the amalgam of strength of trust, local multiplier effects, leakage rates, community economic development, failure repair mechanisms, and other vital signs and systems. These long unmeasured factors are super-strong in a community such as Mondragon in Spain and the Emilia-Romagna region of Italy, but super-weak in countless communities where there are no community development partnerships, and only the residents know their pain.

Communities matter. On this, cooperative economy activists in Cleveland, Trump supporters in Connecticut and Black Lives Matter activists in Chicago can agree, making it a strong foundation for the new economy.

4. Widespread Ownership Matters

In today's economy, ownership is private or public, with a few scraps of shared ownership in cooperatives and social enterprises.

This limitation has shut a third of the population out of home ownership, and excluded 99% from co-owning the workplaces where they contribute their talents. In *The Divine Right of Capital*, Marjorie Kelly proposes that the first two principles of economic democracy should be that 'the economic rights of employees and the community are equal to those of capital ownership' and that 'corporate wealth belongs to those who create it, and community wealth belongs to all.'¹⁰

In the new economy, far more space must be created for:

- Cooperative, employee and community ownership,
- Stakeholder ownership of corporations,
- Extended public ownership where the public stands to benefit, and
- Shared ownership of the commons, including the sky, land, waters, sun, electro-magnetic spectrum, and the trust we create through shared acts of conviviality that make banking and lending possible.

5: Relationships are More Durable when Based on Partnership and Mutual Respect

This is a heart-stone, for while we are not always kind and cooperative, most people prefer values based on kindness.

In a 2016 survey in Britain by the Common Cause Foundation, when a thousand people were asked what they valued in life, 74% placed greater importance on compassionate rather than selfish values, irrespective of age, gender, region, political persuasion or self-reporting bias.

Equally striking, though, was that 77% believed that their fellow citizens considered selfish values more important.

Sadly, the people who held this inaccurate belief felt significantly less inclined to go to meetings or to volunteer in the community. Compared to those with more accurate perceptions, this overwhelming majority reported feeling greater social alienation, less responsibility for their communities, and less suited to fit in with society. Do we all have higher opinions of ourselves than of others? Or is it that while most people prefer kindness to selfishness, they have absorbed the belief that others are selfish from sensational news coverage in the media?¹¹

A growing literature on altruism explores this question. Modern evolutionary biologists have found that altruistic behavior raises a group's survival odds. As the sociobiologist E.O Wilson and the evolutionary biologist David

Sloan Wilson write: “Selfishness beats altruism within groups. Altruistic groups beat selfish groups. Everything else is commentary.”¹²

Three hundred years ago, when Europeans began to develop capitalism, most investors and entrepreneurs came from the merchant and land-owning classes. They lived and breathed the assumption of male, property-owning dominance, and competed fiercely to build market share. Self-interest and pecuniary gain were their guiding stars.

They had a choice, however. In Scotland, the social reformer, Enlightenment thinker and cotton mill-owner Robert Owen (1771-1858) went to great lengths to help the workers at his New Lanark mill, using kindness to improve their working lives, and opening the first cooperative store.

A hundred years after Owen’s death, when José Arizmendiarrieta was seeking a Jesuit way to help people in a depressed Spanish town after the Spanish civil war ended, it was to Jesuit theology and the ideas of Robert Owen that he turned, and Owen’s belief in the potential of cooperatives.

Around the world, cooperatives, social enterprises and progressive businesses are embracing teamwork and altruism, finding it a more effective and rewarding way to manage their affairs.

We can continue to run the economy on the foundation of selfishness, or we can rebuild it on a foundation of cooperation and kindness. We have tried *homo economicus*, and found him lacking. So let us try *homo amicus* instead.

6: Economic Growth is a Phase, not the Essence of the Economy

The sixth foundation stone is transformational: it is that economic growth is only one phase in the cultural development of a society.

Ecological economists like Herman Daly, Brian Czech, Rob Dietz and Dan O’Neill and their colleagues at the Center for the Advancement of the Steady State Economy have long argued that our fixation with economic growth has to go, and we need to develop a steady state economy that can operate within Earth’s ecological boundaries.¹³

Many other keen observers agree. The German economic sociologist Wolfgang Streeck argues in *How Will Capitalism End?* that the decline in economic growth, rising debt, and increasing inequality are mutually reinforcing, causing capitalism to suffer ‘death from a thousand cuts’—and there’s nothing to replace it with.¹⁴

The Italian economist Mauro Bonaiuti asserts in *The Great Transition* that the economic crisis is not about debt or market volatility but about economic growth running into the limits of the biosphere. He attributes the declining rate of growth to the interaction between Earth’s biophysical limitations, including the climate crisis, and the increasing cost of maintaining society’s complex military, industrial and social structures. It’s a bio-economic crisis that capitalism lacks the chops to address.¹⁵

In a ten-miles-high thought experiment, let’s rewrite economic development history from 1750 to 2250 using more accurate assumptions. Imagine a growth curve that levels off as people’s core material needs are met and the marginal increase in satisfaction from yet another new purchase falls to zero. When our great grandparents bought possessions they owned them with pride, both for their functional value and as evidence that they were making progress. Today, 9% of Americans have so much unwanted stuff that they pay to keep it in 33 million self-storage units.¹⁶

Have we reached peak stuff? Steve Howard, the head of IKEA’s sustainability unit, thinks so: “peak red meat, peak sugar, peak stuff, peak home furnishings.”¹⁷ Tomas Sedlacek, the Czech economist and author of

Economics of Good and Evil quotes a character in the movie *Fight Club* saying, ‘We work at jobs we hate so that we can buy shit we don’t need,’ and says “We have to abandon our obsession with growth.”¹⁸

From this perspective, the end of material growth is a natural stage in the development of a culture, just as humans stop growing physically as they age but, we hope, continue to develop in other ways. The transition to post-materialism among people who already have enough needs to happen rapidly, however, because Earth’s ecosystems cannot withstand the current rate of material advance. From this perspective, it is only natural that people who are aware of Earth’s ecological limits should be seeking to build ecological, cultural and community wealth, while reducing their material wealth and throughput to remain within the biosphere’s limits.

During this period there will still be need for selective growth in nations, regions and communities where people lack the material foundations for the decent life, but progress should be measured using indicators of Genuine Progress or the Happy Planet Index, not crude GDP.¹⁹

The end of growth raises a serious question about finance and interest. It was only because economic growth could be foreseen that capitalism could develop banking and interest, which reflects the price of risk. When the Dutch East India adventurers formed the first joint stock corporation in 1602 to spread the risk of their ten-year voyage in search of spices they were confident that people would buy their spices to brighten their otherwise bland and boring food. Their investors bought their confidence and extended them credit (Latin *credo*, I believe).

Before there was economic growth, moneylending was considered an exploitative line of work. As capitalism overtook feudalism, lending money for a venture that would deliver economic benefit came to be seen as a pro-social act that helped advance society. How might lending and investment be reconfigured when financial growth winds down, and the basis for charging interest disappears?

7: Human Growth Matters

In today’s economy, most individual progress is measured in material wealth, even though it does not always bring happiness. In the new economy, once the necessities of an affordable life have been acquired, personal growth will matter more, and for this to flourish we will need to be able to extend roots deep into the ecological, cultural and community wealth of our economies. A life of relative material simplicity will increase in meaning, fulfillment and joy to the extent that a local community supports education, childcare, public transport, a sharing economy, green space, renewable energy and affordable housing, and creates social spaces where people can connect easily and work on projects together. This is the life of *buen vivir*, as it’s termed in the emerging social solidarity economy of Latin America,²⁰ or plenitude, as the economist Juliet Schor describes it.²¹

8: The Health of the Planet, Ecology and Community are Primary

The final foundation stone replaces belief in the market’s primacy with the understanding that there is far more to an economy than market transactions.

The neoclassical and neoliberal philosophy would have us believe that the market is the prime expression of economic activity and everything else is secondary. This is why so many things are going wrong. Increasing carbon emissions, the extinction of tigers, social alienation, prairie ghost towns, abandoned urban neighborhoods and collapsing communities are all seen as ‘externalities’, outside the market’s reach. Austerity economists pour over their spreadsheets, saying, “Our policies were a success,” without mentioning how much harm they had caused in other parts of the economy.

Healthy markets are essential, and regulatory intervention is needed to keep them free from collusion, monopoly and other manipulations. If Adam Smith were Secretary of State for Commerce today he would surely call on a host of very visible regulatory hands to curb the multiplicity of abuses and curse the day he ever thought that an ‘invisible hand’ made regulation unnecessary.

Neo-liberal market fundamentalism has done far more damage than most people realize, weakening trust and creating disdain for empathy and a caring, compassionate community. The long-reigning creed ignores the work of parents, grandparents, teachers, librarians, healthcare workers and functioning ecosystems, without which the economy would collapse. It encourages greed, pushiness and economic road-rage, pushing society, nature and community to one side in an imagined race to the top where a luxury yacht awaits in a tax haven.

In mainstream liberal circles, there is frustration that the policies of governments, economists and central banks haven't been able to restore economic growth.

In Republican Tea Party, rustbelt and Eurosceptic circles people are feeling abandoned, forgotten and betrayed by the elites in Washington, London, Paris, Berlin and Brussels.

In progressive circles, there is urgent awareness that we must build a new economy, but confusion as to what it might be.

We can return to the past, and the traditional xenophobic securities of tribe and religion, or we can step into the future and pioneer a new economy, beyond the familiar landmarks of capitalism.

Around the world people are already building such a new economy, from community land trusts in Vermont to mining cooperatives in Bolivia, from the employee-owned Recology in San Francisco to the Landesbanken and Sparkassen public banks in Germany. So much work has been done, in fact, that it's possible to see what the new economy will look like.

This new economy cannot be legislated into place, the way you might switch out a car's engine. It is the expression of our values in economic form. And our values are changing, just as they changed during the Enlightenment, in the third quarter of the 19th century, and after World War II. One day very soon there will come a tipping point, and the tide of history will turn again. It could happen sooner, however, if we know what the future economy looks like, and how it can be built.

THE TWELVE CONSTRUCTION ZONES

The new cooperative economy is being constructed in twelve zones. In each, the work is experimental, but people are learning from each other, sharing results and seeing their efforts expand.

Construction Zone One: Restoring Democracy

In the first zone, work is under way to restore trust and democracy. The hardest work is happening in America,²² through campaigns and initiatives:

- To rebuild trust, empathy, and respectful democracy in local communities, learning to value and appreciate our different views and experiences.²³
- To overturn the Supreme Court's Citizens United decision that opened the corrupting floodgates of corporate and plutocratic money.
- To strengthen and enforce campaign finance rules and end the use of super PACs.
- To overturn the results of political gerrymandering in redistricting.
- To end partisan control of Boards of Election, political interference in voter registration and ballots, and discriminatory measures against people of color.
- To restore voting rights to prisoners and ex-prisoners.

- To advance public campaign finance, inspired by the 2015 Maine Clean Election Act.
- To replace the Electoral College with a straight national vote for President.
- To extend the vote to 16-year-olds.
- To extend democracy to corporations and workplaces.

Construction Zone Two: New National Goals and Indicators

In this zone, work is proceeding on new goals, and new ways to measure them:

- Transforming government and its many agencies into a respectful partner state.
- Restoring sound regulation to the central mechanisms of the economy.
- Redirecting all economic activity to support harmony with nature.
- Widening ownership in the economy, building economic democracy.
- Transitioning in a well-planned way to 100% renewable energy.
- Cultivating selective growth in industries, populations and regions that need support.
- Restoring trust and the development of cooperative regional economies.
- Achieving affordable housing for all.
- Achieving right livelihood and fulfilling employment for all.
- Restoring sovereign money-creation.
- Using new indicators to measure genuine progress toward these goals.

Construction Zone Three: Social Business

Business is brilliant. This needs to be said about the social invention that enables entrepreneurs to develop courageous visions, establish ventures and create jobs.

Most businesses contribute in a positive way and don't consciously seek to harm their workers, destroy the environment, undermine the local community or avoid paying taxes.

Some do, however, and almost all businesses contribute unwittingly to the assault on nature and the climate. Capitalism says it's okay as long as it's within the letter of the law. If a clever scheme your accountant advised you about lets you avoid taxes, some CEOs feel obliged to try it. Under mainstream capitalist values, the more selfish and ruthless you are, the better.

For these reasons, people who hold positive values are forming cooperatives and social enterprises, and 2,048 businesses and corporations around the world in 50 countries and 130 industries have adopted a new legal structure to become a certified B Corporation, using the power of business to solve social and environmental problems.²⁴ For brevity's sake, I call them all social businesses.

As Marjorie Kelly makes clear in *The Divine Right of Capital*, however, voluntary initiatives are not creating change of the magnitude needed.

So here's the proposal: that by a certain date, every business, large or small, must adopt a new charter and become a social business. Its purpose will no longer be purely to make money. With this change, corporate directors will have a legal duty to serve a social purpose in the public interest, protect ecological wealth, and support the wellbeing of their employees and the communities where their work is based as well as safeguarding the corporation and endeavoring to make a profit.²⁵ The primacy of capital will be dethroned.

Similar changes have been proposed by the Pennsylvania lawyer Thomas Linzey, co-founder of the Community Environmental Defense Fund, and by Michael Lerner, of Tikkun Magazine, who has proposed an Environmental and Social Responsibility Amendment to the US Constitution requiring every corporation with revenues over \$50 million to apply every five years for a new corporate charter that wouldn't be approved unless it

demonstrably serves the common good.²⁶ Marjorie Kelly and her colleagues at Corporation 20/20 have charted a path between government regulation and the free market using values-based principles to harness private interests to serve the public interest, and to “create international benchmarks to inspire and guide governments, multilateral organizations, civil, society and corporations themselves toward transformative change in corporate design.”²⁷

In Austria, Germany, Switzerland, Italy, Spain and many other countries the movement to build an Economy for the Common Good, inspired by author and change agent Christian Felber, has been growing apace. Since its launch in 2010 it has generated a growing movement, with 220 supporting organizations, 1,750 supporting enterprises, 200 pioneer enterprises that use Common Good balance sheets and bookkeeping, and engaged municipalities and regions.²⁸

For most businesses the social charter will pose no problem. The challenge will be for entrepreneurs who like to skirt the law and for corporations whose habitual conduct verges on the sociopathic and the kleptocratic.²⁹

The change need not be a problem for most investors either, since socially responsible business practices don’t harm the financial bottom line. If in doubt, investors might appeal to companies to appoint more women to their boards, as Calvert Investments (60% female board), Golden West Financial (50%) and IKEA (47%) have done, since evidence shows that companies with more women directors perform better financially.³⁰ Maybe it’s because relatively more women value partnership over domination and realize that approach’s effectiveness, or because they make fewer testosterone-driven decisions to show off in front of their peers.

There is no time for a leisurely transition, however. The urgency of climatic, ecological and social collapse requires the shift to happen fast. With a wave of political support, the transition to 100% social business could happen in phases:

Phase 1: An encouraged goal, with awards and media attention.

Phase 2: Tax incentives and public purchasing privileges.

Phase 3: A legal requirement that within (X) years every business must adopt a social charter that is recertified annually.

Reduced taxes and interest rates and privileged access to public procurement opportunities could be used to encourage businesses to embrace B Corp status, employee share ownership or cooperative ownership, tilting the playing field to encourage the transition.

In another area of this zone efforts are afoot to restore regulation to the essential building blocks of the economy, including the laws governing property, monopoly, contracts, bankruptcy and enforcement, where, as Robert Reich drives home in *Saving Capitalism For the Many, Not the Few*, corporate lobbying has removed the essential pillars of fairness. The cooperative economy will need them to be in sound condition.³¹

Work is also needed to end corporate welfare, ensure that proper punishments are meted out for corporate crimes, and redefine corporations so they are no longer viewed as ‘persons’ under the law.

Tax transparency requirements are needed too, requiring multinational corporations to state how much they pay in each jurisdiction (thereby curbing the transfer-pricing tax-dodge),³² and to deny public procurement opportunities to tax-avoiding companies.³³

Construction Zone Four: Cooperative Regional Economies

This is by far the busiest zone, with work proceeding in twelve areas. Local and regional economies are central pillars of the new cooperative economy, and we need to regenerate failing economies that are suffering poverty, hopelessness and distress.

Here's a zone where progressives and Tea Party supporters can maybe find agreement on:

- The importance of community, kindness, and helping neighbors;
- The importance of a strong sense of belonging;
- The importance of self-respect, and being able to contribute to your community;
- The value of small business;
- Compassion for those in difficulty and need;
- Love for the places where we live, and the need to protect their beauty, ecology and traditions.

As awareness of the new economy grows people will become familiar with cooperative methods of economic development that can regenerate depressed economies. Success will not come overnight, not without training and not without difficulty, but work under way proves that success in the here and now is possible.³⁴

Area #1: Community Regeneration Partnerships

In Missouri, Solidarity Economy St. Louis enables people and organizations building a more just solidarity economy to share best practices, collaborate, and support each other.³⁵

The key is to form partnerships that are as inclusive as possible. In Point St. Charles, Montreal, Regroupement Economique et Social de Sud-Ouest's wide partnerships enabled them to invest in literacy, housing and cultural enterprises, and to end the leakage of capital and businesses from the community.³⁶

In Grand Rapids, Michigan, in the heart of the Rust Belt, Guy Bazzani ring-led \$45 million of urban renovation by building partnerships with businesses, non-profits and the city, using green sustainable designs to bring buildings and streets back to life.³⁷ Both the US³⁸ and Britain³⁹ have successful examples of community and urban regeneration to their credit.

Community development corporations play an essential role. New Dawn Enterprises in Cape Breton, Nova Scotia, has been building a culture of self-reliance since 1976, creating 175 jobs in community-owned businesses.⁴⁰

Canada's Community Economic Development Network has several hundred member organizations that are committed to strengthening communities using participatory, democratic, innovative and entrepreneurial approaches. America has 4,600 such organizations—some in every state.⁴¹

The Scotland Urban Regeneration Forum pulls together the strands of change including community enterprise, local sustainability planning, the cooperative ownership of land and community-led regeneration, supporting community initiatives to tackle poverty and inequality. The Forum's 2016 Manifesto for Community Regeneration lays out the economic and community development policies that a new Scottish government could implement.⁴²

Area #2: Enterprise Facilitation

You can't have big businesses without first having small businesses. As Michael Shuman, author of *The Local Economy Solution*, David Morris, author of *New City States*, and Stacey Mitchell at the Institute for Local Self-Reliance have shown, locally owned businesses bring many benefits. Compared to large corporations, they recycle more money in the local economy, conduct themselves more reliably and accountably, generate a stronger sense of local identity, have owners and staff who engage in more civic activity, and give more to local charities.⁴³

Social businesses and cooperatives will form the new economy's core, so facilitating start-ups is essential. Co-ops are particularly beneficial since their members are entrepreneurial and committed to their businesses.

Ernesto Sirolli, founder of the Enterprise Facilitation method, says “the future of every community lies in capturing the passion, energy and imagination of its people.” Using Sirolli’s approach, the small community of Esperance in southwest Australia has averaged almost 40 business start ups a year consistently for twenty years, and 250 other communities have embraced his person-centered approach.⁴⁴ The Sirolli method is about listening, giving people space to reveal their passions, and helping to remove obstacles as they build their businesses.

In West Virginia, Lou Stein used the same bootstraps approach to generate 300-500 new jobs over two years with an annual budget of just \$150,000 (\$600-\$1,000 per job), working through the non-profit Valley Ventures and partnering with local banks to provide microloans, compared to \$258,000 for each job created through the US government’s 2008-2010 stimulus package.⁴⁵

In British Columbia, Simon Fraser University’s Community Economic Development program operates an eight-week Local Entrepreneurship Accelerator Program for start-up social entrepreneurs in rural B.C. The program’s lean start-up model prepares small groups of entrepreneurs to launch local businesses in their communities.⁴⁶

Grassroots economic development of this kind is real, unlike the corporate relocation bribes that pass for economic development in many states.⁴⁷

Area #3: Forming Cooperatives

Globally, cooperatives employ some 250 million people, based on commitments to solidarity, mutual respect and efficient business organization.⁴⁸

In Cleveland, Ohio, the Evergreen Cooperative Initiative has worked with Cleveland Clinic, University Hospitals, a local university and the city government to form three cooperatives, creating living-wage jobs in six low-income neighborhoods.⁴⁹

Based in the northern Spanish town of Mondragon, 75,000 people work in an organized cooperative network of 261 businesses and related organizations (100 of which are cooperatives) that has been developing since 1955. Because they value solidarity and mutual respect above hierarchy, when the Spanish economy shrinks by 10%, instead of firing 10% of their workers they work 10% less. And when a coop needs to fold, Mondragon’s research and innovation team rolls out a new one ready for launch.

At a time when Spain’s economy has been struggling, the Mondragon economy has stayed strong. The workers are also the owners so profits are re-invested instead of being siphoned off to buy corporate jets. The cooperatives follow sound business principles, with an eye to production efficiency and profitability and with relatively low wage differentials between 6:1 and 20:1, compared to 829:1 in America today.⁵⁰

Nothing is sacrificed through solidarity values, but much is gained: the Mondragon network is Spain’s most successful economic enterprise.⁵¹

Area #4: Cooperation Among Businesses and Cooperatives

Cooperation is also fruitful among private businesses. After World War II, Emilia Romagna was one of Italy’s poorest regions. Today, it is one of the richest. Italy’s fourth largest exporter, it enjoys the lowest unemployment rate and the highest level of citizen satisfaction.

The region has 7,500 cooperatives, and two-thirds of its people belong to one. Co-ops make up 30% of the economy. To keep a good thing going, co-ops pay 3% of their profits to cooperative development organizations that start new co-ops and convert current businesses into co-ops.

But here's the surprise: there is also cooperation among privately owned businesses, which belong to regional networking organizations to which they pay a 0.4% levy on sales. In return, they get support with everything from training and shared contracts to credit and product development.

Behind this success is altruistic self-organization. Some 32% of the working population is self-employed, and 76% work in a small businesses with only 4-5 workers. People understand the value of reciprocity. They help each other, sub-contract to each other and support loans to each other, building a network of strength and mutual obligation.

What's happening in Italy is far more than an expanded Chamber of Commerce. Local and regional governments play an important role, using legislation, taxation and development initiatives. Emilia-Romagna demonstrates convincingly that cooperation works better than competition and that altruistic behavior is an effective way to build a regional economy.⁵²

The same impulse is reverberating in North America. In Cincinnati, Ohio, local organizers from United Steelworkers met representatives from Mondragon for inspiration and then formed the Cincinnati Union Co-op Initiative to create an integrated network of union co-ops that will sustain families and the local economy. So far, they have helped launch three co-ops, each paying 10% of its profits into a fund to help other co-ops.⁵³

In Jackson, Mississippi, inspired by Mondragon and Emilia Romagna, Cooperation Jackson is working to build a solidarity economy anchored by a network of cooperatives and other democratically self-managed enterprises. To overcome dereliction, gentrification and the displacement of local people they are buying as much property as they can, establishing a community land trust, and forming an ecovillage housing cooperative and three building co-ops to make as many people homeowners as possible in low-income African American neighborhoods.⁵⁴

In Vermont, 760 members of Vermont Businesses for Social Responsibility advance business ethics that value the economic, social and environmental bottom lines.⁵⁵ In Phoenix and Tucson, 3,000 businesses belong to Local First Arizona, which celebrates and supports independent locally owned businesses and works to build self-sufficient, healthy, prosperous communities.⁵⁶

In Seattle, 150 businesses together formed the Seattle Good Business Network, which works to build a resilient local economy by helping businesses to go green, building community-based capital, supporting manufacturing and the food economy, and forming a Local Economy Leaders Lab to transform Seattle's economy into a more democratic, diverse, community-centered economy.⁵⁷

Area #5: New Forms of Community Ownership

In the cooperative economy, new forms of ownership are appearing—community land trusts, credit unions, housing cooperatives, co-housing, business cooperatives, community investment funds, community forests, community-owned farms, cooperatively owned wind-farms, foundation-owned corporations, common knowledge wikis, and social service cooperatives. Collectively, they are rebuilding the commons that was stolen from public use through privatization in the industrial revolution's early years.

Prize-winning American economist Elinor Ostrom identified eight operational principles for shared management of the commons. Together, their use allows people to build the skills and relationships needed to manage land, property, water, grazing, fishing and money in common.⁵⁸ An example from Minneapolis: the Northeast Investment Cooperative is buying abandoned commercial properties and renting them to small businesses, expecting that when local people come together to make collaborative long-term decisions, their neighborhoods will thrive.⁵⁹

For a personal tour of these and other blossoming initiatives, see Marjorie Kelly's *Owning the Future: The Emerging Ownership Revolution*.⁶⁰ The British-based Future Communities also provides information on and

support for new forms of ownership, emphasizing the core principles that local residents must share governance, engagement and accountability.⁶¹

Community-based ownership structures like those described here build connections, commitment and trust—the essential invisible currencies of an economy.

Area #6: Ecological Democracy

Even a cooperative economy will not protect nature unless ecological activism and democracy are baked into its DNA. In Canada, Victoria (population 350,000) has 150 environmental groups and non-profits whose staff and volunteers frequently participate in community decision-making, inserting an ecological perspective into democracy. The Environmental Law Centre at the University of Victoria pitches in legal expertise. It takes dedication, but the results have been impressive, with threatened green spaces being saved, creeks protected, parks created, a unique long-distance separated bike-route built, urban farms and farmers markets established, and municipal commitments made to achieve 100% renewable energy for all purposes.

The commitment to environmental values also appears among the region's businesses. So far, over a hundred have been officially deemed green by Vancouver Island Green Business Certification, a local organization founded by Jill Doucette, a young green business leader.⁶²

Area #7: Community Food and Farming

In Detroit, with 67,000 vacant properties for sale within the city limits, urban farming is helping to regenerate the city. In 2000, there were 80 farms within the city limits. Today, there are 1,400, and such organizations as The Greening of Detroit,⁶³ the Georgia Street Community Collective⁶⁴ and FoodLab Detroit⁶⁵ are building a food business ecosystem one entrepreneur or cooperative at a time.

In Vancouver, Michael Ableman (a farmer) and Seann Dory, a social activist and founder of Young Agrarians, formed North America's largest urban farm, with support from the city. Sole Food Street Farms, in the heart of the Downtown Eastside, grows food in portable boxes on vacant lots, 'empowering individuals with limited resources by providing jobs, agricultural training, and inclusion in a supportive community of farmers and food lovers.'⁶⁶

In Toronto, The Stop has transformed itself from a traditional food bank to a Community Food Center that increases access to healthy food in ways that maintain people's dignity, promote good health, build community, and challenge inequality. Its activities include drop-in meals, community kitchens, community gardens, perinatal and family support, civic engagement, and hands-on cooking and gardening programs for children and youth.⁶⁷

In Northeast Greensboro, North Carolina, residents fed up with living without a local grocery store enlisted municipal, private sector, non-profit, financial and healthcare partners and spent four years raising \$2.5 million to form the 10,500 sq. ft. Renaissance Community Coop to bring good jobs, healthy living options and community wealth to a neighborhood that struggles with obesity, diabetes, unemployment and poverty. The Coop is also the anchor for a shopping center that the partners want to be a thriving example of community-based economic development.⁶⁸

Restoring joy to growing, selling, cooking and eating food in ways that empower people while reducing poverty and inequality is a central part of the cooperative economy, building community wealth.

Area #8: Affordable Housing

When Zurich, Switzerland, had a housing crisis a hundred years ago, it secured land where people could build their own homes. Today, it offers interest-free loans to housing cooperatives to help them buy land. A quarter of the city's housing stock is not-for-profit, four-fifths of which are housing cooperatives.⁶⁹ Housing coops also

play a major role in Sweden, Finland and Montreal, where Batir Son Quartier has developed 10,900 units of affordable housing, half in cooperatives.

The housing crisis offers many opportunities to build the new economy, from cooperatives to community land trusts, from self-build grow-homes to ecovillages. In Medicine Hat, Alberta (population 67,000), the city's embrace of the Housing First approach has totally wiped out homelessness.

On the Oglala Pine Ridge Reservation in North Dakota a group of youth and young families who were reconnecting to their cultural spirituality and identity through spiritual ceremonies formed the Thunder Valley Community Development Corporation as a catalyst for systemic change. Their first project is to tackle the local housing crisis. Since two thousand people employed on the reserve are forced to live elsewhere, they are planning a net-zero regenerative community of affordable green housing, reflecting the traditional design of Lakota settlements.⁷⁰

Initiatives like this are happening everywhere, seeds of a new cooperative economy that's bursting into bloom.

In Buffalo, New York, People United for Sustainable Housing helped build a Green Development Zone, converting run-down derelict properties into affordable energy-efficient homes, aiming to advance economic justice and create a replicable model of grassroots neighborhood redevelopment that other low-income Rust Belt communities can deploy.⁷¹

So who pays? Money for affordable housing can come from community investment funds, new housing-related taxes, and redirecting macro-economic policy to shift quantitative easing (see Zone 5) from the banks to affordable housing. Taken together, the flow of income from higher-priced housing could finance the construction of affordable housing, creating a permanent financial feedback loop that could end the otherwise cruel operation of the free market.⁷²

Area #9: Ending Structural Racism

The best community regeneration initiatives will fail if they don't address the systemic racism and economic exclusion that hinder and harm so many people of color.

From 1934 to 1968, the US Federal Housing authority explicitly excluded people in black neighborhoods from home ownership, leading the banks and mortgage industry to redline areas where black people lived and write clauses into land titles prohibiting sale to non-whites.⁷³ The discrimination continues, with the Department of Housing and Urban Development settling in 2015 with a Wisconsin bank over claims that it been discriminating against black and Hispanic borrowers.⁷⁴

The way policing happens in many communities also sparks anger. In *The Divide: American Injustice in the Age of the Wealth Gap*, Matt Taibbi gives withering evidence of harsh racially biased policing, injustice and prison sentences juxtaposed with billion dollar crimes on Wall Street for which a corporation may pay a small fine while the CEOs and executives responsible go unpunished.

The way forward isn't uncharted. The Movement for Black Lives Platform includes demands that are very congruent with the vision and values of a cooperative economy. Their goals include economic justice for all, reconstruction of the economy to ensure that Black communities have collective ownership and democratic control over resource use, and support for cooperatives and the social economy.⁷⁵

Area #10: The Happy City

The character and feel of our towns and cities contributes hugely to community wellbeing—or distress. In *The Happy City*, Charles Montgomery makes a convincing case for how planning for walkability, cycling and transit make for a happier existence, as cities in Europe are discovering. In Copenhagen, 40% of all trips to work and

school are by bike. Around the world, cities from Bogota to Berlin are discovering how car-free spaces encourage conversation, connection and community.⁷⁶

In a happy community, people connect with their neighbors, building trust, and block parties become an annual tradition. The storied urban design critic Jane Jacobs was so right to fight urban mega-schemes, with concrete freeways being pushed through previously vibrant neighborhoods full of small stores and street conversations. Community wealth is an essential component of the cooperative economy, and one way to build it is by shaping our cities to encourage human connection. Shared space—witness the enormous popularity of New York City's High Line above-ground park—generates trust, and a return to the liveliness of local democracy that De Toqueville observed while touring America in the 1840s.

When people embrace the American Dream, most fixate on a private dream, be it a sweet home behind a white picket fence on a tree-lined street or a gated beach-side condo. But people can become lonely, depressed and distrustful in their dream homes. Worse, the dream can sour into a nightmare when job loss, medical bills, debt or divorce come knocking and there are few or no neighbors to help.

We are complex, feeling people who live through all sorts of challenges, and we evolved as social beings in relationship-rich communities. We need to increase the community wealth in our villages, towns, cities and reservations, and to re-craft the American Dream as a community dream.

And re-craft ecological wealth too, fighting to preserve the bayous, forests, rivers, parks, mountains, swimming holes and creatures we love, which make us feel at home.

Area #11: An Economy of Love

In New York, Cooperative Home Care Associates (America's largest worker coop) has 2,300 owner-workers who enjoy good wages, regular hours, and family health insurance, encouraged by policy support from the city.⁷⁷

In Bologna, in Emilia-Romagna, social cooperatives provide 85% of the city's social services. Ownership and management is shared, so nobody brakes for profit. The result is a quality of relationship that is often lacking under private or public ownership, when the care delivery easily becomes just another cost to be reduced where possible.

But not always. In Scarborough, Ontario, Mark Wafer runs six Tim Hortons coffee and donut franchises where 33 of his 210 workers have a disability (2012 data). His employee turnover rate is half the industry average, his absenteeism rate borders on zero, and he has never made a work-related injury insurance claim for an employee with a disability.⁷⁸

These important numbers are only half the story. What also matters is the increase in community wealth, since by including people whom the capitalist economy brushes aside Mark is increasing wealth in the economy of love. Proverbially, when we give to others and make a difference in someone else's life, we receive back more than we give. Wealth is no longer just money; the commodity value of kindness becomes higher than that of money.

In capitalism's kindness-free zones, many people are forced to survive with help from the diminishing welfare state, and the non-profits, charities and churches that are trying to pick up the pieces. There is something profoundly wrong with this picture. The new cooperative economy needs to lift everyone, including and embracing them in a wider understanding of wealth and wellbeing.

Once a year, CNN runs CNN Heroes, featuring open-hearted people who are making an extraordinary difference in the lives of others and the environment. CNN's 2016 Hero of the Year was Jeison Aristizabal, a 33-year-old man with severe cerebral palsy who is redefining how Colombians see disability. He launched a disability-advocacy foundation out of his parents' garage in Cali that provides educational and medical support and a

second home for youth living with disabilities in one of Colombia's poorest stretches. Equally important, Aristizabal's work inspires recognition, respect and dignity for all people with disabilities. As he said when he won the prize, "The most special thing about the foundation is the love and care we give to the children. We fight for their happiness."⁷⁹

This compassionate work, including teaching, nursing, parenting and grandparenting, is an essential part of the cooperative economy, and everyone who reaches out with love to someone in need is contributing to it.

Area #12: Supportive Legislation

The capitalist economy developed laws and regulations to help it flow smoothly. Now imagine similar support for the cooperative economy, including legislation such as Italy's Marcora Law, which allows unemployed workers to establish new co-operatives financed through their unemployment benefits.⁸⁰ Similarly, Britain's Social Values Act requires public bodies to consider choosing providers based on the social value created, not cost alone,⁸¹ and Berkeley's Cooperatives Support Ordinance supports and incentivizes coops and helps them be competitive in bidding processes.⁸²

The accumulation of cooperative economy laws could be packaged together as ASCEND: Advancing Sustainable Cooperative Economies and New Democracy. Any interested council or legislature could study the package and adopt similar measures.

Construction Zone Five: Sovereign Money

Money is commonly described as a measure of value and a medium of exchange. This is true, but it ignores its primary function. Money is fundamentally a measure of *trust*, imagined into existence whenever a bank trusts people enough to advance them a loan. This is how banking has operated since the first bankers sat behind their benches (*banca*) and issued loans.

Sovereign money champions say money is created out of thin air, but this metaphor is misleading. In reality, *trust* is the invisible grist, and the lion's share of trust stems from the *commons*, since only society as a whole can create this kind of trust. Without trust, we would revert to a grim existence, and loans would revert to being usurious. This understanding lays a firm philosophical foundation for expanding the money supply as a public function.

Governments print banknotes and coins, but these make up only 3-10% of the money supply. The rest is created by private banks and credit unions limited only by their capital requirements, currently set at 4.5% by the Basel Committee on Banking Supervision.⁸³ On Wall Street, unfortunately, gambling and securitized derivatives so complex that even their own managers can't understand them are still being created, financed by the public money supply, assuming that the federal government will come to the banks' rescue when they fail.

The first central banks were set up in the 17th century to provide stabilizing loans when banks were in danger of collapse. Central banks create money the same way private banks do, as the materialization of trust or "out of thin air."

Canada is the only G-7 country to have a publicly owned central bank. The Bank of Canada was created in 1935 and nationalized in 1938. From then until 1974 it created its own sovereign money, which the government used to finance its participation in World War II and later to build the TransCanada Highway, the St. Lawrence Seaway, hospitals and schools. In 1974, the Bank of International Settlements persuaded its governor to cease creating money and instead (without consulting the government) to embrace a monetarist approach, borrowing all money from the private sector. Canada's debt has since swelled to \$634 billion, much of which is accumulated interest payments.⁸⁴

A central bank's ability to create money depends on trust in the country, which is a function of the commons, so logically a central bank should be under public control. Privately owned central banks should have no more right to exist than pirates on the high seas.

Privately controlled central banks don't have the same interests as the public. The prime tools in a government's macro-economic policy, the abilities to set interest rates and create money, should reflect the government's goals, not capital's goals. Since the early 1970s, however, western governments have been persuaded to allow central banks to control macro-economic policy, which they have done only to control inflation and stimulate growth, not to work for full employment or to guarantee affordable housing, which are equally valid goals.

Limits on public money-creation trace back to fears of inflation. When more money is created than an economy can absorb, inflation results, as Germany discovered to its grief in the 1920s, when the Weimar Republic printed so much money to pay its war debts and reparations that hyper-inflation ensued, with a dollar trading for four trillion marks in 1923. This debacle fanned global distrust in a government's ability to handle the money supply and gave birth to a generation of right-wing monetarist economists.

Complex questions about who should create the money supply are being explored by many, including Mary Mellor, Positive Money in England, and Vollgeld in Switzerland and Germany.⁸⁵ As Mellor writes: "The central bank must return the sovereign prerogative of money-creation free of debt to the people, for the benefit of the people, as a public resource. That is, money must be democratized."⁸⁶

The Swiss Vollgeld Initiative proposes that new money be created only by Switzerland's National Bank, giving it full control over the money supply, and that banks borrow from the central bank as needed, with national priorities uppermost in mind. Over a century ago, in 1891, Swiss banks were printing too many bank notes, fueling inflation and financial instability. In response, the Swiss people voted to set up the Swiss National Bank, giving it a monopoly on printing bank notes. Since then, electronic money has arrived and the banks are once again creating too much money, creating debt and property bubbles. The Vollgeld referendum aims to return the power to create money to the Swiss National Bank. The necessary 100,000 signatures have been obtained, and the referendum is likely to happen in 2018.⁸⁷

Sovereign money advocates are proposing that when a bank needs money to invest in a project that advances the common good, instead of creating it themselves they would need to obtain it from the central bank.

Is this a progressive move towards democratic money-creation for the public a good move, or is it an intrusion by governments on the inherent right of people to trust each other and advance each other loans based on that trust, through the conduit of social banks and credit unions? It's an open question, which needs a thorough debate.

Task-Oriented Quantitative Easing

Since the 2008 financial collapse, central banks have struggled to rekindle growth. Besides record low interest rates, they have used quantitative easing to buy government securities from banks, pumping money into them in the hope that they would re-invest in the real economy.

Quantitative easing is confusing, not just to the public but among economists too.⁸⁸ According to *exogenous* money supply theory, when a central bank creates money out of our common trust by buying bonds from a bank the money will be re-invested in businesses that turn the economy's gears. That hasn't happened. Instead, the money has been used by the wealthy to buy shares and assets such as housing, pushing up prices and increasing the inequality chasm.

In practice, banks can't invest money in the real economy until there's real demand. *Endogenous* money supply theory, endorsed by the central bankers themselves, says it's the pull of demand from within the economy that increases supply, not the money itself.

Matthias Kroll, the World Future Council's chief economist, proposes linking Money-Financed Fiscal Programs to specific areas where investment is needed, which could be affordable housing, safe separated bike lanes, organic farming or climate solutions. Let's call it Task-Oriented Quantitative Easing (TOQE).⁸⁹

In Europe, a coalition called QE for People has proposed that the European Central Bank use TOQE to create money for much-needed investments in public infrastructure or affordable housing. The European Central Bank has confirmed that this is possible as long as it's conducted within a framework that limits inflation.⁹⁰ Another Matthias Kroll proposal, QE for Climate, proposes using the world's central banks to tackle the climate crisis. (See Zone 8).

Cooperative Public Renewal

Under neo-liberalism, when a struggling country can't repay an IMF loan, structural adjustment is imposed, forcing the country to cut government expenditures and embrace austerity measures. Similar strictures could be used to support the development of a cooperative economy in depressed regions and countries. Under a program of Cooperative Public Renewal (CPR), national, state or bank debts could be written off using TOQE, and recipients asked to adopt the kinds of cooperative economic development strategies described here. Even a problem as grave as Italy's banks or Greece's debt could be beaten back in this way.⁹¹

This essay's thrust is visionary, but we can't ignore the dangers embedded in current trade treaties (CETA, TPP, TTIP, TISA and NAFTA).⁹² TISA (Trade in Services Agreement) threatens to ban many of the possibilities described here: public banking, post office banking, sovereign money, the regulation of Wall Street, the banning of high-risk financial products, the re-instatement of the Glass-Steagall Act, capital controls (which were essential to Iceland's recovery), financial transaction taxes, state-owned businesses, the reversal of privatization, future regulation of the financial industry, the enforcement of environmental regulations now considered unfair 'burdens,' and laws favoring renewable energy are all on the chopping block. TPP and TISA, if their corporate proponents have their way, would trump national laws.⁹³

This dangerous agenda to block initiatives leading to a cooperative economy is gathering force, using trade treaties as Trojan Horses to advance a pro-corporate, anti-government agenda that alarms most people who take the time to understand it. Its proponents are seizing moments of crisis to impose more corporate rule, as Naomi Klein revealed so insightfully in *The Shock Doctrine*.⁹⁴

Construction Zone Six: Social Money

In the transition to social business, all banks would become social banks. Within a specified period, a bank would be required to serve the common good as well as provide a functional banking service, on pain of losing its operating license. As a measure of control on this service, since all new money created for loans is backed by the public's trust, some are proposing that all large investments should require the approval of a regional, sector-based, elected or appointed Sustainability Review Board to ensure that they meet publicly agreed criteria for social and ecological sustainability.⁹⁵ The threshold could be \$10 million, or a significant number of signatures. This way, large investments in everything from the chemical industry to the food sector would need a public high five to go forward.

Social banking is well under way. Credit unions create money just as banks do, but their loans are usually issued only for positive purposes. In some countries, they are weak because they lack supportive legislation. In others, such as Canada, they are strong. A credit union is a financial cooperative owned and controlled by its members, though in most cases the members are dominated by a traditional board. Vancity Savings, based in Vancouver, with 519,000 members, \$19.8 billion in assets and 50 branches, has an activist board that supports positive initiatives for the new economy. In 2015, it returned \$5.5 million in profits to its members, money that stays in the local economy.⁹⁶

Community banks take the same path and get the same results, with a strong commitment to community investments and values. In New Hampshire, thanks to the New Hampshire Community Loan Fund, a quarter of the state's 450 mobile home parks are now resident-owned through community land trusts, safe from eviction.

In Croatia, the Cooperative for Ethical Financing, ebanka, is governed democratically by its members. Members earn no interest on their deposits until they choose to invest in a project, which is pre-screened based on social acceptance and ecological criteria. The higher the score, the better its financing conditions. Members are also invited to crowd-fund projects directly. Ebanka typically invests in eco-agriculture, renewable energy, small and medium-sized manufacturing, professional services, information technology, social entrepreneurship, start-ups and novice entrepreneurial projects.⁹⁷

In Sweden, the JAK Bank is run democratically by its 38,000 members, who store their savings and make interest-free loans to each other.⁹⁸ The Triodos Bank, based in Holland, Belgium, UK, Spain and Germany, with \$8.5 billion in assets and 30,000 equity-owners, *only* invests in ethical projects that make a socially responsible contribution to the world.⁹⁹

This is values-based banking, which plays a critical role in the emerging cooperative economy.¹⁰⁰

A public bank also creates money, and public ownership enables it to make values-based investments in economic sectors a government wants to advance, as the attorney and president of the Public Banking Institute Ellen Brown has made so clear.¹⁰¹ Public banks are up and running in forty countries, including Germany. In North America, the long-lived Bank of North Dakota exemplifies successful public banking.¹⁰² Publicly owned post offices have provided banking services in the past and could again, as campaigners in Canada and elsewhere are proposing.¹⁰³

Money is also created in the form of community currencies and Time Dollars, which empower people to trade their skills even when they are short of cash.¹⁰⁴ In Switzerland, the WIR Bank, a financial cooperative founded by businessmen in 1934, enables its 60,000 members (17% of all Swiss businesses) to trade using their own *wir* currency.¹⁰⁵

Around the world, the advance of socially responsible investing (SRI) shows how rapidly investors are embracing new values. In the US in 2016, \$8.72 trillion was invested by 1,002 SRI funds. More than half that sum, \$4.72 trillion, came from institutional investors, representing 21% of all assets under professional management—a 500% increase since 2012.¹⁰⁶ In stark contrast, Goldman Sachs and Morgan Stanley are sinking the profits they are making from money created out of the public trust in anything that can turn a profit, from airports, oil tankers and fossil fuels to a ‘whole galaxy of raw materials’.¹⁰⁷

The financial sector needs severe restructuring to cut off its vampire squid tentacles. The cat’s cradle of globally interconnected derivatives and collateralized debt obligations created after banking was deregulated needs to be unwound, and assigned to financial history. Anthony Haldane, executive director of financial stability at the Bank of England, said in 2009 that to fully understand these debt obligations a prospective investor would need to read and understand more than a billion pages of information.¹⁰⁸

Speed is a problem along with volume. The economist Ha-Joon Chang notes that the faster cars travel, the greater the need for regulation, compared to the days when most people walked or used a bullock-cart.¹⁰⁹ The same applies to the financial sector, which has become so fast, interconnected and devoid of values that it poses a threat to the entire world economy. If you doubt this, or how badly bankers behave, read Joris Luyendijk’s *Swimming with Sharks: My Journey into the World of Bankers*.¹¹⁰

Once progressive politics returns, legislation will be needed to separate main street from investment banks, break up the ‘too-big-to-fail’ banks, favor social banks, make forming public banks easier, impose a financial tax high-speed transactions to slow them down, and re-organize banking to reflect changes in how money is created.¹¹¹

Construction Zone Seven: Extending Economic Democracy

In *The Divine Right of Capital*, Marjorie Kelly shows how we have failed to achieve economic democracy and how capitalism and corporate law enshrine rights and privileges to the owners of wealth just as the divine right of kings did for royalty and the aristocracy. The American Revolution overthrew the King of England, but not the industrial tycoons or their successors on Wall Street.

In this zone, work is under way to extend economic democracy by widening ownership and control over corporations, the workplace, and the commons.

Some companies profit-share with their employees, as the Brazilian newspaper La Prensa has done for 50 years. Others have employee-stock ownership plans (ESOPs), including 7,000 companies in America with assets totaling \$1.3 trillion and 10.6 million active participants.¹¹² In Lakeland, Florida, Publix Super Markets has had an ESOP since 1974 for its 182,500 employee-owners.¹¹³

Participation in decision-making is one of democracy's linchpins. In Germany's Works Councils, employee assemblies representing 87% of all private sector workplaces with more than 500 employees discuss and approve all major company decisions. German workers also have the right to a third of the seats on the boards of companies with 500 to 2,000 employees and half the seats in companies with more than 2,000 employees.¹¹⁴

Increased public ownership is also needed for the commons. In Vermont, a proposal advanced in 2011 for a Vermont Common Assets Trust would have expanded the scope of public trust doctrine had Congress consented. As well as navigable waters and shorelines, it would have applied to undisturbed habitats, ecosystems, biological diversity, flood control, pollination, raw materials, the global atmosphere, and social assets including the Internet, universities and the radio spectrum. Certain users would pay fees into a trust fund to be distributed to all citizens, much as the Alaska Permanent Fund now distributes oil revenues.

How might the media operate in a cooperative economy? Today, 90% of the US news media is controlled by six corporate giants run by fifteen billionaires,¹¹⁵ and Facebook dominates social media with four billion active monthly users.¹¹⁶ Yet, all depend on the radio spectrum, which is part of the global commons. The cooperative way might be for governments to reassert public ownership over the spectrum and issue social operating licenses, making them subject to competitive bids every ten years, the way some cable television licenses are issued in Britain. This would increase media democracy, including public consultation over licensing criteria.

Advertising also depends on use of the commons. Norway, Sweden, Greece and Quebec have banned TV advertising to younger children, as the campaign Leave Our Kids Alone wants to happen in Britain too.¹¹⁷ A commons tax on advertising could yield revenues that could be distributed to the public, or used to finance non-profit messaging.

Construction Zone Eight: Where Nature Matters

In each of these zones, the variety and amount of work going on is enormous, but in this zone it's happening with real urgency, because the climate and ecological crises pose such dire threats.

Tackling the climate crisis requires a rapid transition to 100% renewable energy, an end to deforestation, a big cut in meat consumption, changes in forestry, farming and ranching to speed carbon sequestration, an end to fossil fuel investments and subsidies, an effective price on carbon, and carbon rationing to protect social equity. The longer we delay, the faster the transition will need to be.¹¹⁸

Fortunately, renewable energy's fit with the cooperative economy is good. Most renewables are local, causing money to circulate locally, especially when generated by locally owned renewable energy cooperatives.

The cost of the transition needed to stay under the 1.5°C Paris aspirational limit has been estimated at \$1.5 to \$2 trillion a year. Most of this investment in a livable future would not return a profit if issued as a regular loan. This is where Matthias Kroll's proposal to have the world's central banks provide some of this money as a TOQE climate bail-out comes in, much like the banking bail-out after the 2008 Great Recession. The central banks would create up to \$300 billion a year of debt-free money, and use it to buy interest-free Green Climate Bonds from financial climate institutions such as the Green Climate Fund, providing leverage for private sector investments in renewable energy.

Spread globally, given the \$80 trillion scale of annual global economic output, the \$300 billion in climate bonds would act as a small stimulus rather than pose an inflationary risk. To use quantitative easing to tackle the climate crisis, which poses a risk to the entire global financial system, makes enormous economic and common sense.¹¹⁹

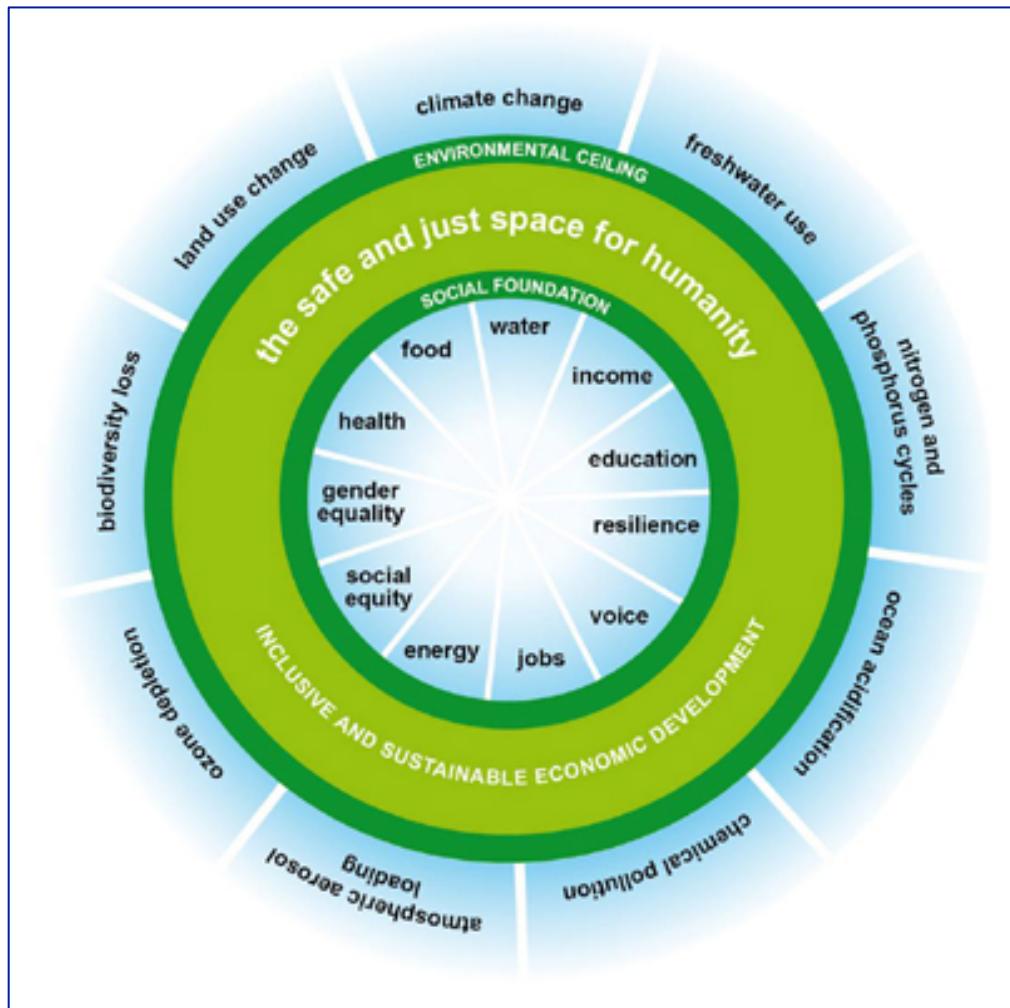
Globally, we need a treaty that firmly caps global emissions. The time is now: by 2020, the rate of transition needed to achieve 100% renewable energy by 2030 will be 10% a year, requiring a mobilization comparable to that in World War II.¹²⁰ Mounting this effort will require a major shift in the public's perception of the danger of rapid climate change, a formidable challenge in a sea of fake news.

Failure to tackle the crisis will bring economic collapse. Yet, for neo-liberal economists the climate crisis is just another externality. Consulting a conventional economist for advice on the climate crisis is like consulting a doctor who can't recognize sickness, because he or she believes that the human body needs no medical interventions since it tends towards equilibrium and corrects its own ailments. We can no longer afford to kid ourselves like this.

Planetary Boundaries

Earth has nine recognized Planetary Boundaries that we should strive never to cross, five of which have already been breached.¹²¹ There is no economic solution to these transgressions: the way to repair the damage and prevent future breaches is through legislation and treaties to protect the climate, oceans, rivers, lakes, forests, biodiversity, and the chemically sensitive ecosystem within our own bodies.

The British economist Kate Raworth has developed a playfully serious image for our predicament, which she sees as managing a 'doughnut economy' (see below). The realm of safe and just economic activity is constrained on the outside of the doughnut by the nine planetary boundaries, and on the inside by a social foundation of essential human services that support the top social priorities.¹²²



To end our over-consumption of resources, the cooperative economy will need to be a circular economy: all manufactured goods will need to be designed for recycling, and all communities will need to strive to achieve zero waste.¹²³ Globally, only 20% of our waste is being recycled today. 70% is landfilled, 10% incinerated, and a whole lot goes missing, including mountains of plastic wastes dumped in ditches, rivers and oceans.

Wastes of this magnitude don't go unnoticed. In 2016, 36% of Swiss voters voted in a referendum to support a green economy initiative that would have encouraged resource efficiency and a circular economy, and substantially shrunk their ecological footprint in ways that could be replicated worldwide by 2050.¹²⁴ Next time, maybe 51% will see the light.

Zero Waste Europe supports a network of communities committed to zero waste without incineration. One is the Italian city of Parma, whose residents increased their recycling rate from 45% to 80% in just four years. Another is the small French town of Roubaix, where after just one year 70% of households managed to reduce their waste by over 50%, and 25% by 80%.¹²⁵ In like vein, Sweden grants tax breaks for repairs on everything from bicycles to washing machines.¹²⁶

The cooperative economy will also need many place-based solutions, including:

- Urban and rural planning, zoning, and design for ecological protection and human wellbeing;
- Ecoforestry practices that protect biodiversity and lead to zero net deforestation;
- Agro-ecological farming practices that protect biodiversity and restore farmland;

- Marine protected areas, ecological fisheries-management treaties based on Lin Ostrom's principles of commons ownership, and Territorial Use Rights for Fishing programs.¹²⁷

Construction Zone Nine: Fulfilling Work for All

The challenge in this work zone is to achieve a fulfilling livelihood and a healthy work-life balance for all, while coping with automation.

It sounds impossible. By one recent reckoning, robots could take 6% of all jobs in America by 2021, including customer service and transportation.¹²⁸ Another study found that automation could cost Canada 7.5 million jobs by 2030—40% of all jobs.¹²⁹ Techno-optimists such as Klaus Schwab at the World Economic Forum believe that a fourth industrial revolution, driven by autonomous vehicles, 3-D printing, nanotechnology and ‘the Internet of Things’ will generate a wave of new jobs. Others argue that the new technologies are simply an extension of the third industrial revolution and will not generate many new jobs.

Regardless of the looming impact of automation, communities are striving to create new jobs, including in manufacturing. Among many community initiatives under way to restore local manufacturing are Chicago’s Manufacturing Renaissance, SF Made, and Seattle Made. In each initiative, local producers and manufacturers are working together to start, grow and expand their businesses.¹³⁰ Manufacturing is ground zero for automation, however, so fundamental policy changes are also needed.

Governments can embrace four solutions:

1. Make a commitment to full employment, aided by a planned transition to a 32-hour working week, longer holidays, sabbaticals, parental leave and work sharing. The technological advances that are eliminating jobs spring from a shared civilizational investment in science and engineering. This means they belong to the commons, so their benefits should be shared. Cutting the working week for everyone would do that, reducing unemployment to 3-4%.¹³¹ It would also open the door to what the economist Juliet Schor calls ‘plenitude,’ enabling people to enjoy the benefits of a time-rich, ecologically light, small-scale, high-satisfaction economy.¹³²
2. Invest in R&D to set mission-oriented strategic directions for the economy and generate business start-ups. As Italian economist Mariana Mazzucato observes, governments need to become Entrepreneurial States since the private sector doesn’t invest in the risky start-up phase of technological development.¹³³
3. Adopt ‘flexicurity’ policies like Denmark’s and Norway’s for labor market mobility. The idea here is that weaker job security is balanced by unemployment benefits for laid-off workers at up to 90% of their previous earnings, buttressed by active job search assistance and labor market training.¹³⁴ In Germany, when there’s a financial crisis, companies are encouraged to reduce their employees’ hours, and the government pays a portion of the workers’ unemployment benefits to help make up the difference since it costs less to pay partial benefits to a reduced-time worker than full benefits to an unemployed one.¹³⁵
4. Adopt the Greek economist and former finance minister Yanis Varoufakis’ proposal that a percentage of capital stock from every initial public offering be placed in a Commons Capital Depository, with the dividends being spent on a universal basic dividend.¹³⁶

Construction Zone Ten: Ending Poverty and Inequality

Two of the new cooperative economy’s big goals must be reducing inequality and ending poverty, including supporting people’s choice to opt for voluntary simplicity. Several paths are open:

1. Enable everyone to enjoy a fulfilling paid livelihood through work sharing.

2. Encourage unionization and worker representation on company boards and allow workers to bargain collectively for higher wages and benefits.
3. Encourage the formation of cooperatives and cooperative support networks among businesses.
4. Use progressive tax reforms to reduce wage differentials between top management and workers. In a 2016 survey, 55,000 people in four countries were asked how much they thought a top national CEO and an unskilled factory worker earned. The average respondent believed that the bosses earned ten times more than the unskilled workers and that 4.6 times more would be better. In reality, in America the pay ratio was 20:1 in the 1960s, 30:1 in the 1970s and 300:1 in recent years.¹³⁷ In 2016, Expedia CEO Dara Khosrowshahi earned \$94.6 million while a Walmart worker making \$10 an hour earned \$20,000. That's a wage differential of 4,730:1.¹³⁸
5. Pass legislation to close tax avoidance loopholes and make it a crime to help someone avoid paying taxes.
6. Guarantee an unconditional annual or monthly Universal Basic Income for all, financed by the savings on welfare schemes, progressive tax policies, a financial transactions tax, and/or a Varoufakis capital stock depository.
7. Build community wealth. Its many forms include affordable housing, community parks, pedestrian urban spaces, good public transportation, separated bike lanes, carsharing, free college education, affordable childcare, urban farms, community kitchens, community currencies, community ownership, public libraries, neighborhood tool libraries and regular block parties.
8. Increase the minimum wage to \$15 an hour and ensure gender wage equity.¹³⁹

The strongest argument for a Universal Basic Income, whether annual or monthly, is that without it the lack of demand caused by automation and unemployment will suck the life out of an economy. As Economics author and entrepreneur Tom Streithorst says, “If things keep going the way they are, our society will divide into a small elite who own the technology and a huge army of the unemployed living in squalor. A robot can make an iPhone but it cannot purchase one. If we want to maintain demand we must put money in peoples’ pockets.”¹⁴⁰

This train is already leaving the station: Basic Income trials began in 2017 in Finland, Holland, Ontario, and Prince Edward Island, Canada.¹⁴¹

Construction Zone Eleven: The Partner State

What is the state’s role in the new cooperative economy? One idea, from community organizer and cooperative economist John Restakis, is the Partner State—“an enabling state...that facilitates and provides the maximum space for civil society to generate goods and services for the fulfillment of common needs.”¹⁴²

Economics authors Eric Liu and Nick Hanauer would have governments change from thinking of themselves as engineers, seeking to fix things, to gardeners, ‘aiming to create the conditions in which the garden of society can flourish.’¹⁴³

Historically, you could say that state governments have always supported the dominant elite. Yet, the advantage of uncorrupted democracy is that the past doesn’t have to be the prologue: who’s on top can change.

All four Nordic nations have progressive, compassionate, intelligent governments, but they didn’t arise out of some mythical Nordic ‘niceness.’ In each, the working and middle classes struggled to build progressive social democracies, doing most of the political heavy lifting in the 1920s and 1930s. In these prototypical Partner

States, we already see high quality public works, free public education, free universal healthcare, affordable housing, public ownership of some resources and major industries, a compassionate community-based approach to crime and prisons, and to immigration, support for life-work balance, and support for business innovation and development. Their people respond by paying higher taxes unbegrudgingly.¹⁴⁴

Can big states become Partner States? It may be easier to be a Partner State in a country the size of Iceland (323,000), Norway (5 million), Finland (5.4 million), Denmark (5.6 million) or Sweden (10 million), than the US (325 million). The smaller the population, the easier it is to build trust and respond to local needs. In a future America, the federal government might want to devolve more power to the states, and California and Texas might want to devolve further.

Construction Zone Twelve: A World without War

Maybe it is *only* to project military power that a state needs to be big. In a non-nuclear world that uses renewable energy, America wouldn't have to police imagined and real tyrannies and oppressions.

The monetary savings would be huge. U.S. defense spending totals \$600 billion a year, excluding Homeland Security and Veterans Affairs, and Trump's proposed \$54 billion military budget increase. That's 35-40% of global military spending, supporting US military bases in 70 countries and territories.¹⁴⁵

The sooner America makes the transition to renewable energy and weans itself off imported oil, the sooner the justification for military intervention in the Middle East will disappear. As economist Robert Reich argues, America would do better to use its people's skills creating things people need, such as light-rail, schools, parks, and renewable energy.¹⁴⁶

Freeing up that money and ridding the US of its international policing onus will require an attitude adjustment. The majority would have to see that the most effective way to peace is through a stronger, not a weaker United Nations charged with conflict resolution and mediation. In *The New Confessions of an Economic Hit Man*, John Perkins reveals in painful detail how American agencies, corporations and banks conspired to impose America's will over developing nations by persuading them to take on paralyzing debt obligations for infrastructure investments far larger than they needed; if a country resisted they sent in the jackals (assassins), and, if need be, they instigated a coup. This aggressive pressure is now being applied to developed nations, Perkins believes, through austerity programs.

This is pure dominance, imposed with a squeezing fist. Around the world, however, people's values are tilting toward respect and partnership. A cooperative economy can alleviate the unemployment and hopelessness in struggling economies that breed terrorism. And in learning to resolve our conflicts without violence, we will begin to harvest the economic benefits of peace.¹⁴⁷

Good Global Governance

This quick tour through national and regional cooperative economies requires some mention of the global economy, in which every nation is a participant whether by trade, investment or tax evasion.

To achieve the transition we will need, among other things:

- A global fair taxation treaty to close all tax havens through the automatic exchange of bank information, backed by punitive trade tariffs and the prosecution of tax-evaders and their enablers;¹⁴⁸
- A progressive global wealth tax on capital;¹⁴⁹
- A global corporate tax to end transfer-pricing, with revenues shared by activity in each country;
- A global treaty to prosecute corporations that engage in human rights violations;¹⁵⁰
- A global treaty to ban vulture funds and to draft new principles for sovereign debt restructuring;¹⁵¹

- Global fair trade agreements with strong social, environmental and tax evasion provisions;
- Global financial services agreements that protect social banking and ban risky trading such as CDOs;
- A global reserve currency, and a trade surplus recycling mechanism;¹⁵²
- Democratic governance at the World Bank and the IMF;
- A democratically elected global assembly to craft cooperative solutions to the world's problems.

Part 3: How Can We Get There?

Given the recent turn to the right in America and Europe, how can such an economy possibly come to pass?

Some vote for racist patriarchy, but many who vote for extreme right wing parties do so because they feel abandoned. The economy *is* failing them, and progressives' ideas and moves have not won them over. Still, the massive rallies for Bernie Sanders show the hope that's out there if progressives can untangle themselves from old ideas, elitism and Wall Street enchantment.

But what if we could crystallize the current jumble of ideas for a new economy and make them so clear that people would understand the vision, and join hands to make it happen?

We don't have to start from scratch since there is already widespread consensus that the economy is failing us. Among progressives, there is broad consensus that work and experiments in the construction zones are first steps toward a new economy. If this is true, then we are on the same page. We just need a name, for 'new economy' is too vague and 'New Deal' is already taken.

Step 1: Naming

Progressive economists and writers have suggested more than sixty possible names for the new economy (Appendix 1). Seen collectively, they look like a species preparing for a rapid evolutionary leap.¹⁵³

Naming baby isn't just an armchair sport: a *thing* doesn't become a thing until we name it. So what shall we call this new economy? My choice is the phrase I have been using: A New Cooperative Economy.

Whatever we call it, agreeing on a name, distilling its essence to the fundamental points, and developing a coherent, cohesive vision will enable us to ignite the passions of a huge number of people whose energies are currently dispersed in a multitude of causes. A host of popular movements could together form a mighty river (Appendix 2).

Step 2: Learning

This stuff can be complicated. Community land trusts, sovereign money, commons ownership—to most, these are new ideas. Besides educating the public, we'll need to train a network of people who can run study groups and MOOCs to build understanding and develop the skills needed to make things happen. This is already proceeding, thanks to groups such as the New Economy Coalition, the New Economics Foundation, Economy for the Common Good, the Next Systems Project and others (Appendix 3).

Step 3: Forming Partnerships

Next, we'll need to build broad inclusive partnerships among the social, environmental and economic change organizations that already exist in most communities, bringing them together to build local campaigns and launch projects that demonstrate the new economy's value in people's lives.

We'll need to reach out to people whose loyalty is to Trump and the Republicans, sharing examples of what can be achieved in their communities.¹⁵⁴

We'll also need to join political parties, run for office and win majorities, starting (in America) with the mid-term elections for Senate and Congress in November 2018.

Step 4: Overcoming Opposition

Along the way, we will meet massive resistance from:

- Those who hold traditional values, assumptions and ideas;
- Plutocratic elites and insiders;
- The network of private billionaires with their Dark Money foundations, think tanks, academies, secretive not-for-profits, political finance, and election-manipulation networks;¹⁵⁵
- Big corporations, and their armies of lobbyists;
- The Bank of International Settlements, Wall Street, and the City of London;
- The plutocratic-controlled media;
- Neo-liberal economists.

So what's new? Change has always happened in the face of stiff resistance, and it has to start somewhere. But, equally, success has never been achieved without a clear vision, and clear goals to fuel determination and hope.

Step 5: Winning

In *Capitalism and Freedom*, Milton Friedman wrote, "Only a crisis - actual or perceived - produces real change. When that crisis occurs, the actions that are taken depend on the ideas that are lying around. That, I believe, is our basic function: to develop alternatives to existing policies, to keep them alive and available until the politically impossible becomes the politically inevitable."¹⁵⁶

His words could have equally been written by Marjorie Kelly, who reminds us in *The Divine Right of Capital* that Roosevelt enacted his most transformative New Deal laws in just 100 days.

A moment of crisis will come again, and this time we must be ready. The new economy must have been named. A clear vision must have formed. Its principles and practical applications must have been laid down. Its principal laws must be ready for enactment. And its supporters at every level, from community activists to public bank activists to the newly energized women's movement, must be ready to win.

END

Appendix One: Sixty-Six Names

Name	Primary Origin
1. Capitalism 3.0	Peter Barnes
2. Capitalism 4.0	Anatole Kaletsky
3. Common Good Capitalism	Terry Mollner
4. Conscious Capitalism	John Mackey
5. Ecological Capitalism	Various
6. Natural Capitalism	Paul Hawken, Amory & Hunter Lovins
7. Post-Capitalism	Paul Mason

8. Regenerative Capitalism	John Fullerton
9. Biophysical Economy	Charles Hall
10. Blue Economy	Gunther Pauli
11. Caring Economy	Rianne Eisler
12. Care-Centered Economy	David Bollier, Ina Praetorius
13. Circular Economy	Ellen McArthur
14. Citizens' Economy	Open Democracy, UK
15. Collaborative Economy	Jeremy Rifkin
16. Cooperative Economy	Various
17. Cooperative & Community-Based Economy	Ana Maria Paredo
18. Cooperative Solidarity Commonwealth	Jessica Gordon Nembhard, Frank Lindenfeld
19. Democratic Eco-Socialism	Hans Baer
20. Doughnut Economy	Kate Raworth
21. Eco-Economy, Ecosystem-Economy	Robert Costanza, John Rynn
22. Ecological Socialism, Eco-Socialism	Various. Murray Bookchin
23. Economic Democracy	David Schweickart
24. Economy for the Common Good	Christian Felber
25. Economy that Works for Everyone	Hillary Clinton, Democrats
26. Equilibrium Economy	Various
27. Ethical Economy	Michel Bauwens
28. Fair Ecological Economy	David Boyle, NEF
29. Feminist Economy	Various
30. Fourth Industrial Revolution	Klaus Schwab, World Economic Forum
31. Gaian Economy	Ross Jackson, Helena Norberg-Hodge
32. Generative Economy	Marjorie Kelly
33. Green Economy	Various
34. Green Socialism	Various
35. Holistic Economy	Jo Confino, Capital Institute
36. Human-Centered Economy	Li Congjun, Joseph Featherall, Aldous Huxley
37. Humanomics	Tomas Sedlacek
38. Libertarian Socialism	Noam Chomsky, Murray Bookchin, Abdullah Ocalan
39. Life Economy	John Perkins
40. Living Economy	David Korten, BALLE
41. Living Earth Economy	David Korten
42. Moral Economy	Samuel Bowles
43. New Economy	New Economics Coalition, New Economics Foundation
44. New Green Economy	Tim Jackson, Peter Victor
45. Participatory Economy	Robin Hahnel, Michael Albert
46. People's Economy	Boston Ujima, Rojava, Ethical Consumer
47. People-Centered Economy	David Korten
48. Permanent Economy	E.F. Schumacher
49. Plenitude Economy	Juliet Schor
50. Pluralist Commonwealth	Gus Alperowitz
51. REconomy	Transition Towns Network
52. Real Economy	Various
53. Resilient Economy	Various
54. Restoration Economy	Storm Cunningham
55. Restorative Economy	Joshua Farley
56. Sharing Economy	Various
57. Solidarity Economy	Latin America
58. Social Democratic Economy	Bernie Sanders
59. Social Economy	Frank Lindenfeld
60. Social Knowledge Economy	Ecuador
61. Solar Economy	Hazel Henderson
62. Steady-State Economy	Herman Daly, Tim Jackson, Brian Czech, Rob Dietz
63. Sustainable Economy	Various

64. Sustainable/Smart Prosperity	Mike Wilson
65. Wellbeing Economy	Lorenzo Fioramonti
66. Whole Earth Economy	Peter Brown, Geoffrey Garver

Appendix 2: Thirty-Three Movements—A Mighty River

1. The Climate Movement. 100% renewable energy, anti-pipeline activism. Climate Justice.
2. The Global Environmental Movement. Tens of thousands of non-profits and initiatives in every country, large and small. Eradicating Ecocide. Rights of Nature. Ecological stewardship. Bioneers.
3. The Social Democracy Movement. Nordic economies. Bernie Sanders' Revolution. <https://ourrevolution.com> Ralph Nader. Momentum in UK. www.peoplesmomentum.com Podemos in Spain. LEAP in Canada. <https://leapmanifesto.org>
4. The New Economy Movement. New Economy Coalition. New Economics Foundation. Commonwealth. Next System Project. Solidarity Economy.
5. The New Economics Movement. Evolutionary Economics. New Economic Working Group. Modern Monetary Theory.
6. The Fair Economy Movement. Fight for 15.
7. The Basic Income Movement.
8. The Green Economy Movement.
9. The Socially Responsible Business Movement. Triple Bottom Line, B Corps, Common Good, BALLE, Green Business certification. Global Campaign to Dismantle Corporate Power.
10. The Socially Responsible Money Movement. Impact investing. Values-Based Banking. Divestment. Socially responsible investment. Slow Money.
11. The Sharing Economy Movement. Worksharing. Work-life balance.
12. The Cooperative Movement. Coops. Mondragon. Emilia-Romagna. Cleveland.
13. The Urban Regeneration Movement. Community reinvestment, regeneration, wealth building.
14. The Public Banking Movement.
15. The Take It Back Movement. Tax reform. Democracy reform. Robert Reich. www.takeitback.org End Citizens United. Move to Amend.
16. The Occupy Movement. Ready to re-awake with a new positive vision.
17. The Labor Movement.
18. The Permaculture, Transition Towns, Ecovillages and Makers Movements.
19. The Local Food and Farming Movement.
20. The Voluntary Simplicity Movement.
21. The Livable Cities Movement. Happy cities. Place-making. The new urbanism. UN Habitat conference. www.livablecities.org

22. The Black Lives Matters Movement.
23. The First Nations / Idle No More / Indigenous Peoples Movements.
24. The Women's Movement.
25. The LGBTQ Movement.
26. The 'One World One Spirit' spiritual movement.
27. The Catholic Social Justice Movement.
28. The Tax Justice Movement. Close the Havens. Tax Justice Network.
29. The International Movement for Monetary Reform. Banking, investment, inflation, land, central banking. Positive Money. QE for People. Vollgeld. <http://internationalmoneyreform.org>
30. The New Bretton Woods Movement for new global financial architecture.
31. The Global Justice and Fair Trade Movements. Anti-globalization. World Social Forum. Trade Justice. Global Justice. Via Campesina. www.tjm.org.uk <https://fsm2016.org/en/sinformer/liste-des-groupes-appuyant-le-fsm-2016/>
32. The Make Poverty History Movement. Tens of thousands of non-profits and initiatives, large and small.
33. The UN Sustainable Development Movement. 2030 Agenda for Sustainable Development. 17 Goals.

Appendix 3: New Economy Organizers

Canadian CED Network	https://ccednet-rcdec.ca/en
Center for Humans and Nature	www.humansandnature.org
Circular Economy	www.ellenmacarthurfoundation.org/circular-economy
Common Good Hub	http://commongoodhub.com
Economy for the Common Good	www.ecogood.org
Economics	http://evonomics.com
Global Hub for the Common Good	http://commongoodhub.com
Grassroots Economic Organizing	www.geonewsletter.org
Institute for New Economic Thinking	www.ineteconomics.org
Naked Capitalism	www.nakedcapitalism.com
New Economic Theory	www.neweconomictheory.org
New Economics Foundation UK	www.neweconomics.org
New Economy Coalition US	www.neweconomy.net
New Economy Organizers UK	http://neweconomyorganisers.org
Next System Project	http://thenextsystem.org
P2P Foundation	https://blog.p2pfoundation.net
Real-World Economics Review Blog	https://rwer.wordpress.com
REconomy Network	www.reconomy.org
Rethink Economics	www.rethinkeconomics.org
Shareable	www.shareable.net
Social and Solidarity Economy	www.socioeco.org/index_en.html
Solidarity Economy Links	www.solidaritystl.org/articles_links
Sustainable Business Hub	www.theguardian.com/uk/sustainable-business
The Commons Transition	http://commonstransition.org
The Great Transition	www.greattransition.org
Waging Non-Violence	http://wagingnonviolence.org
World Economics Association	www.worldeconomicsassociation.org
World Economics Association blog	https://weapedagogy.wordpress.com

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