



Democratizing Wealth

A Next System Model for the US South and Beyond

By Ed Whitfield

Core Goals

What are the principal, core goals your model or system seeks to realize?

We are the Fund for Democratic Communities, a small private foundation with six full time staff members, which I co-founded in 2007, along with Marnie Thompson. She and I now serve as co-managing directors, and we are engaged both in philanthropy and a wide range of activist work, mainly in the Southern region. Because neither Marnie nor I had deep connections to the non-profit world, we built this foundation from the beginning



with the idea of helping to strengthen the democracy within communities and social groups, without tying them more tightly to the “foundation-industrial complex.” Both she and I had engaged in dozens of years of activism while holding down full time jobs. We stress the importance of grassroots groups developing deep roots in the communities where they are and relying mainly on those communities for support.

Most of the grants that F4DC gives out are matching grants, which require that the same amount of grassroots funds be independently raised by the receiving entity. In addition to our matching grant program, we give out a small number of discretionary grants and run a program of organizing around local and regional issues similar to those that we have been involved with for years. Right now, almost all of our energy is going into economic justice work. This is because economic concerns affect communities deeply and form the backdrop of the other concerns they face. Getting started in 2007 put our initial formulation during the early years of the current continuing crisis. (We don’t have much use for “jobless recoveries,” so we don’t think of the economic crisis as being over.)

In an internal document that we wrote in March of 2010, we said:

“In keeping with F4DC’s mission of nurturing authentic grassroots democracy, and in response to the escalating hardships arising from the convergence of numerous interlinked collapses (economic collapse, political collapse, social and cultural collapse, ecological collapse), we see the need to support the development of alternative focuses for organizing. Specifically, we want to nurture alternatives that are based in these principles:

- 🌿 **DIO** – do-it-ourselves, tackling our own problems instead of waiting for the government or a non-profit agency or someone else to take care of our problems.
- 🌿 **Mutual aid/Collective action** – people working together to help each other survive and thrive. A key idea here is, “We don’t have much, but together we have enough.”



- 🌿 **Productivity** – Finding ways to create sustained opportunities for people to be productive and useful. This is important for at least two reasons. First, people long to be useful and needed; it seems to be built into all of us humans. Second, we have a lot of problems to solve and a lot of survival needs to fill! It’s going to take real productivity to solve these problems and meet the needs of society.
- 🌿 **Democracy and fairness** including, but not limited to, attention to democratic practices and culture, racial, and gender justice.
- 🌿 **Grappling with economic realities** – we want to nurture projects that are now, or can grow into, something that makes a real dent in people’s economic fortunes.”

With that as a basic guide, we studied cooperatives and learned about cooperative development; along with eight other organizations, we embarked on creating the Southern Grassroots Economies Project (SGEP); we became deeply involved with the development of the Renaissance Community Cooperative grocery store in Greensboro, NC; and now, with the guidance of The Working World, we are building the Southern Reparations Loan Fund (SRLF), which we will be connecting to other local loan funds built on the principles of radical inclusivity and non-extractive finance.

At this time, the main body of the work of the F4DC is captured in the phrase “democratizing wealth.” What we mean by democratizing wealth is struggling to put the wealth that is ultimately created by human labor back into the commons for the benefit of all. Basic resources need to be made available to everyone in order for people to have the opportunity to be productive and do for themselves. We want wealth to be utilized in the interest of the people, by the people, and for the people. While this is on its surface an economic outcome, it is also much more than that. Democratizing wealth is intimately connected with changing social realities. It will require creating new relationships between people, including new democratic norms, political procedures to establish and to defend those norms, and new environmental outcomes that reflect those norms.



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Democratizing wealth calls for enabling the full human potential, which is currently stifled by exploitative structures and the systems of private ownership of productive assets. The existing private ownership relationships are made to seem natural, inevitable, and immutable. They must be understood as human creations that emerged at a particular point in time, reflecting the desires and interest of particular people, and which can be changed. We need to create a system that recognizes that the private control of nature and the accumulation of the wealth created by labor means that a few people have virtual control of the means of life of everyone else. We need a system where nature and wealth are owned and utilized for the common good.

We at F4DC do not have a roadmap to the future. We recognize that we live in a dynamic world, where future changes do not announce themselves in an orderly way. In addition to the challenges of having to change the world in a world that is changing, our core belief in authentic democracy keeps us from presenting full outlines of all that communities should do. We feel that the ultimate directives for the future, and clarity on the path forward, must, and shall, emerge from communities engaged in meeting their own needs and elevating the quality of community life. We have faith that with the proper information, and by examining a range of possibilities, communities can choose and implement the policies and programs for the change that they need. Our role is to help process information, help share alternatives, and help find the needed resources. We stand firmly with the people of the most marginalized communities to build a world that is democratic, sustainable, just, and fair for all.



We recognize the importance of the role of the government and enabling policies. However, we feel that the struggle for policies needs to flow from the people engaged in the concrete practice of creating new possibilities and fighting for their success. This paper will outline the philosophical and practical approach that guides our work. Hopefully it will contain some ideas that will be useful to others.

Major Changes

What are the major differences between what you envision and what we have today?

We think that in the long term, what is needed is a new commons that includes both the natural world and finance. That is to say that both the earth—which was here before all of us—as well as the creations of social activity made from the earth, should be available democratically to us all.

We understand that the accumulated value created by human labor is represented by finance. Nature and the surplus value created by labor are currently privately appropriated and held as the personal or corporate property of individual owners. Just as many early societies had no concept of the private ownership of land, an economically just society would need to ban the theft of nature and its consequent ownership, as well as the theft of the products of the labor of others. But the current world system is built on the foundation of both thefts. We envision that this new commons will come about through the development of financial structures and business entities that will reflect new relationships of democratic ownership and control.

By “democratic” we mean “of, by, and for the people.” That means that the people decide how the basic decisions are to be made (of the people), then they decide that they themselves are the ones to make those decisions (by the people), and that the decisions are to be made in the interests of the people as a whole (for the people). This is a simple concept but it is not a simple process. Democracy is not brought into existence simply by establishing voting processes, although it will often involve voting. If the process is manipulated so that the interests of the powerful elite are satisfied to the detriment of the common people, then



the process is not really democratic. If the process is compromised by access to information and the weight of misinformation and prejudices, then the process is not truly democratic. Often people think of democracy from the standpoint of simply registering their opinions. While this is useful, it is not sufficient if it is done in a context in which opinions cannot be challenged and do not have to be reconciled with the opinions of others. For us, the most important aspect of democracy is people thinking together, sharing information, raising questions, and resolving their differences in order to develop shared understandings and a common direction through that resolution.

We think of democracy as requiring the adoption of a certain **S**pirit along with the **A**rts, **S**ciences and **H**abits of standing with the whole and being in the community, for the community. We call that “SASH.” In the absence of any one of those components, the democratic project is likely to falter. Democratizing wealth requires a thoughtful and intentional approach to the question of how to balance the community’s interests with those of the individual and/or the corporation. This is among our greatest challenges.

If we are to be able to democratize wealth, we think that it is necessary to build concrete examples of useful, sustainable economic enterprises as existence proofs, to show that new ways of approaching democratic ownership are possible. We do this in recognition of the need to unleash the imagination and energy of those of us who don’t even dream of other realities different from the exploitative hierarchical relationships that exist now.

Principal Means

What are the principal means through which each of your core goals is pursued?

In the near term, we are working, along with others, on developing new institutions that will inform people’s understanding and behavior. We are building community-owned or worker-owned cooperative businesses like the Renaissance Community Cooperative grocery store (RCC) and non-extractive democratic financial institutions such as the Southern Reparations Loan Fund (SRLF).



The RCC is to be a full service community owned grocery store in a working class African American neighborhood in Greensboro, NC. This project was initially criticized by experts in the field of cooperative food store development because the community was identified as being too black, too poor, and too uneducated for a successful food cooperative. Their demographic model criticized neighborhoods like the one we were working in as having “weak demographics.” This community is a food desert—its last real grocery store was closed in 1998. Members of the community organized immediately to try to get support to retain that store, or get another corporate chain grocery store to come into the neighborhood. A few years after the grocery store closed, the same community had to mobilize its efforts and join with others from across the city to advocate for the closure of a solid waste landfill. The landfill’s operation was damaging property values and lowering the quality of life in the neighborhood. The community won that fight but success was short lived when, soon after, the city considered reopening the landfill. The neighborhood had to rally for a second time to prevent a new, more conservative city council from reopening the landfill. This effort, too, succeeded. But still no grocery store. After we introduced them to the idea of opening a cooperative grocery store themselves, the members of this community came together around the possibility. Since that time, approximately 2.5 million dollars in funding has been secured from equity ownership. Funding sources include: one hundred dollar membership/ownership fees, owner loans from co-op members, Community Development Financial Institution (CDFI) funding from Shared Capital Cooperative, non-extractive patient lending from Regenerative Finance facilitated through The Working World, a challenge grant from the City of Greensboro, a large church donation, and some small foundation grants. The store will open in the late third quarter of 2016. This story illustrates that when an organized community has information about an alternative path forward toward democratic development, they can defy the odds.

The SRLF is developing to be a democratic financial institution rooted in three basic principles:



- ☞ Radical inclusivity, which means making loans available for cooperative economic development to communities that would otherwise not be considered for lending.
- ☞ Non-extractive finance, which means making loans that will not make the borrower financially worse off than before, even in the event that the enterprise for which they borrow money is not successful. This can be achieved by not accepting prior assets as collateral for the loan.
- ☞ Maximizing community benefit, which means that the focus is not on maximum profit, but, instead, on maximizing the value to the community as a whole.

The SRLF will function in the southern region, using investments from individuals and institutions that understand the need to place capital at the disposal of underserved communities in order to repair some of the historical (and ongoing) damage made by the exploitative economic system. SRLF is incorporated in the state of North Carolina and has a functioning board and a loan officer in the field, who is looking to make loans to projects as they become ready. Currently, we are looking at grassroots efforts in Arkansas, Mississippi, Alabama, North Carolina, and Louisiana. Rather than simply making yes or no decisions on loans, we look to say “yes” or “not yet.” For projects that we say “not yet” to for a specific reason, we work to secure the needed technical assistance required to help the project become successful. Presently, F4DC is funding the SRLF staffing as we work to affiliate with other local loan funds to develop a financial cooperative of similar funds based on the same principles.

The RCC project and the SRLF are both instances in which we are building structures as existence proofs of new possibilities. The RCC story has already inspired people across the country to try to build food cooperatives in communities that have been traditionally overlooked. The SRLF is inspiring others to try to build financial institutions along sustainable democratic lines.

We want to move to the point where we can build the political power needed to spread and protect these new approaches. Our view is that new policy frameworks



will emerge from concrete struggles to create new structures. Rather than focusing on policy fights to make way for new structures, we think that as people come to realize what is possible, and build new, democratic models, they will then work to create new policies that support them. We believe that the political struggle to change policies must be led by the people who have learned of the need through concrete efforts to make change.

Geographic Scope

What is the geographic area covered by the model? If the nation-state, specify which ones or what category you address.

We are doing this work primarily in the US South. This is a large area that encompasses fourteen states. The South is important to us because it is where we are and it is an area of the country that exemplifies both the history and the contemporary reality of exploitative extractive economic relationships. From the genocidal encroachments of the sixteenth and seventeenth centuries, which led to the massive land grabs that followed, from the millions of Africans needed to work the stolen land and produce for the owning class, to the entrenchment of the racist slave system and the Jim Crow system that followed, the South has been the scene of the accumulation and concentration of enormous wealth. Those who have no legitimate claim to it, now own this stolen land and the wealth from the hands of stolen labor. Meanwhile, the progeny of the previous protectors of that land, and the creators of the wealth made from it, languish in poverty and the poisonous pollution that has resulted from the extractive economy.

The Black Belt South, the Mid South, and Appalachia, each have stories that are part of the US story of genocide, land theft, kidnapping, rape, and slavery. Each section of the South has its own narratives, and created but contested meaning. What is common to all areas is the extent to which the current situation is not meeting people's needs. On most indices of the human experience—health care, education, individual income, individual wealth, and more—the South falls behind other parts of the country that are themselves not doing well. We also recognize,



however, that any progress that we make in the South can, and will, serve as an example of progress to be made in other parts of the country that are also suffering.

Temporal Scope

Recognizing the large uncertainties, if there is a transition to the revised system about which you write, what would you suggest as a timeframe for the new system to take shape? Where on the spectrum from imminently practicable to purely speculative would you place your proposals?

F4DC is “sun setting” in 2020. Our intention is to leave behind us structures that carry on the important part of our economic work after we no longer exist as a foundation.

As the economic crisis intensifies, and more people are drawn into looking at the role the current government system plays in protecting the rich, we would like to build the movement necessary to get government involvement in institutions that model a more rational approach to development. We do not believe that political progress is a smooth and linear process. Cataclysmic events, and social and economic crises change the nature of public discourse. The national economic dialogue that took place following the economic crisis of 2008 was at a higher level than during the 1950s and 1960s, into the late 1990s, and beyond, when the Cold War and its aftermath was used as a means of stifling “class warfare.” The discourse on the role of the one percent versus the ninety-nine percent was the beginning of a more realistic way of looking at what had been euphemistically called “opportunity” and “freedom” in describing capitalism. Discussions about the concentration of wealth and power and the struggle to expand public space for direct democracy took place in the context of the Occupy movement.

Theory of Change

What factors or forces might drive deep change towards the system you envision? What is the explicit or implicit theory of change in your work? What is the importance of crises? Of social movements? Of available examples of change? What’s the biggest problem or impediment for adoption of your model?



We think that the deepening economic crisis is making evident more examples of the market's failure to meet human needs. In response, affected community groups, organizations, government bodies, and individuals have been searching for new approaches and solutions. Again, we believe that crises change the nature of public discourse. During periods of crisis, circumstances that have previously been accepted as "just the way things are" are questioned. Situations that we have been told are natural and inevitable are examined from different points of view. We come to understand the human decisions that were made to create the old processes and norms and to identify those who stand to benefit, as well as those who are injured, by these decisions.

Through looking at the historical development of social movements, we have found that self-sufficiency movements have been very popular. Some of the largest organizations in the US have stressed self-reliance. From the development of the Black Church, to the rise of mutual aid societies, and later the Garvey movement, there has been a consistent thrust toward oppressed communities seeking and finding ways to do for themselves.¹ We have found in our practice that when people are presented with the possibility of doing something for themselves, many are eager to do so when they think that there is a likelihood of success.

At F4DC, we have developed a theory of social justice movements that see them as having three fundamental components that are related to three aspects of power: Resistance (R), Advocacy (A), and Doing for ourselves (D), or RAD. We look at RAD as a way of categorizing the basic work of communities, organizations, and movements. Resistance and advocacy are institutionalized in many social justice organizations. The power that hurts us and can crush us, can, and must, be resisted. **Resistance** work is necessary for our survival. The power that can be diverted to assist us in meeting our needs and satisfying our desires, can, and should, be directed. This direction of power is advocacy. **Advocacy** allows us to make the best use of the concentrations of power outside of ourselves. But the third aspect of power is the fact that we ourselves can wield power. It is the understanding that not all power has to be in the hands of others. It is the realization that we too can have human agency and provide for the things that



we need, as well as do many of the things that we want. This drive is to have the power needed to **Do for ourselves**. It is our observation that many social justice movements in the United States, particularly since the Civil Rights Movement, are deeply committed to **Resistance** and **Advocacy** but show less interest in the possibilities of what we can **Do** for ourselves.

One of the major limitations on our ability to do for ourselves is the concentration of wealth in the hands of a few. The democratization of wealth is intended to address that limitation by making wealth democratically available, so that it can be used in the interest of the people. While in periods of general stability there has not been a lot of thought given to what we can do without the powerful directly involved in our efforts, during periods of crisis many more minds are open to the need and the possibility for change.

We are sure that new economic crises are coming. The analysis of historical and economic observers predicts a major and potentially catastrophic system-wide crisis in the near future. At that point, many more people will be drawn into political dialogue and action. Our work now is to help create the examples and experiences that will be useful in giving democratic leadership to those who seek new models and, hopefully, offering a better path to those who wish to simply focus on resistance efforts. We do not have a clear timeline on how soon this crisis might occur. We just want to do our work to be prepared for it.

Some Specifics: Economy

Insofar as your work addresses the nature of the economy, how (if at all) do the following fit into the future you envision?

How are productive assets and businesses owned?

As an immediate step, we promote the creation of cooperative businesses that are designed to meet community needs. Such businesses are democratically owned and democratically managed. Most of our work is currently at the community level. But we envision cooperative structures that network together to reach larger scales. However, the emphasis on the local is not just a pragmatic one related to



the level of development of the cooperative movement. We feel that there should be an emphasis on economies meeting needs locally rather than the production for export that dominates much of the current economic system. We would emphasize that communities meeting their needs for basic necessities locally should be the necessary foundation for other forms of economic development. But we need to be clear as to what constitutes the people's needs.

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Needs should be looked at in the context of community standards. The fundamentals of food, clothing, and shelter must be supplemented by the standards that communities have developed for themselves. In the US, if we entered a house with no flush toilets, we would not be comfortable that the family living there had all of its needs met.

An expanded list of local needs would include: water and sewage, transportation infrastructure, an education system, a healthcare system, and energy. Government usually covers water/sewage, transportation infrastructure, and pre-college education. While higher education, healthcare, and energy are typically handled by private business enterprises. In a sophisticated, complex, and mature community, when we think about building an economy that meets people's needs, we have to think of how all of these components interact. Cooperatives, as small, independent business units, can only partially address the need for democratizing



wealth and the economy. We have to look at how a larger scale and broader set of needs are met.

Currently, local government bids out the work of building infrastructure to local contractors and developers. We envision an economy where the enterprises that local government utilizes are cooperatively based and contribute to the democratizing of wealth in the ways we have talked about. We think that this can come about by having local government privilege cooperative businesses over private for profit businesses in the official government procurement practice. Local government is directly involved in water and sewer service, typically through government run water treatment and sewage treatment facilities. This is paid for through a combination of tax revenues for the infrastructure and usage fees for the services. Supplying these services is an important activity that needs to be carefully regulated for the safety of the community. Most of it should be handled by staff hired by local, elected government bodies that run these operations for the public good and not as a means of making profit. This work, by and large, should not be privatized. If there is a portion of this work that is not done directly by employees of the local government, such as a capital improvement or major infrastructure development, it should be handled by worker-owned enterprises that are contracted to do this work.

Local work to build and repair the local infrastructure is an important economic activity. Typically the customer is the local government. This type of work can cost large sums of money and support the development of lucrative business. In general, infrastructure development should be financed through taxation, or by borrowing from publically owned, democratically controlled banks or credit unions. Interest payments on the public debt should go to the public through democratically controlled institutions rather than enrich corporate banking interests. Currently, this work is almost always done by private developers and local contractors, running for-profit enterprises and financed with money borrowed from private banks. This then becomes a way of transferring money from the public sphere into the private sphere. Taxes, or borrowed money that is repaid through taxes, ends up providing profit to individual and corporate entrepreneurs



and bankers who own and control the businesses and the financial resources. It is important for this work to be done by cooperative business interests, when possible, and financed by public or cooperative banking.

The intention of Mayor Chokwe Lumumba in Jackson Mississippi was to do just this. In this town of under 175,000 people, there was a requirement from the EPA that three to four billion in infrastructure work be done on the water and sewage system.² During the brief tenure of Lumumba as mayor, there was an interest in privileging the development of worker cooperative businesses to handle the bulk of these contracts. Lumumba's untimely death suspended this motion. It remains to be seen when the local community there can get back on track with this visionary plan, but this potential exists for communities across the country.

Higher education and healthcare form two of the larger scale and stable portions of many communities' economies. There are many cities and towns where the college and the hospital are the area's largest employers. There are two aspects of this that should be considered as we think about a more just economic system. There is the economic activity of an enterprise itself, and all of the aspects of its operations that can be democratized, and there is the procurement of supplies and services on a scale that will impact the prospects for other businesses.

It is important to support the organizing efforts of the employees within these institutions. This is needed to give them an increased measure of control over the conditions of their labor, whether they run in a profit making mode or run sustainably in a not for profit mode. At some point, there might be efforts to develop alternative institutions that are parallel to the existing institutions, but organized on a cooperative basis from the beginning. We should not discount the possibility of organizing cooperative universities and hospitals.

The other aspect of these institutions is their huge purchasing power. Many colleges and hospitals buy enough to be significant markets for the creation of medium scale businesses to supply their needs for goods and services. For evidence of this, we can look to Cleveland's Evergreen Cooperatives and their relationship to the Cleveland Clinic, Case Western Reserve University, and



University Hospitals. There is similar work emerging in Western Massachusetts. The utilization of universities and hospitals as anchor institutions for building cooperative businesses is being examined in our local area. One of the concerns about this anchor institution strategy is that businesses built to provide goods or services for anchor institutions might be completely dependent on the anchor institutions for their survival. Whenever possible, it is important to avoid any such single points of failure.

How are public and private investment decisions made?

A just economic system would put the ownership of productive assets in the hands of community groups or democratic cooperative associations in order to meet needs. Banking, the process of making credit available in order to finance production, should also be democratic. At smaller scales there would be space for credit unions, where individuals could provide their surplus for productive lending or as a personal cushion for a “rainy day.” At the larger scale, however, there should be public banks and other community development institutions that are based on non-extractive principles. Lending decisions should be made on the basis of whether the loan can be paid back from revenues that are facilitated by the lending, and on the significance of the business activity to the community. Funds should be made available to cooperative entities and either royalty payments equaling a percentage of net profit should be made, or fixed interest charged after the activity is profitable, with the principle being repaid on a realistic schedule. The royalty or interest would cover the administrative costs of the lending activity as well as supplement the fund.

Investment is a somewhat different matter because of questions of ownership and power. Investment currently implies part ownership, and, we can assume, part control of the governance. Investors want to control what they own. Some investors will only be interested in the monetary return on their investment. There is a problem when people whose only consideration is getting a return on their investment control enterprises. Especially when these enterprises not only need to make a profit and remain sustainable but are also intended to meet human needs. In a new system in which individuals are not allowed to appropriate the



surplus created by others, and where surplus is held in common—as the basis for public financial institutions—the main form of the distribution of that surplus would no longer be investing for profit, as we now know it. Where investing does exist, it would need to be in the form of “preferred shares,” which would not come with any decision making power. In this system, the power of owners who have deeper connections to the enterprise would not be diluted.

What is the role of private profit and the profit motive? Who owns and controls economic surplus?

The owners of economic surplus should be those who produce it, and the communities that they are a part of. The moral justification for the community to receive and control the accumulated surplus is that the production of surplus from human labor requires the existence of a nurturing and supportive community. Human reproduction itself, and the social life that makes it meaningful, are all products of community. The community should be the basic unit of analysis, where the quality of lived experience is measured and maximized.

What is the role of the market for goods and services? For employment? Other?

The market is a means for allocating social production. But it is well known that the market fails to do this in a humane way in many situations. Food deserts are an example of this market failure. At these times, planned intervention in market activity is needed to meet human needs and elevate the quality of community life. The typical government response to market failure in the existing profit driven system is to guarantee the profitability of a developer’s enterprise in the hope that a social benefit will result from the guaranteed profit generation. This seems backward. The direct application of incentives to community driven efforts that are not supported by existing market conditions would more rationally satisfy the need for development activity in situations of market failure. We like to talk about this as supporting the “Community As Developer,” or CAD.

The idea would be to help develop structures in the community that serve to focus the attention of community members on meeting community needs and then enjoin the local government to support those groups as they engage



in development work. This will mean providing incentives to such community groups that allow them to construct new sustainable enterprises to meet community needs. In these enterprises, the surplus produced remains at the disposal of the community, to meet additional needs rather than being extracted, or siphoned off, for the individual benefit of a well-connected entrepreneur/private profit developer.

What is the role of planning in your model? How is it structured? How, if at all, made democratic?

The economic planning that takes place should be democratic but informed by expertise. The idea of neutral expertise is a fiction. There are many ways that the natural inclination of experts is to support the status quo and the existing power elites. This is why it is so important that planning not be simply handed over to the experts with the assumption that they will do what is best. On the other hand, there is a need for informed decision making based on careful examination of the available material, rather than depending on existing ideas that are themselves often the product of existing power relations and thinking that developed within the exploitative system. One of the biggest challenges we face is how to integrate expertise with democratic decision making processes. We must find ways to train and educate new experts that will serve the will of the people rather than serve the elite who lord over them.

How are the international economy and economic integration handled?

The economic system that we envision is deeply rooted in local needs. We feel that if everyone, worldwide, is able to attend to their local needs first, then we would have the beginnings of a fair and equitable world economic system. The existing, wildly unequal distribution of wealth in the world makes this very difficult. There would certainly be needs for reparations to parts of the world which have been heavily victimized by extraction. As we have said, the basic resources need to be made available to everyone for them to have the opportunity to be fully productive and do for themselves. Because of the uneven distribution of manufacturing potential, as well as the uneven distribution of natural resources



and wide variations in climate, there will be a long period where some interest in importing manufactured goods, or raw materials and agricultural products, will be desirable. Fair systems of trade must be developed that do not depend on cheap fossil fuels, low wage labor in other countries, or extractive mining and agricultural processes that damage the international communities where they take place.

How do you address economic localization, globalization, decentralization, 'glocalization,' and similar issues? Where is the primary locus of economic life?

The primary focus of our work at this point is on the local. We are particularly concerned with the creation of financial structures to facilitate this local development, keeping in mind that it exists now as a part of a large and complex international system.

How do economic competition and cooperation play out?

Our view is that competition and cooperation are both natural human tendencies. They have both played important roles in our evolutionary development. The basic nature of human existence, however, requires cooperation. Cooperation has been de-emphasized by those looking to extend the advantage that they have derived from their initial exploitation of the natural world and coercion of other peoples. This coercion, while claiming to be the result of virtue, or the favor of God, has often been the result of the uneven developments of technology, or even the existence of disease. If the playing field is primed with obstacles for some, and secret paths for others, the "virtue" of competition, and the accompanying devaluation of cooperation, ring hollow.

Do commodification, commercialization, and the commons surface in your analysis?

We think that the commodification of nature, the commodification of human relationships, the rise of consumerism, and the commercialization of virtually every aspect of human life are among the characteristics of our epoch. Our thinking about a just future system is rooted in an appreciation of the historical nature of the commons and the process of its enclosure. We couch much of our understanding in the idea that both nature itself, and the products that we have



socially produced from nature's raw materials, belong to humankind as a birth-right. Appropriate forms must be created for the democratic governance and management of those resources.

How is private property handled in your analysis?

Personal property—our toothbrushes, our underwear, our musical instruments, our cameras, and such—need not be shared out for everyone to use. Productive property, such as large land holdings, mines, factories, machinery, buildings, and streets, form a category of property that was socially produced, and that has social value as necessary to life itself. Cooperative property is property held in common by groups of people for their group benefit, to meet needs within a community. The transition to more and more forms of cooperative property helps us to move toward thinking of ways that communities of people can control all of the productive property that they need in order for everyone to have a full and fair opportunity to be productive.

What mix of business enterprise sizes do you envision?

We favor the development of small and moderate-sized enterprises, in part, out of the recognition of the difficulty of scaling democracy. We think that networks of small and moderate-sized enterprises create fewer opportunities for undemocratic, command-based development than gigantic enterprises, which claim economies of scale but forgo the possibility of democratic management. Moderate-sized enterprises can be up to an upper limit of a couple of thousand employees. Much larger than that and democracy goes out the window. Enterprises of that size are big enough to build automobiles and airplanes, if properly equipped. Networks of them would be capable of dealing with the crumbling infrastructure problems that we have in this country (we need an efficient mass transportation system and new forms of renewable energy). Wind turbines and electric powered rail cars could all be built within enterprises at this scale. The argument that still larger enterprises are necessary for certain big projects ignores the fact that in bigger enterprises there is often a need to break the entity down into more manageable sections in order for it to operate efficiently. It is important to think of scale if we are concerned about the concentrations of power and wealth.



How do you envision the future of the large corporation and what specific measures do you envision for corporate governance and control, internal and external?

Really large corporations need to come under the democratic control of public bodies. If they are too big to fail, then they are too big to exist, and they should be broken up. Elected government bodies should regulate, govern, and control the management of large-scale enterprise to the extent that they exist at all. I am thinking about the Tennessee Valley Authority or General Motors (before it collapsed) as examples of large enterprises best broken up. Even if these enterprises are not broken up, they should, at the very least, be controlled by a government that the people control, not a government that is controlled by elites.

What role do you see for innovative corporate forms, coops, public enterprise, social enterprise, and public-private hybrids?

The basic form of business structure that we advocate is the cooperative. It has built into its principles the ideas of democratic ownership and governance. The idea of social enterprise in and of itself doesn't have much meaning to us. The triple bottom line can be claimed while still promoting disproportionately unequal divisions of surplus. While the role of individual genius and entrepreneurship is appreciated and should be rewarded, it should not lead to the ongoing extraction of value from other people's labor. We find little legitimacy in the idea that some of us live by work and others live by owning. All of us who are able to, can, and should, contribute to society. Ownership of private property, when conjoined to so called "public ownership," produces a hybrid where the differential in power between the two parts renders the one at a significant disadvantage. Public enterprises that are publically owned and publically governed are in many ways an ideal. But the issue is how are we to understand how truly democratic public life is. Many examples that we have of public activity are clearly instances where elites have manipulated the system to produce their own private benefits. Again, we are looking at issues of scale and structure.

What is the evolution of the workweek (hours worked, say, per year)?

With the continued development of automation, we could envision a shorter workweek. The amount of time people spend in socially maintained productive



activity, as compared to leisure, recreation, family, and personal time, has varied widely throughout recorded history and between cultures. An eight hour work day divides the day into three equal parts. Eight hours work, eight hours sleep, and eight hours to be with family and community at leisure. Then the two days off can be used for family activity and rest. We don't know that anyone uses their time exactly this way, but it sounds good. It is certainly not the only way we could order work. Rather than having a guaranteed annual income, which seems like an expanded welfare system, it would be better to shorten the typical workweek and allow more people to participate in the productive aspects of community rather than just being consumers. A shorter workweek would be preferable to a situation in which some people are allowed to be productive workers in society and paid for it, while others are simply consumers enabled by a free check. With a guaranteed income, we socialize consumption while allowing production to remain private. Allowing production to remain privately owned and controlled would make it very difficult to balance social power. The producers would have the ability to decide what is made, when, under what circumstances, and to whom it is ultimately distributed in order to be sure their interests and desires were met.

What is the envisioned future of organized labor?

Organized labor, like any other social organization, must exist to meet the needs of its constituents. Much of the weakness of today's organized labor movement is the extent to which people don't see it as representing their interests, but rather, as creating another exploitative elite. The high paid union officials that are spokespeople for organized labor have often not done a good job of speaking to the dreams and aspirations of the working people. They exist within an exploitative system in which they have not been offered the opportunity to change the system. Instead, they have the job of creating labor peace as a reward for getting as big a piece of the pie as they can get for the part of their constituency that they are most accountable to. During stable and growing periods of economic life in this country, there were huge profits coming into large corporations. Much of this success was due to the exploitation of overseas markets and sources of raw materials. At these historical moments, many corporations were able to make lucrative deals with their unions. The new economic realities do not allow for this



to be easily done. Domestic trade deals that reward corporate export of jobs and changing situations in the world economy make it difficult for corporations to pay off on their concessions to organized labor. Decline in membership, and fewer concessions from the companies during negotiations, have combined to make organized labor weaker than it has been at any time since the Great Depression.³ The idea that dues check-off, and the ability to negotiate a closed shop are the main demands of labor does not speak to the lived experiences of working people. A new democratic labor movement that would speak directly to the needs of working people is highly desirable, but it will have to undo much of the legacy of the old system that was rooted in different economic realities. In particular, even though it will be difficult, the labor movement must do much more work to organize sections of the working class that have not been unionized.

What are the roles of economic growth and GDP as a measure of growth in your system? What is the priority of growth at the national and company levels?

The existing system is predicated on the idea that growth is an unquestioned good. The idea that unlimited exponential growth is neither possible nor desirable is just beginning to take root in many people's minds. It seems as though growth is needed because the population is increasing and our desire for a better life is constantly on the rise. The fact is that the planet itself is finite, and unlimited growth pushes up against the limitations of the capacity of the Earth to sustain us. There is an emerging picture of development that is not rooted in constant expansion of material goods. It stresses instead the living of a good, sustainable life, where human intellectual and artistic activity is valued above gross consumption. We need more thinking and practice of building the good life, "buen vivir," that is not connected to simply consuming more stuff. After we have a comfortable residence to live in, after we have enough to eat, after we deal reasonably with the challenges of the human condition and the inevitability of decline and death, we should be capable of engaging in healthy, meaningful, and mutually satisfying human relationships. So much of the current outlook on what is a good life is a product of marketing that is associated with the model of a good economy being one that constantly expands the production of things. In the long run, this outlook is profoundly alienating and hollow. As we build new



economic realities, we as a society will continue to grapple with the questions of having meaningful lives that are not dependent on impossible ideas about constant expansion.

GDP is a highly flawed measure of social output. It is incapable of differentiating between activity that actually expands human opportunities and presents the availability of new possibilities, and those activities that damage our future, or just attempt to heal the previous damage we have done to the Earth's capacity to sustain us. While other indices for social measure might be sought, we need to re-examine our ideas about the relationship between measurement and reality ("it is only real if we can measure it") and between measurement and value ("it is only valuable if we can measure it"). There is a measurement distortion that tends to exist, where we overvalue the things that are most easily measured and undervalue things that are difficult to measure. This can cause us to expand the one and diminish the other, due to the way we handle the metrics. Happiness, creativity, love, truth, and beauty are devalued in a world where net asset value, income, body mass index, speed, horsepower, and return on investment are overvalued.

How is money created and allocated?

Money serves three functions: it is a measure of value, it is a means of storage of value, and it is a means for facilitating the exchange of commodities and retiring debt. While there are creative new forms of money being developed, such as time share accounting and alternative currencies, or even Bitcoins, they all have the same capacity, with only subtle differences, to satisfy the functions of money. In those situations where alternative currencies have been useful, the role that they have played has been to increase the money supply and facilitate increased economic activity.

The creation of money is a social act that needs to be democratic. The total amount of money needs to be kept in some intentional relationship to the value of the social product, but this exact relationship can be complex. Decisions on the supply of money affect the value of savings and the incentives for future production. Currently, money decisions for the standard currency are made by



representatives of the ruling elite, characterized by its capacity to live and prosper by ownership rather than having to work. The decisions around money need to be democratically made by an informed public that is thinking about the best interests of community, rather than their individual advancement within a highly inequitable system.

As a means of storage of value, money becomes the medium and measure of the social wealth—that value that has been socially produced and, under the current system, privately appropriated. The idea of democratizing wealth implies the democratization of access to money. The efforts to develop non-extractive financial structures, such as the developing Southern Reparations Loan Fund and The Financial Cooperative with which it will be affiliated, reflect concrete efforts to build next system financial institutions.

Some Specifics: Society

How do you envision the future course of income and wealth inequality, and poverty? How do you envision the future course of economic poverty? What factors affect these results?

The current disparities in income and wealth are the result of the long history of exploitative property relations and the consequent disparity in political power that results. The rich get richer. The powerful increase their power. This is certainly true during stable periods of the social system and the economy, but it does not account for the ruin that takes place during periods of system crisis. The rich may be ruined and the powerful may fall from power. While during periods of stability the natural tendencies of competition make for some dynamic motion among the rich and powerful, in general, even these changes move toward increased concentrations in wealth and power, rather than diffusion. At some point, those of us representing grassroots communities and their interests must look forward to implementing policies that do indeed level the playing field, and create opportunities for everyone to be fairly engaged in being productive, meaningful, and respected members of the community. We must also find ways for all people to have democratic involvement in their community's future.



“ *The problem with the existing system is not that it does not produce absolute equality but rather that it denies the overwhelming majority the opportunity to utilize their skills, energy, and interest in being productive members of the community.* ”

The drive toward perfect equality is not necessarily desirable. People are different. They have different amounts of energy and different appetites. The problem with the existing system is not that it does not produce absolute equality but rather that it denies the overwhelming majority the opportunity to utilize their skills, energy, and interest in being productive members of the community. It does this by syphoning off the excess in their production above the bare minimum required for their reproduction and allows it to be accumulated by a small minority. This minority uses it to control the majority for their own interests. It is the fact that a small minority sees everyone else as being simply instrumental to their drive for ever increasing accumulation and ever increasing power that is the basis for opposition to the existing system. Equity and fairness do not require equality, but rather fair opportunity, with access to the wealth that we all have produced, and the opportunity to retain the product of our labor in the future. This means the end of exploitation, where the few individuals and corporate entities enrich themselves from the labor of the many others.

By creating cooperative structures, where enterprises are collectively and democratically owned and democratically governed for the benefit of the group rather than for the benefit of an entrepreneurial owner, the surplus will not be concentrated in the hands of the few, but be at the disposal of the many. Income may not necessarily need to be equalized if the opportunities to increase one's income are fairly available to the many and everyone has enough to meet their needs.



The poverty that we are so familiar with is the result of communities which do not have the wealth available to them to allow everyone to be productive and meet the needs of the community. If we again think of the commons as embracing both the natural bounty of the earth, as well as the wealth created by labor, we can see how having this fairly available on a democratic basis to all would be a key to eliminating poverty. We are not thinking so much about dividing wealth into small parcels and distributing them to all, but rather democratizing the access to the aggregate. Dividing and apportioning large assets to individuals as shares raises the specter of all of those assets being accumulated again by individuals who make advantageous deals with those who individually hold the divided wealth. This can be seen in the massive Black land loss that has resulted from heir properties that are sold to satisfy the conditions of the joint ownership and the difficulty of selling just a portion. This problem can also be seen around the world where some economists, such as Hernando de Soto Polar, working in the interest of banks, most likely, have suggested dividing communally held lands for individual ownership so that they can be mortgaged for loans.⁴ The end result of this could well be the foreclosure of many of those loans and the transfer of ownership to the banks who took them as collateral. Large parcels of land and large amounts of productive capital might best be utilized in the aggregate with democratic control rather than being parceled out for individual ownership. Reclaiming or recreating commons is a major challenge, since many people have been convinced of the “tragedy of the commons” which posits that the successful community utilization of the commons is impossible despite the historical record of the commons prior to the enclosure. The methods controlling commons in the interest of the community have been developed as commons management as described by Elinor Ostrom.⁵ The requirements for this include that the roles and responsibilities of stakeholders need to be clearly decided through an agreed upon democratic process and monitoring processes put in place that regulate the fair use of the commons for all.

Around the world, one of the motives for migration is economic opportunity. This can be understood as moving toward places where there are concentrations of wealth. These concentrations in Europe and the US are no less attractive if



they are cooperatively owned, form the basis for a developed, shared infrastructure, and are available to all on a democratic basis. As wealth is concentrated now it functions more as the pot on a high stakes gambling table where a few will win and many more will lose.

Are special measures envisioned to protect and enhance children and families? To advance the underprivileged? To promote care-giving and mutual responsibility?

We feel that the appropriate unit for the evaluation of an economic system is the community in which it operates rather than individuals or even families. This allows for the varied relationships between individuals to all be accounted for. Communities include children, the elderly, the infirm, the confused, single people, couples, and those with more complex relationships. Everyone is important and deserves to be cared for at a level that respects their humanity, their agency, their capacity, and their needs. Individual enterprises should set aside a portion of their surplus for the enhancement of the community in which they operate. Government is also a place for democratic decision-making that takes up the concerns for all the members of a community. The problem in the existing system is the disproportionate power that the wealthy elites have in our democratic polity. True democracy requires fair access to democratically controlled community wealth and allows for the fair distribution of political power which will allow for communities to establish and enforce standards for the treatment of all those community members who are not fully able to do for themselves. We like to think of the establishment of community standards as the basis of equitable treatment rather than claiming universal rights disconnected from a mechanism of enforcement. In the final analysis, it will be because community members want their children, their aging parents, their neighbors, and the visitors in their midst to be treated with dignity and to have their needs met that they will come together, use their productive capacities, and their ability to reason together, to help build a new system.

How do racial, ethnic, and religious justice figure in your work?

The divisions and disparate treatment that exist now between people of different skin color, ethnic heritage, religious belief, and national origin serve the purpose



of dividing people and weakening grassroots communities in their struggles for human dignity and opportunities to meet their needs. At the end of the Civil War, freed slaves understood that enslavement meant that the product of their labor was taken without consent and that freedom was the ability to retain and utilize the product of one's own labor. This remains true to this day. One thing that it points out is that we are still not truly free. But it also gives us a way of understanding what is missing. Those formerly enslaved community leaders who met with leaders of the military and the federal government asked for land and equipment so that they could be productive and retain the product of their labor. The promise was made of forty acres. While this promise was never met, it is important to recognize that this ask was for a production unit, not consumption units. Being made whole was thought of as having the land and equipment needed to be productive.

If everyone was capable of utilizing the bounty of nature and the accumulated product of human labor as a foundation on which to build the economic activities that meet their needs, then there would be little reason to worry about being loved, respected, or understood outside one's community. The reason that these things seem so important now is that they are connected with access to the community's wealth, without which we are all impoverished and incapable of being fully productive. Without access to the land, equipment, and what is produced, we would all starve to death.

We believe that there is nothing inherently discriminatory about difference. "Race" differences, such as skin color, do not naturally produce racism any more than differences in eye color or hair color do. It is the existence of racism—the disparate treatment and double standard of access in a society based on heritage that produces "race"—the idea that there are essential differences between people based on color or national origin. This idea, which is clearly presented in the writings of Barbara and Karen Fields in their book *Racecraft*, is an important part of recognizing what is needed to do away with "race" as it presents itself to us as racist thought and action.⁶ The Fields are able to show in their essays that the acceptance of these essentialized notions of racial difference are pervasive in US



society—as pervasive as ideas about the existence and ubiquity of witches were in previous centuries. This results in thinking that race differences are produced by a person’s race and not by racism—a viewpoint that damages our ability to correct the racist practices that have been accepted as natural. When democratic access to community wealth is made the universal norm, there is little need for the perpetuation of the divisions between people fostered by racism. In this situation, with the intentional corrections being made for past racism, the natural capacity of people to recognize and respect each other can be unleashed.

There is a need to right historic inequities. Reparations are owed to communities that have been systemically stripped of the wealth produced within them. We do not have to wait for the current government to accept responsibility for past wrongs and implement reparations. Those individuals who have access to wealth and philanthropic concentrations of wealth can voluntarily make their wealth available as reparations to the communities that have been historically denied. The Southern Reparations Loan Fund reflects this effort. Other efforts at repairing historical discrimination have involved individual approaches. The Pigford vs. Glickman class action discrimination suit charged the US Department of Agriculture with discriminating against black farmers. In the original suit, individual Black farmers won claims that were generally \$50,000 or less if they could prove that they were treated differently from a white farmer in a similar situation during a very specific time period.⁷ While this approach did not call itself “reparations,” it models one of the ways people understand how the repair for slavery and discrimination might be handled.

This approach has many problems. It begins with the problem of starting from individual injury when the injury was to a community. Then it asks for proof of a specific connection to that injury when the connection is through hundreds, or possibly thousands, of connections to damaged relationships and outcomes that have compounded throughout the history since then. Ben Burkett, the head of Mississippi Association of Cooperatives, recently commented on the payments to farmers from the Pigford suit. He indicated that it would have been better if the funds had been pooled and put in a trust, to borrow against and to be used to



facilitate business development.⁸ As it was, much of the money was spent as consumption activity that did not change the community's ability to be producers.

The most meaningful reparations would come as a correction to the lack of development that has taken place in communities where the labor and all of the surplus created was stolen. This would take the form of development funds for the creation of new enterprises and the expansion and modernization of existing enterprises within disadvantaged communities. This would require democratic access to wealth rather than the distribution of consumer income.

What role do gender and gender issues play in your work?

Gender, gender discrimination, and other gender related issues are very complex. Questions of whether we fundamentally have binary gender designations, or if gender exists on a spectrum, are currently being hotly debated. What we need are opportunities for communities of people to engage in these discussions, by working to step outside of the shadow of male dominated exploitative systems. Attention must be paid to fairness and equity. The weight of patriarchy on social relations that depreciate the potential of women must be opposed. Careful attention must be paid to recognizing, promoting, and developing women's leadership.

What, specifically, is the role of community in your model? What measures and factors affect community health, wealth ('social capital'), and solidarity, and how central are local life, neighborhoods, towns and cities?

The central role of community in our thinking and the importance of the local has been expressed in several of the sections above. We do not have explicit measures of community health, but we are concerned with the meaningful, open involvement of community members in expressions of their human strivings and their desire for happiness. We don't talk about "social capital," although we recognize the importance of social relationships. We find it problematic that just as the struggle against the domination of capital is on the rise, there are new formulations that make nearly everything of value a form of "capital."

"Social capital," "spiritual capital," "natural capital," "built capital," "political capital," "educational capital," and more are all being talked about to show the



ubiquity of capital and the folly of opposing it. We like to think of healthy social relations, and the needed connections to get things done, as requirements of the type of democratic community life that needs to be developed and promoted. We don't think that calling all of these things forms of capital is useful. We are interested in democratic process serving to control and facilitate the rational life activity within community. In a way, we can think of the social life of the community as being the purpose of community life.

Do you envision a change of values, culture and consciousness as important to the evolution of a new system? If so, how do these changes occur?

We feel that there is a reflexive relationship between values, culture and consciousness, and the systems that produce them and are affected by them. It is said that we can *think our way into new ways of acting*, but we can also *act our way into new ways of thinking*. Both are true. Both are important. Our successful local work to deal with a food desert is possible for two reasons. We benefit both from the consciousness that already existed in that community, which was developed through its struggles around other local issues, and from the newly created consciousness and enthusiasm that has emerged from the work on the cooperative store. The community has learned about the possibility and importance of a community doing something for itself, rather than asking for the charitable intervention of a government agency or an entrepreneur seeking profit.

What are the roles of the consumer, consumerism, and advertising in the system you envision? Self-provisioning? Sharing, renting, and bartering?

At this point in the development of our work, we are involved with helping to develop enterprises that are cooperative in ownership and control, and financed through non-exploitative financial structures, like the SRLF that we are also helping to develop. We will still seek to satisfy the needs of consumers who want access to a variety of healthy foods. We will utilize advertising to let them know what is available. We will not make efforts to induce people to buy things that they do not want nor need just in order to increase sales. We are trying to meet an existing need. We are not, at this point, engaged in the sharing or bartering economies. We will be renting the RCC facility because the option of ownership was not open to us.



How do “leisure” activities—including volunteering, care-giving, continuing learning—figure in your work?

We are not currently centering much of our work around leisure activities. We are concerned that volunteering in some contexts is a luxury only available to those who do not require a wage for their work. As such, we are careful about building enterprises that are dependent on volunteer labor. But on the other hand, we recognize that not all human activity is, or should be, financially compensated. The hard work of boards of directors is rewarded more from the opportunity to be involved in doing something important within the community than it is in material reward.

Some Specifics: Environment

If your system addresses environmental concerns, how do you conceptualize “the environment”? Do you envision the economy as nested in and dependent on the world of nature and its systems of life?

We work closely with organizations whose primary focus is the environment, such as The Chorus Foundation, The Climate Justice Alliance (CJA), and Grassroots Global Justice Alliance. In particular, we work with groups who are moving toward what they call a “just transition.” We think that the existing profit motivated system encourages the degradation of the environment by offering short term gains to those who think that their privileged position can protect them from the consequences of their attacks on the environment. We certainly think that this is a shortsighted view and needs to be undone by the democratic involvement of communities. The children, parents, and grandparents of a given community, along with their friends and neighbors, care about their drinking water, their breathing air, and the changing climate that is beginning to affect the production of the foods they need for nourishment.

Ending the domination of the current system of ownership, power, and privilege will set up the basis for ending the man made environmental degradation. As an intermediate step, we should engage with those who are building the political struggle for environmental concerns to be taken seriously by the current



governments in power. The economy that we need to be working towards should be consciously and intentionally built, at every step, with attention paid to the environmental consequences of our economic activity. The decisions that are made should be informed by the best available understanding of the consequences.

Do you address a rights-based environmentalism (e.g. right to clean water) and the idea that nature has legal rights? Do we have duties to other species and living systems? Are any of your goals non-anthropocentric?

We like to think of a standards based environmental consciousness. We need to decide what we think is permissible on the basis of its consequences, and our best understanding of our roles and responsibilities in the world. The Earth itself is a resilient planet that will survive even our complete annihilation as a species. It is the Earth's capacity to be the home for human habitation that is at risk.

Do you envision addressing environmental issues outside the current framework of environmental approaches and policies (e.g. by challenging consumerism, GDP growth, etc.)?

Some environmental activists insist that the US environmental crisis is equally the result of mass consumption, as well as corporate production. We disagree. We don't think that US consumers can buy their way out of the current environmental practices that are devastating the globe. The fundamental decisions about what is made, how much of it is made, and through what processes it is made, are not decisions made by the public, but rather corporate decisions made in boardrooms where the goal is to maximize the bottom line. The idea that consumers can just stop buying things that cause pollution misses the point. Even consumer demand is manipulated through high priced marketing that creates demand where there would otherwise be little or none. No child really needs a "GI Joe with a Kung Fu grip." But when he or she sees it repeatedly while sitting in front of the corporate run advertising on TV, they might begin to feel as if they truly need it. We think that public control of production is needed to fully liberate public control of consumption.

How do you handle environment-economy interactions, trade-offs, and interdependencies?



Other environmentalists juggle the question of whether the environment is more important than economic justice issues. They suggest that development is necessary for economic justice and will necessarily lead to more environmental damage. And then they claim that saving the earth is more important than eliminating inequity. There are two problems with arguments like this. First, it implies that economic justice will require more development activity that will be polluting, or otherwise destroy the earth's resources in a non-renewable way. Second, it assumes that economic justice is merely a nice thing to contemplate, but not worth going to great trouble to attain. It is as if the destruction of human life that results from hunger is less important than that which results from pollution and climate change.

The truth is that justice may be found in the context of more democratic development to meet human needs, rather than increased production for the purpose of increasing profit. In a world in which decisions are made in consideration of the generations to come, there are intelligent paths of democratic development that do not necessarily produce polluting environmental outcomes.

The other problem with pitting the environment against the economy is that it assumes that the Earth itself is being damaged by our development. What we are destroying is the Earth's capacity to support human life. When people do not have access to the means of producing or purchasing food, the economic injustice leading to starvation is just as dangerous to human potential as the environmental damage that leads to water and air pollution. It is among those whose economic privilege makes their starvation unthinkable that the simple choice can be made of the environment over the economy.

How do you address transnational and global-scale environmental challenges? Does your work explore the links between large-scale environmental challenges (like climate change) and other economic and political issues?

Our work at F4DC does not directly involve itself with transnational and global scale environmental challenges. We do feel that there is a need for principled dialogue among the governments and non-governmental agencies that are involved in this work. When many other US organizations made the trip to Paris recently,



to be directly involved in this international discourse, we stood in solidarity with them from these shores.

Some Specifics: Polity

To what degree would your proposed model require Constitutional change? What specifically might be required or recommended?

The current US constitution was a document that compromised the interests of the northern industrial exploiters with the southern slavocracy. As such it was not just imperfect, but a conscious obfuscation of the character of this nation's birth. There are portions of the constitution that reflect the attempts to expand the beneficiaries of the constitution from the initial narrow elite—white men with property—who had rights, privileges, and voice in our early government. The Bill of Rights and later the Thirteenth, Fourteenth, and Fifteenth Amendments were certainly progressive (although recent attempts to justify corporate personhood on its basis stains the utility of the Fourteenth). Some major revamping of the constitution to reflect a society rooted in freedom, equity, and human development is needed. In particular, the constitution's existing fixation on preserving property rights needs to be understood as having been written to defend both the theft of native land and the ownership of enslaved Africans as chattel slaves. We need to rethink the essential features of a new founding document as a starting point for a new reality. We have a chance to understand, to do, and to be better than the pioneers who built this country out of the misery of those whom they exploited for their land and for their labor. But to do so we need to get to the root of the existing problems.

Does your model have anything to say about liberty and how it may or may not relate to the design of your model? And how, specifically, is liberty nurtured and protected?

Individual liberty is an essential aspect of democratic economic thinking, as long as it does not elevate the individual above the community and privilege individual property over the social process of its production and the social needs for its use. The kind of liberty that should be promoted and protected is that which is needed for each person to express their full humanity, which can only be expressed in relationship with other people. The individual finds real freedom



within community. Individuals who subordinate communities in order to meet their individual interest are social predators. We need to elevate the broadly held values of those ethical rules that would have us treat others with the same respect that we, at our best, ask for ourselves. Our legal structures should reflect this. Without interfering with others, we should all be free to pursue our dreams and aspirations. This is the purpose of democratizing wealth.

Political power is the expression of the power that affects communities through governmental entities at local, state, regional, and national levels. At some point, we must interrogate the relationships between the personal, the corporate, the public, the governmental and the community forms of power. Our thinking is that government power should serve community needs and interests for all of the many communities that are within its jurisdiction. Government power should enhance freedom and facilitate the possibility for everyone to be productive and have expanded agency. Periodic voting for government representatives is currently the limit of democratic input. This is not sufficient.

On a local level, more efforts for direct democracy are needed. This is necessary in order to open up discussions that go beyond the narrowly restricted choices that elites want to make available. Participatory budgeting is one such effort to establish more direct democratic input on the priorities of how tax revenues are spent. On the national level, we periodically find ourselves voting for “the lesser of the two evils,” without ever engaging in a process to elevate the political discourse and move national elections beyond evil. More principled dialogue is needed. Perhaps this can grow from local activity around the country to identify local priorities and gain experience in the political process. Eventually these local leaders could move on through the levels to participate in, and form, new national structures. We are currently a long way off from deciding about the specifics of political power. The current presidential race shows the clear bifurcation of non-establishment efforts toward greater democracy and economic justice, on the one hand, and toward celebrity, xenophobia, and fear-mongering, on the other.

Institutions within the community often serve as the repositories of considerable power connected to the wealth that they represent. Public institutions should



be democratically controlled by the public that they serve. This goes for education and health, in particular. They should both be adequately publicly funded through tax revenues and public banking practices that keep wealth in the community. In addition, they should be democratically governed by popular processes that are transparent and constructed to meet the needs of the community for a life centered on full human possibilities, rather than just the expansion of capital. There is currently little activity in terms of genuine public governance of these large institutions. The public should demand more involvement. But the bureaucracies that claim to be the repositories of the academically certified expertise required to run effectively are solidly entrenched. Along with the democratization of wealth, the level of civic engagement that will grow in the course of democratic governance of the economy will need to spill over into a public discourse about the shape of these institutions as well.

How does your model deal with problems of scale? How much decentralization does it include for large systems? How would decentralization be structured?

We have tried to discuss the issues of scale in the section about the size of enterprises. Networks of medium sized enterprises are preferred over giant institutions. The lines of demarcation between the two vary, depending on the nature of the enterprise. That too should be a matter to be determined through democratic decision making.

Real-World Examples, Experiments and Models

Are there specific real-world examples or experiments you can point to that embody your model or system or exemplify important elements of your approach?

There are two real world models that we are deeply involved with. The Renaissance Community Cooperative (RCC) grocery store in Greensboro, North Carolina, and the Southern Reparations Loan Fund (SRLF). Each of them represent efforts to build the democratic economy that we envision. They are both at early stages of development and experimentation. We are continuing to learn and to share. There will be much more information on both to follow.



Conclusion

Our aim is to do our part in creating a world where each person can reach their full human potential as a productive creative individual, a carrier of the culture and an expressive agent of their individual and community development. We want everyone to be able to fully contribute by utilizing the tools and resources that should be available to us all in order to meet our needs and elevate the quality of life within our community. Gross measures of economic activity or economic output fail to measure the humane development which we should work for. The democratizing of wealth will entail the sharing of control of the tools which multiply our individual efforts. The current system, based as it is on expanding the wealth and power of a few through increasing and concentrating the production of profit, is neither sustainable nor humane. It must be brought to an end through our collective and ongoing efforts.

Notes:

- 1 For more on self-sufficiency and African American cooperatives, see Jessica Gordon Nembhard, *Collective Courage: A History of African American Cooperative Economic Thought and Practice* (2014 The Pennsylvania State University Press).
- 2 United States, *Drinking water infrastructure needs survey and assessment: fifth report to Congress* (2013), <http://purl.fdlp.gov/GPO/gpo46211>.
- 3 For information about membership decline over time, see: Pew Research Center, “American Unions Membership Declines as Public Support Fluctuates,” February 20, 2014, <http://www.pewresearch.org/fact-tank/2014/02/20/for-american-unions-membership-trails-far-behind-public-support/>
- 4 For more on Hernando de Soto Polar’s approach to land, see de Soto, Hernando, *The Mystery of Capital: why Capitalism Triumphs in the West and Fails Everywhere Else* (New York: Basic Books, 2000).
- 5 Elinor Ostrom, *Governing the Commons: The Evolution of Institutions for Collective Action* (New York: Cambridge University Press, 1990).
- 6 Fields, Karen E., and Barbara Jeanne Fields. *Racecraft: the Soul of Inequality in American Life* (New York: Verso Books, 2012).
- 7 Tadlock Cowan and Jody Feder, “The Pigford Cases: USDA Settlement of Discrimination Suits by Black Farmers.” *Congressional Research Service Report for Congress*, May 29, 2013, <http://nationalaglawcenter.org/wp-content/uploads/assets/crs/RS20430.pdf>
- 8 Andrianna Natsoulas and Beverly Bell, “Fighting Racism From the USDA, Black Farmers Gain Power Through Co-ops,” *Truthout*, October 13, 2015, <http://www.truth-out.org/opinion/item/33208-fighting-racism-from-the-usda-black-farmers-gain-power-through-co-ops>



About the Author: Ed Whitfield

Ed Whitfield is a social critic, writer and community activist who has lived in Greensboro since 1970. He is co-managing director of the Fund for Democratic Communities.

Originally from Little Rock, Arkansas, Ed's political activism started with attending Little Rock Central High School and beginning to do anti-war work as a teenager. Ed retired after thirty years in industry before becoming involved with philanthropy. He now speaks and writes on issues of cooperatives and economic development while continuing to be interested in issues of war and peace, as well as education and social responses to racism. Ed serves on the boards of Carolina Common Enterprise and Highlander Research and Education Center.

While he spends much of his time practicing bass guitar, Ed can often be found playing jazz or blues flute along with singer-songwriters and bands in Greensboro and wherever he goes in the world. He recently won the "Plays the Most Instruments" award at Greensboro's long-running open mic night.



New Systems: Possibilities and Proposals

Truly addressing the problems of the twenty-first century requires going beyond business as usual—it requires “changing the system.” But what does this mean? And what would it entail?

The inability of traditional politics and policies to address fundamental U.S. challenges has generated an increasing number of thoughtful proposals that suggest new possibilities. Individual thinkers have begun to set out—sometimes in considerable detail—alternatives that emphasize fundamental change in our system of politics and economics.

We at the Next System Project want to help dispel the wrongheaded idea that “there is no alternative.” To that end, we have been gathering some of the most interesting and important proposals for political-economic alternatives—in effect, descriptions of new systems. Some are more detailed than others, but each seeks to envision something very different from today’s political economy.

We have been working with their authors on the basis of a comparative framework—available on our website—aimed at encouraging them to elaborate their visions to include not only core economic institutions but also—as far as is possible—political structure, cultural dimensions, transition pathways, and so forth. The result is two-dozen papers, to be released in small groups over the coming months.

Individually and collectively, these papers challenge the deadly notion that nothing can be done—disputing that capitalism as we know it is the best and, in any case, the only possible option. They offer a basis upon which we might greatly expand the boundaries of political debate in the United States and beyond. We hope this work will help catalyze a substantive dialogue about the need for a radically different system and how we might go about building it.

James Gustave Speth, Co-Chair, Next System Project

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