

NSP REPORT 2

# GETTING TO THE NEXT SYSTEM: GUIDEPOSTS ON THE WAY TO A NEW POLITICAL ECONOMY

James Gustave Speth



THE NEXT  
SYSTEM  
PROJECT



# Getting to the Next System

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## Guideposts on the Way to a New Political Economy

October 2015

*James Gustave Speth*

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*“Yet all is not lost. Human beings, while capable of the worst, are also capable of rising above themselves, choosing again what is good, and making a new start, despite their mental and social conditioning. We are able to take an honest look at ourselves, to acknowledge our deep dissatisfaction, and to embark on new paths to authentic freedom. No system can completely suppress our openness to what is good, true and beautiful.”*

Pope Francis  
Encyclical Letter, *Laudato Si'*  
May 24, 2015

*The views expressed in Next System Project reports are those of the authors and do not necessarily reflect the views of others associated with the project.*

# Preface

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How can we address problems that sometimes seem unsolvable? How to lift families mired in generations of poverty to a better life? Stop the flow of carbon into our atmosphere? Or remove corporate influence from our politics? These are problems so large some are resigned to enduring, rather than confronting, them. But surely that is not the best course. The road ahead is full of possibilities. To navigate it well we must pay attention to its deep, entrapping fissures and find new ways around them. The good news is that many Americans now recognize the scale of these challenges, and interest is high in finding out how we might address them.

I certainly don't think I have all the answers, but I do believe I can help find a place to begin. After over forty years of working in the environmental movement and in international development, I have come to the conclusion that our largest problems—from climate change to inequality and poverty—are deeply rooted in the fundamentals of our political-economic system. Working within that system to achieve incremental changes, however valuable, will never be enough. The current system is simply not programmed to secure the well-being of people, place, and planet. Its priorities, as we see every day, are GDP growth, corporate profits, and the projection of national power—typically military power.

If we are to escape the crises now unfolding all around us, we must create a new system of political economy where outcomes that are truly sustainable, equitable, and democratic are commonplace. This is certainly one of the most important tasks any of us can engage in at this moment in history.

In an effort to do my part, I recently helped to establish an ambitious, multi-year initiative that aims to bring a range of thinking about systemic alternatives to the forefront—so that we can sift through potential solutions, develop attractive yet plausible visions for the future, and craft viable plans for deep, systemic change. This initiative, the Next System Project, which I co-chair with historian and political economist Gar Alperovitz, is based at the Democracy Collaborative. It officially launched on March 31, 2015 with the release of a short public statement outlining the systemic nature of the crisis, and calling for a national discussion of systemic solutions. Originally signed by 350 prominent activists, scholars, practitioners, labor leaders, and business people, more than 7,000 others have since added their names in support, and 50,000 people have viewed our short accompanying film. The project also released a first report, which explains the goals and thinking behind the project in greater depth. It can all be found online at [thenextsystem.org](http://thenextsystem.org).

The Next System Project has much to build on. Many concrete examples and theoretical models for how we might move toward a just, sustainable, and democratic future already exist. These include, for example, campaigns to make the renewable energy transition impactful at many levels of society, including—but not limited to—public or community ownership of the new sector. Such ownership forms would not only inject some much-needed democracy into our system, but could also contribute to social and economic revitalization. As many are already doing, we need to bring the future into the present, starting in our own communities.

I've written a lot in the recent past about these issues, including the need to move to a new system of political economy. In the essays that follow, I've updated, rearranged, and added significantly to my earlier writings that seem most pertinent to getting us on the path to the next system. There is a logical flow to the presentation, but I believe each essay can be read independently. While most of this collection addresses getting the United States to the next system, the third essay is addressed to the larger international context. Though I co-chair the Next System Project, the opinions expressed here are my own.

What kind of transformations do we need to spark? What are the universal values that a new economy should uphold? What to do about the growth question? How can we act now? And do we have a real movement taking shape? These are among the questions I invite you to explore with me.

There is no one “next system.” We should imagine instead a flowering of alternative possibilities. Still, we can identify at the outset a cluster of common values that help define and unify a large family of alternatives that are potentially part of the next system:

- ENVIRONMENT: sustainable, regenerative, resilient, stewardship
- PLACE: appropriate scale, decentralized, subsidiarity

- COMMUNITY: solidarity, caring, sharing, local and global
- COMMON GOOD: economic democracy, cooperative, maximize not growth but well-being, sufficiency
- JUSTICE: fairness, equality, human dignity, diversity
- DEMOCRACY: deliberative, participatory, people empowered

At its core, then, the next system is a value proposition. The values that come through in almost all next system thinking are strikingly different from those that dominate today.

Let me close by expressing my deep appreciation to the people who helped generously with this manuscript—Gar Alperovitz, Joni Praded, Marjorie Kelly, Joe Guinan, John Duda, Thomas Hanna, and Ted Howard—and also to those publishers and opinion outlets who published earlier versions of much of the material that follows: Yale University Press, Chelsea Green Publishing, *Orion* magazine, *Yes!* magazine, AlterNet.org, CommonDreams.org, Grist.org, the Tellus Institute, *Solutions* magazine, Truthout.org, and the *Huffington Post*. My thanks to all.

**James Gustave Speth**  
*Strafford, Vermont*  
*October 2015*

# One: The Imperative of System Change

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The America we must seek for our children and grandchildren is surely not the America we have today. Our country confronts a daunting array of challenges in the maintenance of our people's well-being, in the conduct of our international affairs, in the management of our planet's natural assets, and in the workings of our politics. Taken together, these challenges place in grave peril much that we hold dear.

If we are going to change things for the better, we must first understand the forces that brought us to this sea of troubles. When big problems emerge across the entire spectrum of national life, it cannot be due to small reasons. We have encompassing problems because of fundamental flaws in our economic and political system. By understanding these flaws, we can end them and move forward to a new system.

I think America got off course for two primary reasons. In recent decades we failed to build consistently on the foundations laid by the New Deal, by Franklin Roosevelt's Four Freedoms and his Second Bill of Rights, and by the Universal Declaration of Human Rights which Eleanor Roosevelt championed so vigorously. Instead, we unleashed a virulent, fast-growing strain of corporate-consumerist capitalism. "Ours is the Ruthless Economy," say Paul Samuelson and William Nordhaus in their influential textbook,

*Macroeconomics*.<sup>1</sup> And indeed it is. In its ruthlessness at home and abroad, it creates a world of wounds. As it strengthens and grows, those wounds deepen and multiply, with especially severe impacts on America's black and other minority communities.

Such an economy begs for restraint and guidance in the public interest—control that must be provided mostly by government. Yet, at this point, the captains of our economic life and those who have benefited disproportionately from it have largely taken over our political life. Corporations, long identified as our principal economic actors, are now also our principal *political* actors. Among other things, America's business community has promoted the decline of organized labor, a force that once offered important counter-weight to corporate power. The result is a combined economic and political system—the operating system upon which our society runs—of great power and voraciousness, pursuing its own economic interests without serious concern for the values of fairness, justice, or sustainability that democratic government might have provided.

Our political economy has evolved and gathered force in parallel with the course of the Cold War and the growth of the National Security State. The Cold War

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<sup>1</sup> Paul A. Samuelson and William D. Nordhaus, *Macroeconomics*, 17<sup>th</sup> ed. (Boston, MA: McGraw-Hill Irwin, 2001), 409.

and the rise of the American Empire have powerfully affected the nature of the political-economic system—strengthening the already existing prioritization of economic growth, giving rise to the military-industrial complex, and draining time, attention, and phenomenal amounts of money away from domestic needs and emerging international challenges. This diversion of attention and resources continues with our response to international terrorism.

## The Cold War and the rise of the American Empire have powerfully affected the nature of the political-economic system.

So what are this operating system's key features, which have been given such free rein by these developments?

First, ours is an economy that prioritizes economic growth above all else. We think of growth as an unalloyed good, but this growth fetish is a big source of our problems. Nationally, we've had plenty of growth in recent decades—GDP grew hugely while wages stagnated, jobs fled our borders, life satisfaction flat-lined, social capital eroded, poverty and inequality mounted, and the environment declined.

Another key feature of today's dysfunctional operating system is how powerfully the profit motive affects corporate behavior. A corporation's profit can be increased by keeping its real social, environmental, and economic costs externalized—borne by society at large and not by the firm. In fact, today's corporations have been called "externalizing machines," so committed are they to keeping the real costs of their activities off their books. One can get some measure of these external costs from a recent analysis of 3,000 of the world's biggest companies. It concluded that paying for their external environmental costs alone would erase at least a third of their profits.<sup>2</sup> Another way to

keep profits high is to keep wages low. Just consider the large number of full-time but low-wage employees that need government support to hold body and soul together. And, profits can also be increased through subsidies, tax breaks, regulatory loopholes, low interest rates, and other gifts from government. Together, all these profit-boosting measures lead to dishonestly low prices, which in turn lead consumers to buy more, spurring on businesses that do serious damage to people and planet. And, of course, profit is the foundation of corporate growth.

Given such emphasis on inexorable growth and profit, the constant spread of the market into new areas only makes the environmental and social costs grow, often exponentially. As Karl Polanyi described in his 1944 book, *The Great Transformation*: "To allow the market mechanism to be sole director of the fate of human beings and their natural environment [...] would result in the demolition of society. [...] Nature would be reduced to its elements, neighborhoods and landscapes defiled, rivers polluted, military safety jeopardized, the power to produce food and raw materials destroyed."<sup>3</sup> With its emphasis on privatization, commercialization, and commodification, American capitalism has carried this demolition forward with a vengeance.

But the system that drives the capitalism we have today includes other, more recent elements. The corporation—the most important institution and agent of modern capitalism—has become both enormous and hugely powerful. Of the 100 largest economies in the world, about 40 percent are corporations. Of the 300 largest corporations in the world, around a third are U.S. companies.<sup>4</sup> American business wields great po-

March 23, 2010, accessed 8/11/15, <http://www.alternet.org/story/146050>.

3 Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time* (Boston: Beacon Press, 1944), 3, 73, 131.

4 See generally: Medard Gabel and Henry Bruner, *Global Inc.: An Atlas of the Multinational Corporation* (New York: New Press, 2003), 2–3. See also John Cavanagh et al., *Alternatives to Economic Globalization* (San Francisco: Berrett-Koehler, 2002); and Richard J. Barnet and Ronald E. Muller, *Global Reach* (New York: Simon and Schuster, 1974).

2 Sarah Terry Cobo, "The Environmental Costs of Doing Business Could Erase a Third of Corporations' Profits," *AlterNet*,



litical and economic power and has routinely used that power to restrain ameliorative governmental action. Our corporations have driven the rise of transnational capital as the basis for economic globalization, along with all the challenges that equation introduces.

Then, in the lineup of key features of our operating system, there is what our society has become. Dominant American values today are strongly materialistic, anthropocentric, and centropocentric. Today's consumerism and materialism place high priority on meeting human needs through the ever-increasing purchasing of goods and services. We say the best things in life are free, but not many of us act that way. Instead we've embraced an endless cycle of work and spend. The anthropocentric view that nature belongs to us, rather than we to nature, facilitates the exploitation of the natural world. And the habit of focusing on the present and discounting the future leads us away from a thoughtful appraisal of the long-term consequences of the world we are making.

Next, there is what our government and politics have become. Growth serves the interests of government by boosting politicians' approval ratings, keeping difficult issues like social justice on the back burner, and generating larger revenues without raising tax rates. Government in America doesn't own much of the economy, so it must feed its growth habit by providing what corporations need to keep growing. Meanwhile, Washington today is hobbled by partisanship, corrupted by money, and typically at the service of powerful economic interests. It is focused on the short horizons of election cycles and guided by a poverty of public discourse on important issues. Moreover, our government seeks to enhance and project national power, both hard and soft, in part through economic strength and growth and in part through sustaining a vast military deployment.

And finally there is what our system of money and finance has become. We think of money as the cash in our pockets, but, in truth, virtually all the money in circulation today is created by the banking system

when loans are made. If everyone paid off all their debts, there would be hardly any money. Money is a system of power, and Wall Street and the big banks wield that power. Today, among other things, the large banks are financing the destruction of the planet's climate. In 2010, Citi raised more than \$34 billion for the coal and oil industries.<sup>5</sup> Within Citi's portfolio is \$1 billion raised for the proposed pipeline intended to carry tar sands oil from Alberta to Gulf Coast refineries.<sup>6</sup> In recent years big banks have supported mountaintop removal coal mining to the tune of billions of dollars.<sup>7</sup>

### **The corporation—the most important institution and agent of modern capitalism—has become both enormous and hugely powerful.**

These features aptly characterize key dimensions of today's operating system—the political economy of American capitalism. It's important to see these features as a system, linked and mutually reinforcing. Taken together, they have given rise to an economic reality that is both colossal and largely out of control. An unquestioning society-wide commitment to economic growth at any cost; powerful corporate and banking interests whose overriding objective is

5 Brant Ran, "Citi Needs an Intervention," Rainforest Action Network, accessed 8/4/15, [http://www.ran.org/citi\\_needs\\_an\\_intervention](http://www.ran.org/citi_needs_an_intervention).

6 "Transcanada Corp, et al.—'SC 13D/A' on 3/29/07 re: TC Pipelines LP—EX-99.1," Sec Info, accessed 8/4/15, <http://www.secinfo.com/d11MXs.umvz.d.htm#1stPage>.

7 "Big Banks Finance Mountaintop Removal; Devastate Communities and the Environment," Responsible Endowments Coalition, accessed 8/11/15, [http://www.endowmentethics.org/big\\_banks\\_finance\\_mountaintop\\_removal\\_devastate\\_communities\\_and\\_the\\_environment](http://www.endowmentethics.org/big_banks_finance_mountaintop_removal_devastate_communities_and_the_environment). See also Nick Mathiason, "Banks Attacked for Failure to Meet Equator Principles on Environment," *The Guardian*, January 14, 2010, accessed 8/11/15, <http://www.guardian.co.uk/business/2010/jan/14/equator-principles-banks-environment-campaigners>.

to grow by generating profit, including profit from avoiding social and environmental costs and keeping wages low; a government beholden to corporate interests and thus not strongly inclined to curb corporate abuses; and a rampant consumerism spurred endlessly on by sophisticated advertising—all these combine to deliver an ever-growing economy insensitive to the needs of people, place, and planet.

It is up to us as citizens to inject values of justice, fairness, and sustainability into this system, and government is the primary vehicle we have for accomplishing this. Typically, we attempt to bring about change by working within the system to promote needed reforms. We work the media and other channels to

**Today, the crisis is chronic, steadily deepening, not yet full-blown in consequence or eliciting an overwhelming social response. But tomorrow may be very different given the continuing political indifference.**

raise public awareness of our particular issue, and try to shift public understanding and discourse in our favor. We lobby Congress, the current administration, and government agencies with well-crafted and sensible proposals. When necessary, we go to court. With modest resources, we devote what we can to the electoral process and to candidates for public office. And we hope somehow that lightning will strike and events will move in our favor.

But it is now abundantly clear that these reformist approaches are not succeeding. The titanic forces unleashed by the American brand of capitalism are too powerful. The ceaseless drive for profits, growth, and power, along with other system imperatives, keep the problem spigot fully open. Reform rarely deals with the root causes—the underlying drivers. The forces

that gave rise to these problems in the first place continue to war against progress. And our enfeebled political life, more and more in the hands of powerful corporations and individuals of great wealth, is no match for these forces.

Pursuing reform within the system can help, but what is now desperately needed is transformative change of the system itself. We are confronted with a multifaceted, systemic crisis born of the inability of our current system of political economy to restore and sustain human and natural communities. It is a system that has become, as Elizabeth Warren has said, rigged against us. Today, the crisis is chronic, steadily deepening, not yet full-blown in consequence or eliciting an overwhelming social response. But tomorrow may be very different given the continuing political indifference.

To deal successfully with all the challenges America now faces, we must therefore complement reform with at least equal efforts aimed at transformative change to create a new operating system that routinely delivers good results for real people, the places we live, and the planet that makes life possible. At the core of this new operating system must be a sustaining, just, and democratic economy—one based on new economic thinking and driven forward by a new politics. The goal of this new economy is to provide broadly shared prosperity that meets human needs while preserving nature's diversity, ecological integrity, and beauty—in short, a flourishing people and a flourishing nature. That is the paradigm shift we must now seek.

The New Economy Coalition states the matter well in its mission statement: “We’re driven by a belief that all our struggles—for racial, economic, and climate justice; for true democratic governance and community ownership; for prosperity rooted in interdependence with the earth’s natural systems—are deeply interconnected. Rising to the challenge of building a better world demands that we fundamentally transform our economic and political systems. We must imagine and create a future where capital (wealth and the means of

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creating it) is a tool of the people, not the other way around. What we need is a new system [...]”<sup>8</sup>

William Robinson writes in *A Theory of Global Capitalism* that “An organic crisis is one in which the system faces both a structural (objective) crisis and a crisis of legitimacy or hegemony (subjective). An organic crisis is not enough to bring about fundamental, progressive change in a social order; indeed, in the past it has led to social breakdown, authoritarianism, and fascism. A popular or revolutionary outcome to an organic crisis also requires that there be a viable alternative that is in hegemonic ascendance, that is, an alternative to the existing order that is viable and that is seen as viable and preferable by a majority of society.”<sup>9</sup> Gar Alperovitz adds that a systemic crisis demands of us both a political movement and a clear strategy, one that answers the key question raised by the title of his recent book, *What Then Must We Do?*<sup>10</sup>

So, we can begin to discern the key features that can drive deep change: an acute multifaceted crisis (beyond the chronic, simmering one now) that can grab attention and further delegitimize the current order; the ascendancy of viable, attractive alternatives; the birth of a powerful social movement insisting on change; and a well-conceived strategy that pulls it all together. These are among the themes I pursue in the essays that follow.

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8 “Mission and Vision,” New Economy Coalition, accessed 8/4/15, <http://neweconomy.net/about/necs-mission-and-vision>.

9 William I. Robinson, *A Theory of Global Capitalism* (Baltimore: John Hopkins University Press, 2004), 171–172.

10 Gar Alperovitz, *What Then Must We Do? Straight Talk About the Next American Revolution* (White River Junction, VT: Chelsea Green Publishing, 2013), 130–136.

# System Change: What Is It?

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## PART 1

# Two: A Dozen Transformations on the Path to the Next System

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The idea of a new political economy is too big to swallow whole. We need a clearer delineation of what it means to move to a new system of political economy. And to do that we need to break the challenge down into its component parts.

System change can best be approached through a series of interacting, mutually reinforcing transformations—transformations that attack and undermine the key motivational structures of the current system, transformations that replace these old structures with new arrangements needed for a sustaining, just economy and a successful democracy.

I believe the following transformations hold the key to moving to the next system and a new political economy. We can think of each as a transition from today to tomorrow.

- *The market*: from near laissez-faire to powerful market governance and planning in the public interest; from dishonest prices to honest ones, and from unfair wages to fair ones; from commodification to reclaiming the commons, the things that rightfully belong to all of us.
- *The corporation*: from shareholder primacy to stakeholder primacy; from one ownership and profit-driven model to new business models based on public scrutiny of major investment decisions, motivations other than profit, and economic democracy, including more democratic forms of ownership and control.
- *Economic growth*: from growth fetish to post-growth society; from mere GDP growth to growth in social and environmental well-being and democratically determined priorities.
- *Money and finance*: from Wall Street to Main Street; from money created through bank debt to money created by government; from investments seeking high financial return to those seeking high social and environmental returns.
- *Social conditions*: from economic insecurity to security; from vast inequities to fundamental fairness; from racial and other invidious discrimination to just treatment of all groups.
- *Indicators*: from GDP (“grossly distorted picture”) to accurate measures of social and environmental health and quality of life.
- *Consumerism*: from consumerism and “affluenza” to sufficiency and mindful consumption; from more to enough.
- *Communities*: from runaway enterprise and throwaway communities to vital local economies; from social rootlessness to rootedness and solidarity.
- *Dominant cultural values*: from having to being; from getting to giving; from richer to better; from separate to connected; from apart from

nature to part of nature; from near-term to long-term.

- *Politics*: from weak democracy to strong, from creeping corporatocracy and plutocracy to true popular sovereignty and the ascendancy of people power over money power.
- *Foreign policy and the military*: from American exceptionalism to America as a normal nation; from hard power to soft; from military prowess to real security.

One sure sign that interest is growing in transformations such as these is the way that constituencies have formed around new concepts of the economy—including the solidarity economy, the caring economy, the sharing economy, the restorative economy, the regenerative economy, the sustaining economy, the commons economy, the resilient economy, and, of course, the new economy. There is ongoing discussion of the need for a “great transition” and for a “just transition” rooted in racial, gender, and class justice. In 2012 the most searched words on the Merriam-Webster website were “capitalism” and “socialism.”<sup>11</sup>

Under whatever names, the needed transformations require institutions to promote them. Existing institutions like the Democracy Collaborative, the Institute for Policy Studies, the Tellus Institute, *Yes!* magazine, Demos, the Capital Institute, the Center for a New American Dream, Friends of the Earth, National People’s Action, the Sustainable Economies Law Center, the Labor Network for Sustainability, Jobs with Justice, the National Domestic Workers Alliance, and Chelsea Green Publishing have taken up the cause, as have organizations strengthening new types of corporations such as the Business Alliance for Local Living Economies and the American Sustainable Business Council. Joining them are a series of new entities seeking to bring the many “new economy” issues and organizations together, including the New Economy Coalition and the New

Economy Working Group. As I write, more than 120 organizations have already joined the New Economy Coalition. This is important work, and it is a privilege to be involved in it.

Promoting these transformations requires new policies and deep institutional and behavioral change. The good news here is that dreamers, academics, analysts, and others have all been scribbling away at designs for a next system and the means to get us there. The transitions are now undergirded by a rather large library of books and articles addressed to the policies, institutions, and behaviors needed to move each forward. Three books with a U.S. focus that deal synoptically with the paths to system change are David Korten’s *Agenda for a New Economy* (2010), Gar Alperovitz’s *America Beyond Capitalism* (2011), and (inevitably!) my *America the Possible* (2012). But there is so much more in this exciting area, as there should be at a time when a multitude of solutions are being put forward and examined.

The aim of these transformations is deep, systemic change. That means that many of the proposals on the table are thought to be “impractical” or “politically unrealistic.” Perhaps that’s true by today’s standards. But such labels say more about our politics than the proposals themselves. If some of these ideas seem radical today, wait until tomorrow. It will be clear before long that system change is not starry-eyed but the only practical way forward.

Later, we’ll explore how we can accelerate our progress on these dozen or so fronts and assess our chances for success. And, by the way, you may have counted only eleven areas of transition, not twelve. I’m sure I left one out, maybe more.

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<sup>11</sup> “2012 Word of the Year,” Merriam-Webster, accessed 8/4/15, <http://www.merriam-webster.com/word-of-the-year/2012-word-of-the-year.htm>.

# Three: An International Charter for a New Economy

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Among the indisputable truths about our nation is that it has changed the world, for better and worse. The tentacles of our consumer culture reach far and wide, and the global economy it has fueled is in many respects now a global political economy, even though nations with diverse outlooks and governance partake in it. For these reasons and others, it becomes impossible to talk about changing America's political-economic system in isolation from the rest of the world. That is indeed a big subject, one deserving a great deal of thought and communication. Fortunately, there are many people, in many countries, starting to work toward common goals and to slowly shift the predominant worldview. But there is one question, one part of the analysis, to which I believe I can contribute.

Is it possible to define the contours of a new economy in terms that can resonate internationally? I believe so. Let me offer a general, ten-point charter based on a new economic paradigm beyond the neoliberal one so prominent today.

1. *Economic Goals.* The reigning priorities of economic life shall be human and ecological well-being, not profits and GDP growth. Public policy shall recognize that economic growth has diminishing returns and costs as well as benefits, and that, after a certain point, the former can outweigh the latter.
2. *Economic Democracy.* Investment and other economic decisions shall be guided by democratically-determined priorities. All economic institutions, including corporations, shall be governed by, and held accountable to, all those affected by their activities. New patterns of corporate governance, ownership, and operational management involving workers, communities, governments, and other stakeholders shall be the norm. Corporate chartering shall be at the level of corporate operations and charters periodically reviewed in the public interest.
3. *Regulation and Planning.* Democratically determined regulatory and planning initiatives shall guide market activity in socially and environmentally beneficial directions, ensure that prices are honest and reflect all real costs of production, police unfair labor practices, and prevent predation of public assets and the commons—the valuable assets that properly belong to everyone.
4. *Subsidiarity.* Economic policy and regulation shall foster activity at the most localized level consistent with democracy, equity, and effectiveness. Higher-level national, regional, and global governance shall be exercised where human and ecological well-being will be strengthened by so doing.

5. *Environment.* The economy shall be managed with the overall objective of preserving and restoring natural capital for future generations, preventing climatic disruption, and preserving the integrity of biotic communities and natural systems.
6. *Equity.* Income and wealth shall be equitably distributed within and among countries, and programs shall be maintained to alleviate poverty, ensure freedom from want, provide economic security and opportunity for all, and prevent invidious discrimination against racial and other minorities.
7. *Work.* All individuals shall be guaranteed opportunities for decent work, living wages, and continuing self-improvement. The rights of workers to organize, bargain collectively, and participate in the management of enterprises shall be guaranteed.
8. *Consumerism.* Public policy, including regulation of advertising, shall move society in the direction of working and spending less, creating and connecting more. Consumerism, where people search for meaning and acceptance through what they consume, shall give way to the search for abundance in things that truly matter—good health, education, family, friends, the natural world, and meaningful activity.
9. *Money and finance.* The system of money and finance shall be operated as an essential public utility for the benefit of society as a whole. Financial institutions shall channel resources to areas of high social and environmental return even if not justified by financial return. Finance shall shift away from institutions that are driven to excess by the search for profits and personal financial gain and are remotely owned and managed to institutions that are small enough not only to fail but also to be held accountable by the communities in which they operate.

10. *International Relations.* The priority of international affairs shall be to maintain peace, security, and harmony among nations and to promote global governance and international rules that further these ten principles.

**Is it possible to define the contours of a new economy in terms that can resonate internationally?  
I believe so.**

How might such a charter be moved forward? In considering possible institutional innovation, one can either focus on measures that are plausible in terms of today's politics, or one can put today's political realities to the side and focus on what one believes is actually necessary. The following list is a mix of both, though tilted, I admit, to the second approach.

First, we need a new array of national economic accounts and well-being indicators. These should include a monetized measure of sustainable economic welfare to be issued quarterly alongside conventional GDP. Also needed are measures of subjective well-being, environmental performance, objective social conditions, and democratic performance. Indicators should be isolated from political pressure and manipulation. Thought leaders and researchers around the world are already devising such indicators, though they have not been widely implemented.

Second, we need new institutional mechanisms to salvage our currently failing system of global environmental governance and multilateral environmental agreements. The goal would be ensuring that we live within our planetary means. The evolution of environmental governance within the European Union provides a model for the larger international community. There, the locus of decision-making on key environmental issues moved from the national level to the Union. Nations have also given real power to the World Trade Organization. Similarly, we need to create and empower a World Environment Organi-



zation. On climate governance in particular, we need a mechanism that will bring together the group of about twenty or so largest emitters to urgently agree on a major—indeed, at this point, heroic—effort.

Third, we need a mechanism for governments to begin to take seriously the challenges posed by economic growth. For example, in a fast-growing global economy, the needed rate of carbon intensity reduction is implausibly high. It seems evident to me that the rich countries should abandon their growth fetish and move toward no-growth or degrowth, applying technological change rapidly to reduce the impacts of a non-growing economy. Other countries should adopt green growth, by which I mean reducing envi-

**We need new institutional mechanisms to salvage our currently failing system of global environmental governance and multilateral environmental agreements. The goal would be ensuring that we live within our planetary means.**

ronmental impacts per unit of economic output at a rate faster than the rate of output growth. Harvard's Steve Marglin and I and others said in a report to the United Nations: "If growth is limited on a planetary scale by the inadequacy of sources of energy or raw materials or the inadequacy of sinks for carbon, nitrogen, and other pollutants, the idea of social justice [...] requires that the claims of the poor, chiefly but not exclusively residing in the South, take precedence over the claims of the rich, who reside mostly in the North."<sup>12</sup> I believe growth is so limited, and huge issues are thus posed. We had better start addressing them.

Fourth, we need an international mechanism to steer both private and public investment resources to regions and sectors of high social and environmental need, regardless of the rates of financial returns. The principal objectives of these investments will be to meet strong development goals and climate mitigation and adaptation needs. We should acknowledge that these financial resources must be on an unprecedented scale and involve very large transfers from rich to poor far beyond the meager funds available through Official Development Assistance.

Fifth, we need international regulation and global chartering of global corporations. Issues such as compliance with international norms and rules, accountability, and corporate governance should be addressed in this context.

And sixth, we should support the proposal for Millennium Consumption Goals, which seek to provide consumption targets designed to motivate the rich to consume more sustainably.

Given today's politics, especially in the United States, not much of this seems likely to occur soon. But there are two circumstances that could swiftly shift the picture. First, a crisis. As Milton Friedman famously said, "only a crisis—actual or perceived—produces real change."<sup>13</sup> We have doubtless not seen the last of them. And, second, we can envision and support the rise of a large and powerful international social movement for deep change. I discuss both in the sixth essay below.

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12 Stephen A. Marglin et al., "Premises for a New Economy," Great Transition Initiative/Tellus Institute, January 2012, 3.

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13 Milton Friedman, *Capitalism and Freedom* (Chicago: University of Chicago Press, 2002), xiv.

## Four: This is What System Change Looks Like

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How do we distinguish system-changing initiatives from reforms that seek social betterment within the current system? We need a basis for knowing what initiatives are truly transformative and not merely transactional. The question is a fundamental one. Take climate. Urgent action must be taken within the context of the current system, but we also need to promote deep change in that system. In the United States, President Obama has finally “got the message” on the imperative of climate action, and important international negotiations in Paris late in 2015 are looming. We must make as much progress as humanly possible in these contexts, with all their limitations. But we will never go far enough and fast enough as long as the effective priorities are ramping up GDP, growing corporate profits, increasing incomes of the already well-to-do, neglecting the half of America that is just getting by, consuming endlessly, focusing only on the present moment, helping abroad only modestly, and other dominant features of our current system of political economy. As the climate demonstrators have chanted, “system change, not climate change.”

The first step is to try to find solutions that work at both levels. The European social philosopher André Gorz introduced the concept of “non-reformist reforms” to refer to initiatives that seem on the surface to be straightforward reforms but in fact contain the seeds of deeper, systemic change. One of his propos-

als was for a guaranteed basic income, an idea that has been urged by Martin Luther King, Jr. and other Americans, sometimes in the form of a negative income tax. Measures that enhance economic security lead not only to better lives but also to a better democracy and politics. Another non-reformist reform would adopt a dashboard of economic, social and other well-being indicators that could move America beyond its GDP fetish. In any case, given political realities, it makes good sense when assessing initiatives to search hard for those that are non-reformist reforms.

Here, then, is the beginning of a checklist by which to assess policy and other initiatives. Other tests could be added. Not all these tests will apply to each initiative, but taken together they provide a framework for assessing whether a proposal has the potential for deep, systemic change. A positive answer suggests the initiative seeks to transform, not merely reform.

### *Economy*

- Does the initiative move an ever-larger share of the economy away from the profit motive (or toward what David Grant, in *The Social Profit Handbook*, calls “social profit”)?
- Does the initiative assert ever more democratic control throughout the economy over financial investment decisions and the creation of money?

## NSP REPORT 2

- Does the initiative diversify the ownership of productive assets and businesses through public enterprises, public-private hybrids, cooperative enterprises, and other forms of economic democracy?
- Does the initiative increase wealth among the many rather than accumulating it among the few?
- Does the initiative promote a new world of locally and employee controlled, earth-friendly and cooperative enterprises rather than further entrench large corporations?
- Does the initiative assert more democratic control over the actions, size, governance, and motivations of large corporations?
- Does the initiative promote the growth and health of the commons rather than commodification, commercialism, and the enclosure and capture of commons assets by for-profit corporations?
- Does the initiative promote limiting the market to what it does well?
- Does the initiative move away from the growth fetish, GDP worship, and efforts at aggregate economic stimulus and toward policies that invest in and otherwise promote discrete, democratically determined priorities, high social and environmental returns, and alternative indicators of human and environmental well being and progress at various levels?

### *Polity*

- Does the initiative increase decentralization and the diffusion of power and control, both economic and political, rather than their concentration? Does it respect the principle of subsidiarity?
- Does the initiative reverse the evident trends toward corporatocracy and plutocracy, reassert people power over money power, and reclaim government by, for, and of the people—real democracy at all levels from local to global?
- Does the initiative enhance human freedom and protect both liberty and privacy?

- Does the initiative recognize the important role of planning in successful governmental undertakings?
- Does the initiative contribute to the ongoing strengthening of the movement for deep change?
- Does the initiative contribute to a more just, peaceful situation internationally rather than the opposite?

### *Society*

- Does the initiative increase not only equality of opportunity but also actual social and economic equality, including the elimination of poverty?
- Does the initiative promote community, solidarity, care, and inclusion rather than strife, division, and social neglect?
- Does the initiative strengthen children and families rather than weaken them?
- Does the initiative protect, promote, and celebrate diversity of all forms rather than promote social isolation, marginalization, discrimination, or homogenization?
- Does the initiative work against consumerism, materialism, and “affluenza” rather than depend on them? Does the initiative embrace the maxim: work and spend less, create and connect more?

### *Environment*

- Does the initiative envision the economy as nested in and dependent on the world of nature, its resources, and its systems of life?
- Does the initiative recognize the rights of species other than humans and otherwise transcend anthropocentrism?
- Does the initiative recognize that environmental success depends on correcting the underlying drivers of environmental decline and working for deep, systemic change outside the current framework of environmental law and policy?

- Does the initiative respond to global-scale environmental challenges through innovative approaches like the establishment of a World Environment Organization that is every bit as powerful as the World Trade Organization?

David Korten has developed a somewhat different but complementary framework in his “From Money To Life: Quest for System Transformation.”<sup>14</sup>

As the climate example shows, there are many times when we will need to pursue reform and transformation simultaneously. Indeed, most of the big issues we confront call for this approach. If we try, we should be able to find Gorz’s non-reformist reforms in many cases. But we don’t want to sell short the transformative part of the package, and the tests sketched here should help us avoid this pitfall.

### A SUICIDE ECONOMY:

- Embraces money as its defining value
- Extracts Earth’s sequestered toxins and excess carbons to suppress, expropriate, and control, living Earth’s generative systems
- Secures the power of global corporations and financial markets
- Makes high consumption lifestyles easy and low consumption lifestyles difficult
- Supports concentrated monopoly ownership of the means of living to maximize the financial assets of the few
- Rewards speculators at the expense of workers and productive investors
- Gives corporate rights priority over rights of people and the rest of nature
- Organizes around corporations and financial markets
- Bases decisions on short-term profit maximization
- Designs production processes around one-way, single use linear flows of resources from extraction to disposal

### A LIVING ECONOMY:

- Embraces life as its defining value
- Works in co-productive partnership with living Earth to heal and enhance the generative systems by which she maintains the conditions essential to life
- Secures the power of place-based living communities
- Makes voluntary simplicity a natural and comfortable choice
- Supports broad participation in ownership of the means of living to secure the well-being of all
- Rewards productive work and investment and penalizes speculators.
- Gives rights of people and the rest of nature priority over corporate rights
- Organizes around households and communities
- Bases decisions on long-term health and well-being
- Designs production processes around circular, multiple (preferably continual) reuse resource flows

<sup>14</sup> David Korten, “From Money to Life: Quest for Transformation,” (draft manuscript, May 21, 2015), 5. Reproduced with permission.

## Five: Five Reasons Why Prioritizing Growth Is Not Part of the Answer

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Not much in our society is more faithfully followed than economic growth. Its movements are constantly monitored, measured to the decimal place, deplored or praised, diagnosed as weak or judged healthy and vigorous. Newspapers, magazines, and cable channels report regularly on it. It is examined at all levels—global, national, and corporate. Indeed, one of the few things on which many on the left, right, and center agree is that growth is good and more of it is needed.

Economic growth may be the world's secular religion, but for much of the world it is a god that is failing—underperforming for most of the world's people and, for those in affluent societies, now creating more problems than it is solving. The never-ending drive to grow the overall U.S. economy undermines families and communities; it is leading us to environmental calamity; it fuels a ruthless international search for energy and other resources; it fails at generating good jobs; and it rests on a manufactured consumerism that is not meeting our deepest human needs.

Americans are substituting growth and consumption for dealing with the real issues—for doing the things that would make us, and the country, better off. Psychologists have pointed out, for example, that while economic output per person in the United States has risen sharply in recent decades, there has been no in-

crease in life satisfaction, and levels of distrust and depression have increased substantially. We have entered the realm of what ecological economist Herman Daly calls “uneconomic growth.” Environmentally, we see a world in which growth has brought us to a situation where more of the same will quite literally ruin the planet. Politically, the growth imperative is a big part of how we the people are controlled: the necessity to subordinate politics and policies to the unending pursuit of growth places many needed initiatives off limits and gives the real power to those who have the finance and technology to deliver growth.

Let's consider the following five problems with America's growth fetish:

1. Growth doesn't work. It certainly hasn't delivered the long-sought social and economic benefits.
2. Our measure of growth—gross domestic product or GDP—is fundamentally flawed.
3. The focus on growing GDP deflects us from growing the many things like good jobs that do need to grow.
4. The overriding imperative to grow gives overriding power to those, mainly the corporations, which have the capital and technology to deliver that growth, and—much the same thing—undermines the case for a long list of

public policies that would improve national well-being but are said to “slow growth” and to “hurt the economy.”

5. Economic activity and its growth are the principal drivers of massive environmental decline.

To elaborate:

1. *Growth doesn't work. It doesn't deliver the claimed social and economic benefits.*

Since 1980, real GDP in the United States has almost tripled, and—as I mentioned earlier—the results have been poor: wages stagnated, jobs fled our borders, life satisfaction flatlined, social capital eroded, poverty and inequality mounted, and the environment declined.

Today, GDP has more than fully “recovered” from the 2008 Great Recession and now significantly exceeds pre-recession levels, but the middle class is still hurting, the poor are still desperate, their numbers at an all-time high, and too many Americans are either unemployed, underemployed, or no longer in the work force for lack of opportunity.

Striving for ever-more GDP growth is unlikely to yield better results, for reasons described subsequently, along with some better approaches.

2. *Our measure of growth, GDP, is terribly flawed.*

Still, it sits in regal enthronement. Never mind that GDP is simply a measure of all activity in the formal economy—good things and bad things, costs and benefits, mere market activity, money changing hands, busyness in the economy—for the bigger it gets, the greater the potential for both private profit and public revenue.

Never mind also that even the creator of its formalisms, Simon Kuznets, warned in his first report to Congress in 1934 that “the welfare of the nation [can] scarcely be inferred from a measurement of national

income as defined above.”<sup>15</sup> By 1962, Kuznets was expressing deeper skepticism: “Distinctions must be kept in mind between quantity and quality of growth, between costs and return, and between the short and the long run,” he wrote. “Goals for ‘more’ growth should specify more growth of what and for what.”<sup>16</sup>

Though it is still very much on the throne, GDP’s continued dominance is threatened today. We can now envision a dashboard of indicators to supplement those that measure economic activity, unemployment, and inflation. That dashboard should include: (1) measures of true economic progress that correct and adjust GDP so that we can gauge sustainable economic welfare in society; (2) indicators of objective social welfare such as the status of health, education, and economic security; (3) indices of environmental conditions and trends; (4) indicators of political conditions and democracy; and (5) measures of subjective well-being such as life satisfaction, happiness, and trust.

The first of these measures responds to society’s need for a monetized measure of sustainable economic welfare—an indicator that corrects the shortcomings of GDP as a measure of social well-being and that can be compared with the movements of GDP and GDP per capita on a regular, quarterly basis. The most important efforts to date have been those developing the Index of Sustainable Economic Welfare (ISEW) and its American offshoot, the Genuine Progress Indicator (GPI), now being developed in several U.S. states. The ISEW begins with national private consumption expenditures and then adjusts that for distributional inequalities. It then adds in nonmarket contributions to welfare, such as unpaid housework, and subtracts out defensive expenditures such as police protection and pollution control, and

15 U.S. Department of Commerce, “National Income: 1929–32,” Senate Doc. 124, 73<sup>rd</sup> Congress, 2<sup>nd</sup> Session, 1934, 6–7.

Quoted in Michal Perelman, *The Invisible Handcuffs of Capitalism: How Market Tyranny Stifles the Economy by Stunting Workers* (New York: Monthly Review Press, 2011), 203.

16 Simon Kuznets quoted in Jeremy Rifkin, *The European Dream: How Europe’s Vision of the Future is Quietly Eclipsing the American Dream* (Cambridge, UK: Polity Press, 2004).

it also subtracts the depreciation of natural resources and environmental assets.

3. *The focus on GDP growth deflects efforts from growing the many things that do need to grow.*

Of course, many things do indeed need to grow. We need to grow the number of good jobs and the incomes of poor and working Americans. We need growth in investment in public infrastructure and in environmental protection; growth in the deployment of climate-friendly and other green technologies; growth in the restoration of both ecosystems and local communities; growth in research and development; growth in security against the risks attendant to illness, old age, and disability; and growth in international assistance for sustainable, people-centered development for the world's poor. These are among the many areas where public policy needs to ensure that growth occurs.

Good jobs and meaningful work top that list because their absence is so devastating. The availability of good jobs, the well-being of people, and the health of communities should not be forced to await the day when GDP growth might somehow deliver them. It is time to shed the view that government provides mainly safety nets and occasional Keynesian stimuli. We must insist that government have an affirmative responsibility to ensure that those seeking decent-paying jobs find them. The surest, and also the most cost-effective, way to that end is direct government spending, investments, and incentives targeted at creating jobs in areas where there is high social benefit, such as modern infrastructure, child and elder care, renewable energy and energy efficiency, environmental and community restoration, local banking, and public works and childhood education. A satisfactory minimum wage would certainly also help.

Creating new jobs in areas of democratically determined priority is certainly better than trying to create jobs by pump-priming aggregate economic growth, especially in an era where the macho thing to do in

much of business is to shed jobs, not create them. Another path to job creation is reversing the U.S. gung-ho stand on “free trade” and globalization. To keep investment and jobs at home, journalist and author William Greider has urged that Washington “rewrite trade law, tax law, and policies on workforce development and subsidy.”<sup>17</sup>

Of course, to mention these possibilities is to bring attention back to the deplorable state of American politics. Though there are pockets of good government at the state level and more at the community level, the large-scale social and economic actions that are needed require that we get busy carrying out a long list of urgently needed pro-democracy political reforms. (See chapter 6.)

4. *The overriding imperative to grow gives overriding power to those, mainly the corporations, which have the capital and technology to deliver that growth, and, much the same thing, it undermines the case for a long list of public policies that would improve national well-being but are said to “slow growth” and to “hurt the economy.”*

Thomas Friedman says that economic globalization puts countries in a golden straitjacket—creating new wealth but constraining national policies. Far more encompassing is the straitjacket of the growth imperative. It is possible to identify a long list of public policies that would slow GDP growth, thus sparing the environment, while simultaneously improving social and individual well-being. Such policies include shorter workweeks and longer vacations; greater labor protections, including a “living” minimum wage, protection of labor’s right to organize, and generous parental leaves; job security and fair treatment for part-time workers; a new design for the twenty-first-century corporation, one that embraces rechartering, new ownership patterns, and stakeholder primacy rather than shareholder primacy; restrictions on advertising;

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17 William Greider, “The End of Free-Trade Globalization,” *The Nation*, November 4, 2010, accessed 8/4/15, <http://www.thenation.com/article/end-free-trade-globalization/>.

incentives for local and locally-owned production and consumption; strong social and environmental provisions in trade agreements; rigorous environmental, health, and consumer protection; greater economic equality with genuinely progressive taxation of the rich (including a progressive consumption tax) and greater income support for the poor; increased spending on neglected public services; and initiatives to address population growth at home and abroad. Taken together, these policies would undoubtedly slow GDP growth, but quality of life would improve, and that's what matters.

In this mix of policies, Juliet Schor, John deGraaf, and others have stressed the importance of work time reduction. For example, if productivity gains result in higher hourly wages (a big *if* in recent decades) and work time is reduced correspondingly, personal incomes and overall economic growth can stabilize while quality of life increases. Schor points out that workers in Europe put in about three hundred fewer hours each year than Americans.

5. *Economic activity and its growth are the principal drivers of massive environmental decline.*

In a remarkable passage of his environmental history of the twentieth century, *Something New Under the Sun*, historian J.R. McNeill writes that the “growth fetish” solidified its hold on imaginations and institutions in the twentieth century. “Communism aspired to become the universal creed of the twentieth century,” he wrote:

[...] but a more flexible and seductive religion succeeded where communism failed: the quest for economic growth. Capitalists, nationalists—indeed almost everyone, communists included—worshiped at this same altar because economic growth disguised a multitude of sins. [...] Social, moral, and ecological ills were sustained in the interest of economic growth; indeed, adherents to the faith proposed that only more growth could resolve such ills. Economic

growth became the indispensable ideology of the state nearly everywhere. [...] The growth fetish, while on balance quite useful in a world with empty land, shoals of undisturbed fish, vast forests, and a robust ozone shield, helped create a more crowded and stressed one. Despite the disappearance of ecological buffers and mounting real costs, ideological lock-in reigned in both capitalist and communist circles. [...] *The overarching priority of economic growth was easily the most important idea of the twentieth century.*<sup>18</sup>

The relationship between economic gains and environmental losses is a close one, as McNeill notes. The economy consumes natural resources (both renewable and nonrenewable resources), occupies the land, and releases pollutants. As the economy has grown, so have resource use and pollutants of great variety. As Paul Ekins says in *Economic Growth and Environmental Sustainability*, “the sacrifice of the environment to economic growth [...] has unquestionably been a feature of economic development at least since the birth of industrialism [...]”<sup>19</sup> And so it remains.

Among the myriad threats growth imposes on biodiversity and resources, the existential issue posed by climate disruption is particularly worrying. Many analysts have concluded that reducing greenhouse gas emissions at required rates is likely impossible in the context of even moderate economic growth. It entails wringing carbon out of the economy at a phenomenal rate. If the United States were to do the right thing—reduce our greenhouse gas emissions by 90 percent in 30 years starting in 2020 (some would say 95 or even 100 percent)—the emissions from the U.S. economy would have to decline every year by about 7.5 percent, year on year. If the U.S.

18 J.R. McNeill, *Something New Under the Sun: An Environmental History of the Twentieth-Century World* (New York: Norton, 2000), 334–336. Emphasis added.

19 Paul Ekins, *Economic Growth and Environmental Sustainability* (London, UK: Routledge, 2000), 317. Even the most ardent advocates of growth acknowledge the potential environmental costs, some more fully than others.



economy were growing during this period at 3 percent a year, the emissions released for every dollar of GDP would have to decline by about 10.5 percent a year! This is an implausible rate of change. Clearly, a tradeoff between prioritizing growth and prioritizing climate protection awaits us.

There are limits *of* growth, and there are limits *to* growth. The limits *of* growth are hit long before the limits *to* growth. If economists are true to their trade, they will recognize that there are diminishing returns to growth. Most obviously, the value of income

**Sustaining people, communities, and nature should be the core goals of economic activity, not hoped-for byproducts of an economy based on market success, GDP growth, consumerism, and modest regulation.**

growth declines as one gets richer. An extra \$1,000 of income means a lot more to someone making \$15,000 a year than to someone making \$150,000. Meanwhile, growth at some point also has increasing marginal costs. For example, workers have to put in too many hours, or the climate goes haywire. It follows that for the economy as a whole, we can reach a point where the extra costs of more growth exceed the extra benefits. One should stop growing at that point. Otherwise the country enters the realm of “uneconomic growth,” to use Herman Daly’s felicitous phrase, where the costs of growth exceed the benefits it produces. Here in the United States, we’ve had uneconomic growth for quite a while.

In *Managing Without Growth*, Canadian economist Peter Victor presents a model of the Canadian economy that illustrates the real possibility of scenarios “in which full employment prevails, poverty is essentially

eliminated, people enjoy more leisure, greenhouse gas emissions are drastically reduced, and the level of government indebtedness declines, all in the context of low and ultimately no economic growth.”<sup>20</sup> Here are some of the policies and resultant social changes that Victor says could get us there in 30 years:

- a stiff carbon tax is used to control emissions of the principal greenhouse gas, carbon dioxide;
- labor productivity gains are taken as better wage rates and increased leisure time;
- population growth levels off;
- and unemployment declines due to work-sharing arrangements.

The model succeeds in generating these results, however, only if no-growth is phased in over several decades, not imposed immediately. In his discussion of policies needed for the transition, Victor mentions caps on emissions, and resource-harvesting limits that take into account the environment’s assimilative capacity and resource regeneration rates, government social policies to eliminate poverty, reduced work time for employees, and other measures.

One hears a lot about reviving the economy and getting it growing again. But shouldn’t we be striving to transform the economy and not merely revive it? The old economy simply hasn’t been delivering economically, socially, or environmentally for decades. Sustaining people, communities, and nature should be the core goals of economic activity, not hoped-for byproducts of an economy based on market success, GDP growth, consumerism, and modest regulation. The new economy we should be striving to build is a post-growth economy that actually gives top priority to people, place and planet. That is the paradigm shift we need.

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20 Peter Victor, *Managing Without Growth: Slower By Design, Not Disaster* (Northampton, MA: Edward Elgar Publishing, Inc., 2008), 192–93.

# System Change: How Do We Make It Happen?

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## PART 2

## Six: Building the Next System: Areas for Action Now

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Let's explore how we can begin the process of transformation to a new economy and a new politics. There are at least a dozen ways that, working together, we can drive transformative change toward this next system. Here are steps we can take now that would start our journey.

*Step 1: Become teachers.* A growing number of Americans are already finding it impossible to accept the deteriorating conditions of life and living. They see a frightening gap between the world that is and the one that could be. So, our first step is to become teachers—to help bring these Americans, and many more, to see the basic relationships: that the huge challenges we face are the result of system failure, that our current system of political economy no longer deserves legitimacy because it doesn't deliver on the values it proclaims, and that, therefore, the path forward is to change the system. This is the core, foundational message, and we must pursue many ways to reach ever-larger numbers of Americans with it. The journey to the next system truly begins when enough people have come to see our challenge in this way.

*Step 2: Get crisis-ready.* Crises—economic, environmental, or other—point to underlying failure, raise difficult questions, and send people searching for answers. They can wake people up and shake them up. If severe enough, they will delegitimize the current

order. America's political economy is already stressed by multiple pressures, general overload, and buffeting events at home and abroad. The intensity of these stresses will likely increase. Having lost resiliency and coping capacity, the system will be highly vulnerable to crises that will certainly occur and that could open the door to major change, but only if we are prepared.

Are we crisis-ready? Among other things, being ready and able to focus responses to crisis on system-changing initiatives means having those initiatives well-developed and supported by large and active constituencies. Clearly, we have a long way to go in this regard.

*Step 3: Build progressive fusion.* If the various U. S. progressive communities remain as fragmented and as in-their-silos as today, we won't be able to take advantage of positive opportunities opened up by rising popular disenchantment and by the inevitable crises ahead. What's needed, for starters, is a unified progressive identity, a concerted effort to institutionalize coordination, a common infrastructure capable of formulating clear policy objectives and strategic messages, a common platform, and a commitment to creating a powerful, unified movement beyond isolated campaigns.

Coming together is imperative because all progressive causes face the same reality. We live and work in

a system of political economy that cares profoundly about profit and growth and about international power and prestige. It cares about society and the natural world in which it operates primarily to the extent the law requires. So the progressive mandate is to inject values of justice, democracy, sustainability, and peace into this system. And our best hope for doing this is a fusion of those concerned about environment, social justice, true democracy, and peace into one powerful progressive force. We have to recognize that we are all communities of a shared fate. We will rise or fall together, so we'd better get together.

*Step 4: Envision tomorrow.* A powerful part of the drive for transformation must be a compelling envisioning of the world we would like to leave for our children and grandchildren—a new American Dream, if you will. When systemic change does come, it does so because the people agitating for change have painted a compelling vision of what a better future might look like. As Victor Hugo wrote in *Les Misérables*: “there is nothing like a dream to create the future. Utopia today, flesh and blood tomorrow.”<sup>21</sup> We need a variety of attractive depictions of life in this desirable future. These are an important part of banishing the myth that there is no attractive alternative to the current system. I explore the contours of and the prospects for a new American Dream in essay 8.

The Tellus Institute has done a masterful job of describing attractive alternative futures. Its Great Transition Initiative envisions a planetary society comprised of hundreds of regional economies that are very diverse in size and character. Three archetypal societies developed by Tellus are described briefly in the accompanying sidebar, “The Great Transition Today: A Report from the Future.”<sup>22</sup>

### The Great Transition Today: A Report from the Future (Tellus Institute)

*...a crude taxonomy can help illuminate the immense diversity across regions. Most regions can be clustered into one of three major types, which we shall refer to as Agoria, Ecodemia, and Arcadia. The following describes some of the key features that distinguish each of these. But it should be borne in mind that few regions are pure cases, and some large regions have entire subregions that deviate from the dominant form.*

#### **Agoria**

These regions would be most recognizable to a visitor from the year 2000. Relative to other regions, they tend to be more conventional in consumer patterns, lifestyles, and institutions. Their economies are dominated by large shareholder corporations, and investment capital is privately held. Some critics call Agoria “Sweden Supreme.” However, when compared to even the most outstanding examples of social democratic models of the last century, the commitment to social equality, the environment, and democratic engagement from the level of the firm to the globe is of a different order. The key is a vast array of policies and regulations, supported by popular values, that align corporate behavior with social goals, stimulate sustainable technology, and moderate material consumption in order to maintain highly equitable, responsible, and environmental societies.

#### **Ecodemia**

The distinguishing feature of Ecodemia is its fundamental departure from the capitalist economic system. The new system, often referred to as “economic democracy,” banishes the capitalist from two key arenas of economic life. First, the conventional model of the firm based on private owners and hired workers has been replaced by worker ownership in large-scale enterprises, complemented by non-profits and highly regulated small businesses. Second, private capital markets have given way to socialized investment processes. Worker ownership and workplace democracy have reduced the expansionary tendency of the traditional capitalist firm. Firms in Ecodemia instead focus on profit per worker (rather than absolute profit) and the popular goal of “time affluence”, which has shortened the work week. Publicly controlled regional and community investment banks, supported by participatory regulatory processes, recycle social savings and tax-generated capital funds. Their mandate is to ensure that successful applications from capital-seeking entrepreneurs satisfy social and environmental criteria, as well as traditional financial criteria.

#### **Arcadia**

Relative to other regions, the bias in Arcadia is toward self-reliant economies, small enterprises, face-to-face democracy (at least in cyberspace), community engagement, and love of nature. Lifestyles tend to emphasize material sufficiency, folk crafts, and reverence for tradition. While the local is emphasized, most people are highly connected with cosmopolitan culture and world affairs through advanced communication technology and transportation systems. Arcadia has centers of innovation in some technologies (organic agriculture, modular solar devices, human-scale transport devices, etc.) and arts (new music, craft products, etc.). Exports of these products and services, along with eco-tourism, support the modest trade requirements of these relatively time- rich and slow-moving societies.

21 William VanderWolk, *Victor Hugo in Exile: From Historical Representations to Utopian Vistas* (Cranbury, NJ: Associated University Publishers, 2006), 199–200.

22 Paul D. Raskin, “The Great Transition Today: A Report from the Future,” GTI Paper Series: Frontiers of a Great Transition, no. 2 (Tellus Institute, 2006), [http://www.greattransition.org/archives/papers/The\\_Great\\_Transition\\_Today.pdf](http://www.greattransition.org/archives/papers/The_Great_Transition_Today.pdf).

*Step 5: Craft new policy and strategy.* Beyond offering a compelling vision, a key task for progressives is to pioneer the development of a powerful set of new ideas and policy proposals which confirm that the path to this better world does indeed exist. We must show that when it comes to defining the way forward, we know what we're talking about. We are dreamers but dreamers with tools. The good news here is that system-changing proposals already exist in many of the key areas of transformation—ideas for dethroning GDP, transcending consumerism, transforming corporations, revitalizing communities, building a different system for money and finance, and more, including integrated models of entire systems. One goal here is to design and test proposals for a new operating system.

I mentioned previously in essay 2 three recent books that present system-changing policy and other proposals, and there are many others. One powerful presentation of how to bring the future alive locally is Michael Shuman's *The Local Economy Solution*, and Janelle Orsi has pioneered the law of the new economy in her *Practicing Law in the Sharing Economy: Helping People Build Cooperatives, Social Enterprise, and Local Sustainable Economies*. In *What Then Must We Do?*, Gar Alperovitz provides an overall strategy for moving forward, what he calls "evolutionary reconstruction," the steady accretion of institutions, workplaces, communities, and cultures concerned with the fundamental process of democratizing wealth. In sum, those who search for system-changing policy proposals and strategic insights will find no shortage of good material.

*Step 6: Strengthen institutional capacity.* It's vital that we continuously strengthen the intellectual and institutional capital of the new economy/next system movement as well as regularly link ideas to action and prepare for the crises ahead. This involves institution building. For example, there is a huge agenda of needed policy and institutional analysis awaiting us. And here, let's face it, the desperate need for most institutions working these issues is funding. Given

the stakes involved, financial support for new economy work from foundations and individuals has thus far been much too limited. We must work to change this situation.

*Step 7: Start doing.* This is certainly a step that many are already taking. There is extraordinary work being done today in America's communities and regions to bring the future alive into the present, without waiting on the rest of the world to catch on and catch up. Many are already building a new world from the ground up with a proliferation of real-world, predominantly local initiatives—new forms of community revitalization and innovative community action, transition towns—new business forms focused on local living economies, rootedness, and sustaining people and nature (for example, B-Corps, public-private and profit-nonprofit hybrids, mission-protected corporations) as well as new growth of older models (e.g. worker-owned coops and other forms of employee ownership)—and new lifestyles and workstyles adopted at the individual, family and organizational levels. These initiatives are not only worthy in themselves, they also raise consciousness. They provide inspirational models that can be replicated as the movement grows. And they also change people's minds. This may be the most hopeful thing going on in America today. Here I echo Rebecca Solnit's words: "The grounds for hope are in the shadows, in the people who are inventing the world while no one looks."<sup>23</sup>

The Democracy Collaborative's Marjorie Kelly, who has explored extensively the world of new enterprise models, has developed a "typology of generative ownership designs." I reproduce her brief summary in the sidebar titled "Typology of Generative Ownership Designs" because it shows so well the new enterprise world that is being built.<sup>24</sup>

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23 Rebecca Solnit, *Hope in the Dark* (New York: Penguin, 2006), 164.

24 Reproduced here with permission of the author.

## Typology of Generative Ownership Design (Marjorie Kelly)

**1. Commons ownership and governance:** *Where assets like the ocean, a forest, a park, are held or governed indivisibly by a community.* Sometimes what is at work is primarily governance, rather than ownership as we commonly think of it. Examples of commons ownership and governance include the Alaska Permanent Fund, ocean fishing rights, creative commons licenses.

**2. Stakeholder ownership:** *Ownership by people with a human stake in a private enterprise.* Not all stakeholder ownership is generative; it becomes generative when the purpose is a life-serving one. Sub-categories of stakeholder ownership include:

- Cooperatives: organizations owned and democratically governed by the people they serve, includes worker cooperatives, consumer cooperatives (like credit unions), producer cooperatives (like farmer co-ops).
- Partnerships: includes accounting firms and law firms.
- Employee-owned companies: includes companies with Employee Stock Ownership Plans.

**3. Nonprofits:** *An organization that conducts business for the benefit of the general public without shareholders and without a profit motive.* Subcategories include nonprofit hospitals, universities, member organizations like Sierra Club, other 501(c)3's.

**4. Government ownership:** *Entities partially or wholly owned by city, county, state, and federal government.* Includes municipal power plants, state parks, government-sponsored enterprises like Fannie Mae, state-owned oil companies.

**5. Social enterprise:** *Enterprises that use commercial strategies for social and ecological aims, rather than to maximize profits for external shareholders.* Some social enterprises make a profit, others are charitably subsidized. Many social enterprises are subsidiaries of nonprofits.

**6. Mission-controlled corporation:** *Traditional businesses with strong social mission, where governing control is in mission-oriented hands.* These can include family-controlled firms (*New York Times*), and the large foundation-controlled companies common across northern Europe (Ikea, Novo Nordisk). Some of these companies have publicly traded shares, but retain mission control via super-voting shares in the hands of family, foundation, or founders.

*Step 8: Transform values and culture.* When we think about these dimensions of envisioning and building a better world, it's clear that such efforts are led by individuals whose social values have moved beyond the materialism, anthropocentrism, individualism, and contempocentrism that today dominate so much

of life and culture. A transformation of values and culture is a central facet of the overall transformation. Value change must move in parallel with other transformative change. Deep change won't get very far without it.

We need our dominant culture to shift, from today to tomorrow, in the following ways:

- Instead of viewing humanity as something apart from nature, and nature as something to be transcended and dominated, we will see ourselves as part of nature, as offspring of its evolutionary process, as close kin to wild things, and as wholly dependent on its vitality and the services it provides.
- Rather than seeing nature as humanity's resource to exploit as it sees fit for economic and other purposes, we will see the natural world as holding intrinsic value independent of people and having rights that create the duty of ecological stewardship.
- We will no longer discount the future by focusing so intently on the short term, but instead take the long view and recognize our duties to human and natural communities well into the future.
- Instead of today's hyperindividualism and social isolation, we will reward those who foster a powerful sense of community and social solidarity, in all venues from rural to cosmopolitan.
- Violence will no longer be glorified nor wars easily accepted. The spreading of hate and invidious divisions will be frowned on and will no longer be a launching pad for careers in broadcasting.
- Materialism, consumerism, and the primacy of ever-more possessions will give way to a culture that grants priority to family and personal relationships, learning, experiencing nature, service, spirituality, and living within Earth's limits.
- Rather than tolerate gross economic, social, racial, gender, and political inequality, we will demand and work for a high measure of equality in all of these spheres.

Here's an often-overlooked fact: We don't need to wait on these changes but can bring them about. "The central conservative truth is that it is culture, not politics, that determines the success of a society," Daniel Patrick Moynihan remarked. "The central liberal truth is that politics can change a culture and save it from itself."<sup>25</sup>

We actually know important things about how values and culture can change. One sure path to cultural change is, unfortunately, the cataclysmic event—the crisis—that profoundly challenges prevailing values and delegitimizes the status quo. The Great Depression is the classic example. I think we can be confident that we haven't seen the end of major crises, and we must be ready for them.

Two other key factors in cultural change are leadership and social narrative. Harvard's Howard Gardner has written:

Whether they are heads of a nation or senior officials of the United Nations, leaders [...] have enormous potential to change minds—and in the process they can change the course of history. [...] I have suggested one way to capture the attention of a disparate population: by creating a compelling story, embodying that story in one's own life, and presenting the story in many different formats so that it can eventually topple the counterstories in one's culture. [...] The story must be simple, easy to identify with, emotionally resonant, and evocative of positive experiences.<sup>26</sup>

Another key source of value change is social movements. Social movements are all about conscious-

ness raising, and if successful, they can help usher in a new consciousness. Still another way forward to a new consciousness lies with the world's religions. The potential of faith communities is enormous, and they are turning more attention to issues of social justice, peace, and environment, with books like Bob Edgar's *Middle Church* and Jim Wallis's *Soul of Politics* pointing the way. And now we have the remarkable leadership of Pope Francis.

Education, of course, can also contribute enormously to cultural change. Here one should include education in the largest sense, embracing not only formal education but also day-to-day and experiential education as well as the fast-developing field of social marketing. Another major and very hopeful path is seeding the landscape with innovative, instructive models—a proliferation of path-breaking initiatives in community revitalization and business enterprise. Local currencies, slow money, state Genuine Progress Indicators, locavores—these are bringing the future into the present in very concrete ways. These actual models will grow in importance as communities search for answers on how the future should look, and they can change minds. Seeing is believing.

In sum, cultural transformation won't be easy, but it's not impossible either.

*Step 9. Choose transformative leaders and narratives.* We need to support, elect and otherwise promote leaders who are transformational and not merely transactional. This goal is achievable, but, again, it will not be easy. We know now, for example, that "simply" electing a president is not enough. President Obama, I believe, had the potential to be a transformative leader, but he has been trapped, indeed stymied, by a system that fails even at being transactional.

We can also work to tell a new American story. Journalist and commentator Bill Moyers has written that "America needs a different story. [...] So let me say what I think up front: The leaders and thinkers and activists who honestly tell that story and speak pas-

25 Steven R. Weisman, *Daniel Patrick Moynihan: A Portrait in Letters of An American Visionary* (New York: Public Affairs, 2012), 664.

26 Howard Gardner, *Changing Minds: The Art and Science of Changing Our Own and Other People's Minds* (Boston: Harvard Business School Press, 2006), 69, 82. See also James MacGregor Burns, *Transforming Leadership: A New Pursuit of Happiness* (New York: Grove Press, 2003).

sionately of the moral and religious values it puts in play will be the first political generation since the New Deal to win power back for the people.”<sup>27</sup>

David Korten’s *Change the Story, Change the Future* makes the point that “we humans live by stories.” He sees today’s reigning story as “fabricated to serve the interests of a ruling class” and calls on us to author “a new story of meaning and possibility,” one that links back to ancient roots which helped sustain humanity through most of history.<sup>28</sup>

*Step 10. Focus on today and tomorrow.* Step ten embraces another area in which numerous people and groups are already active. Many of the ideas needed to transition to a new political economy must await better times, or they need further development. But many do not, and should be pursued now, even in today’s political process. Of particular importance here are what I referred to previously as non-reformist reforms—they may look like mere reformist incrementalism, but they plant the seeds of deeper changes. The New Economy Working Group, the Institute for Policy Studies, *Yes!* magazine, and the New Economy Coalition, for example, have collaborated on path-breaking work on reforms in banking and finance and jobs in the new economy. Demos is urging new indicators of progress beyond GDP. The Democracy Collaborative is developing and promoting new models of community revitalization and business ownership. My colleague Gar Alperovitz at the Democracy Collaborative, for example, stresses that co-ops and newer business forms are part of the institutional power base of a new politics, confirm that alternatives actually exist, and further the democratization of wealth and capital. In short, we need to define a new economy policy agenda that has a fighting chance today, and we need to pursue it vigorously.

27 Bill Moyers, “For America’s Sake,” *The Nation*, January 22, 2007, accessed 8/4/15, <http://www.thenation.com/article/americas-sake/>.

28 David C. Korten, *Change the Story, Change the Future* (San Francisco: Berrett-Koehler, 2015), 22–23.

Working within the system we have is also necessary to prevent any of today’s looming disasters from spinning out of control or otherwise becoming so overwhelming that they monopolize resources of time, energy, and money and thus foreclose other options. So, while the struggle to build a new system goes forward, we must do everything we can to make the old system perform to head off such calamity. For example, if we do not act now on climate change, both nationally and internationally, the consequences will become so severe that the dark visions of those predicting calamity will become all too real. Our world could become so nasty and brutish that the possibility of rebirth, of achieving something new and beautiful, will simply vanish, and we will be left with nothing but the burden of climate chaos and societies’ endless responses to it.

**We need to define a new economy policy agenda that has a fighting chance today, and we need to pursue it vigorously.**

*Step 11: Create true democracy.* This step takes us into politics and political reform. Clearly, America faces a daunting agenda, one that requires far-sighted, strong, and effective government leadership and action. Inevitably, then, the drive to respond to these challenges leads to the political arena, where a vital, muscular democracy steered by an informed and engaged citizenry is needed. That’s the democracy we need, but, unfortunately, it is not the democracy we have. Right now, Washington isn’t even seriously trying to address most of the country’s challenges. It is unimaginable that American politics as we know it will deliver the responses needed.

The deep transformations we need—and even most of the proposals for reform offered by progressives in Washington today—will not be possible without a new politics in America. As Michael Waldman, director of one of the key reform groups, the Brennan Cen-



ter for Justice, has said, “Progressives have to grapple with this central truth—we can’t solve the country’s problems if we don’t fix the systems of democracy.”<sup>29</sup>

We know what must be done here—and done with urgency before we decline into terminal corporatocracy and plutocracy. We need to guarantee the right to vote and ensure that all votes are counted equally, effectively challenge the two-party duopoly with fusion voting and otherwise, overturn *Citizens United* and enact meaningful public and citizen financing of elections, regulate lobbying and the revolving door, reform Senate rules on holds and filibusters, and depoliticize Congressional redistricting, for starters. And beyond this established agenda of urgently needed pro-democracy reforms lies the question of deeper political change, the search for strong democracy, a new institutional infrastructure for participatory democracy, and the best forms of polity for the next system.

*Step 12: Build a movement.* How do progressives begin to drive real change? The short answer is that we need to build a powerful citizens movement. In today’s America, progressive ideas are unlikely to be turned into action unless they are pushed relentlessly by citizen demand.

This reality has been stressed by many of our most perceptive observers. *Washington Post* columnist Harold Meyerson wrote in 2010, “If there’s a common feature to the political landscapes in which Carter, Clinton and now Obama were compelled to work, it’s the absence of a vibrant left movement [...] In America, major liberal reforms require not just liberal governments, but autonomous, vibrant mass movements, usually led by activists who stand at or beyond liberalism’s left fringe.”<sup>30</sup> Successful movements for serious change are launched in protest against key features of

the established order. They are nurtured on outrage at the severe injustice being perpetrated, the core values being threatened, and the future prospects that are unfolding. And they insist that power concede to their demands. As Frederick Douglass famously said, “Power concedes nothing without a demand. It never did and it never will.”<sup>31</sup> If progressives hope to succeed, then the movement must capture the spirit of Frederick Douglass.

### **In today’s America, progressive ideas are unlikely to be turned into action unless they are pushed relentlessly by citizen demand.**

Achieving meaningful changes will require a rebirth of marches, protests, demonstrations, direct action, and nonviolent civil disobedience. Author and social critic Chris Hedges reminds us that “Civil disobedience, which will entail hardship and suffering, which will be long and difficult, which at its core means self-sacrifice, is the only mechanism left.”<sup>32</sup> Those words ring true to those who have worked for decades to elicit a meaningful response to the existential threat of climate change and who find, after all the effort, mostly ashes.

Demands for immediate amelioration—for jobs, for tax justice, for climate action—will at best be met with proposals for modest accommodations and half measures, and the struggle for deep, systemic change will be met with fierce opposition and determined resistance. This reality underscores that the prospects for systemic change will depend mightily on the health of our democracy and the power of the social movement that is built. And those prospects will also depend on

29 Ari Berman, “Citizen’s United Against ‘Citizens United,’” *The Nation*, July 29, 2010, accessed 8/4/15, <http://www.thenation.com/article/citizens-unite-against-citizens-united/>.

30 Harold Meyerson, “Without a Movement, Progressives Can’t Aid Obama’s Agenda,” *Washington Post*, January 6, 2010, A15.

31 Philip S. Foner, ed., *Frederick Douglass: Selected Speeches and Writings* (Chicago: Chicago Review Press, 2000), 367.

32 Chris Hedges, “Throw Out the Money Changers,” *Truthdig*, April 18, 2011, accessed 8/4/15, [http://www.truthdig.com/report/page2/blocking\\_the\\_gates\\_to\\_the\\_temples\\_of\\_finance\\_20110418/P100](http://www.truthdig.com/report/page2/blocking_the_gates_to_the_temples_of_finance_20110418/P100).

our willingness to take real risks, to struggle together, to sacrifice, to put it all on the line.

In the end, it all comes down to the American people and the strong possibility that we still have it in us to use our freedom and our democracy in powerful ways to create something fine, a reborn America, for our children and grandchildren.

Implicit in all this is a “theory of change.” The theory adopts the view that people act out of both fear and love—to avoid disaster and to realize a dream or positive vision. The theory affirms the centrality of hope and hope’s victory over despair. It locates the plausibility of hope in knowledge—knowing that many people will eventually rise up and fight for the things that they love; knowing that history’s constant is change, including deep, systemic change; and knowing that we understand enough to begin the journey, to strike out in the right directions, even if the journey’s end is a place we have never been. The theory embraces the seminal role of crises in waking us from the slumber of routine and in shining the spotlight on the failings of the current order of things. It puts great stock in transformative leadership that can point beyond the crisis to something better. The theory adopts the view that systemic change must be both bottom-up and top-down—driven by communities, businesses, and citizens deciding on their own to build the future locally as well as to develop the political muscle to adopt system-changing policies at the national and international levels. And it sees a powerful citizens’ movement as a necessary spur to action at all levels.

So imagine: As conditions in our country continue to decline across a wide front, or at best fester as they are, ever-larger numbers of Americans lose faith in the current system and its ability to deliver on the values it proclaims. The system steadily loses support, leading to a crisis of legitimacy. Meanwhile, traditional crises, both in the economy and in the environment, grow more numerous and fearsome. In response, progressives of all stripes coalesce, find their voice and their strength, and pioneer the development of a powerful

set of new ideas, institutional changes, and policy proposals confirming that the path to a better world does indeed exist. Demonstrations and protests multiply, and a powerful movement for pro-democracy reform and transformative change is born. At the local level, people and groups plant the seeds of change through a host of innovative initiatives that provide inspirational models of how things might work in a new political economy devoted to sustaining human and natural communities. Sensing the direction in which things are moving, our wiser and more responsible leaders, political and otherwise, rise to the occasion, support the growing movement for change, and frame a compelling story or narrative that makes sense of it all and provides a positive vision of a better America. It is a moment of democratic possibility.

## Seven: Are We Winning or Losing on the Movement Building Front?

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As national and international challenges mount across the full spectrum of human affairs, and as more and more acute observers conclude that the problems we face trace back one way or another to our system of political economy—the actual, existing corporatist, consumerist capitalism that we have—it is timely to ask where is the activism that might change that system.

Some would say that it is massing at the present moment. I tend to this view. But Peter Dauvergne and Genevieve LeBaron in their book, *Protest Inc.: The Corporatization of Activism*, are doubtful. They ask: “Do the facts really suggest that mobilizing the grassroots in this way can ever slow globalization? Or replace capitalism? Or achieve peace and justice? Many activists certainly think so. But our analysis suggests that this is unlikely, and gets unlikelier with each passing year [...]”<sup>33</sup>

As do I, Dauvergne and LeBaron hope for the rise of a radical activism that will “challenge political and corporate authority and call for structural change [...] Solutions for radical activists cannot arise from within the structures of the capitalist system but must instead get at the root causes.” “What we are trying to understand,” they write, “is why so many activists

within longstanding social and environmental movements are increasingly accepting and working within the frame of global capitalism [...]”<sup>34</sup>

Dauvergne and LeBaron point to powerful headwinds driving against the rise of this radical activism. Prominent in their analysis is the active suppression and discouragement of dissent. The authors contrast the escalating protests pre-9/11 at international trade talks, World Bank meetings, rich country summits, and elsewhere, with the post-9/11 situation and the increasing frequency of paramilitary policing, forced emptying of streets and parks, the criminalization of protests and their containment off-site, the branding of protesters as terrorists, and heightened surveillance and occasional jailing of activists.

Another headwind they describe is the breakdown of social capital, group solidarity, and shared political consciousness—in short, the loss of the infrastructure of dissent. Runaway businesses, throwaway cities and fast moving populations, and, in the United States, the decline in union membership and the demise of “a nation of joiners” all contribute here. We have lost many of the most important settings where group dissent can be born. “With social life privatizing and fragmenting,” the authors note, “activism and politics require more time, just as people have less and

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33 Peter Dauvergne and Genevieve LeBaron, *Protest Inc.: The Corporatization of Activism* (Maiden, MA: Polity Press, 2014).

34 *Ibid.*, Chapter 1 and elsewhere.

less time [and I would add, opportunity] to become involved.”<sup>35</sup> Closely related to these patterns is something noted by sustainability scholar Michael Maniates and others a while back: the individualization of responsibility. Personal responsibility is urged to deal with issues that actually require societal responses. The fault, it is said, is not in the system but in ourselves. We don’t buy enough of the fair trade, GMO free, organic products. If only we all drove Priuses! In the process, the authors note, we channel more and more time and energy into the market as consumers, and less and less time dealing together with the paucity of responsible consumer choices and the curse of consumerism generally.

### **Time is the most important variable in the equation of the future.**

Another damper *Protest Inc.* correctly identifies is the enclosure of activism in increasingly large and bureaucratic NGOs. In NGO world there are three dominant and linked imperatives: winning victories and making a difference, getting credit for one’s accomplishments, and raising money. In many, perhaps most, contexts today, being effective compels NGOs to a certain tameness. Imagine, if you will, the severely circumscribed world of climate action advocates in Washington, D.C. today! Both getting credit and raising funds underlie the current fracturing of each progressive cause into an often bewildering array of separate, competing groups, each promoting its own brand, at least if it can afford branding consultants.

I suspect there are other forces sapping the strength of radical activism. Certainly, in the United States there are many who see our situation as overwhelming and hopeless—too far gone to save, more game-over than game-on. Still others, who might be prepared to struggle, ask, “but struggle for what?” Quietly, they fear that Margaret Thatcher was correct when

she famously said, “there is no alternative.” Clearly, more needs to be done to establish with a wide public the possibility of a great transition to a new political economy—the next system.

Overall, Dauvergne and LeBaron see a trend of increasing NGO coziness with corporations and capitalism and a weakening of NGO resolve to challenge the system. But this is not new. The main environmental NGOs opted to work within the system well over 40 years ago, and little has changed on that score since then. My concern is that we should have changed. We should have realized that we were winning battles but losing the planet and that we should reassess our strategy and launch a new environmentalism aimed at systemic changes that could lead us to a new economy and a new politics.

I believe Dauvergne and LeBaron should look more searchingly at whether the levers of systemic change are beginning to move. I for one think that they are and that we are seeing the birth of a new activism, some of it radical in both intent and method. Of course, the odds seem long and probably are. But as my friend Gar Alperovitz often says: “Fundamental change—indeed, radical systemic change—is as common as grass in world history.”

We are seeing that new activism on the issue that has mattered most to me professionally, climate change—and here I must pay my respects and state my appreciation to the remarkable Bill McKibben and the dedicated young people with him in 350.org. McKibben and friends have brought to the climate issue an unusual combination of intellectual and scientific rigor, political and media savvy, and 1960s-style in-the-streets activism that is exactly what is needed. Bill, bless him, has led this effort with grace, humor, and courage, and my hat is off.

Time is the most important variable in the equation of the future. As a spate of scientific assessments in 2014 made clear, there is not much time left to head off catastrophic climate change. The report of

<sup>35</sup> *Ibid.*

the Intergovernmental Panel on Climate Change implies that, if societies are to have even a two-thirds chance of holding global warming to less than +2°C, the agreed international goal, then carbon dioxide in the atmosphere can't be much more than 400 ppm by century's end. Unfortunately, we are there now. The only responsible course for the United States is to put in place policy and other measures that will reduce U.S. greenhouse gas emissions by 2050 to a very small fraction of today's, combined with major efforts to sequester carbon dioxide in forests, soils, and elsewhere. Regulations must be adopted that are tough enough to accomplish that emissions goal.

### **Deep change is a pragmatic necessity; the fantasy is to think that we can continue with the status quo.**

Here is the good news and the bad: increasingly severe climate change impacts will compel national and international responses. A full-scale climate crisis is emerging, and it will drive deep change. Our national reaction must be, as the saying goes, to walk on both feet. The country must take major steps now within the framework of our current system of political economy, but dealing over time with the climate issue in such a context is like trying to go down a very fast up escalator. So, to succeed, we need to pursue major policy reforms within the system, *and* we need to pursue equally powerful efforts to change the system itself in fundamental ways. As my friend Paul Raskin at the Tellus Institute has stressed, deep change is a pragmatic necessity; the fantasy is to think that we can continue with the status quo.

Another recent source of activism has been the demand for racial justice sparked and carried forward by a seemingly endless string of police shootings and brutalities toward African Americans. The cry "Black Lives Matter!" has taken meaning beyond the killings and rekindled concern over the large portion of Blacks and other minorities who lack decent incomes,

jobs, housing, food, and health care and the even larger portion of young Black men trapped somewhere in the criminal justice system. A related and encouraging development has been the recognition by leaders in the new economy movement of the importance of frontline communities. As the New Economy Coalition puts it: "those most impacted by interrelated economic and political crises are best positioned to offer meaningful critiques of the current system. These communities also have years of experience imagining and building viable alternatives."<sup>36</sup>

Whether driven by climate and fossil fuel insults; economic crisis; poverty, low wages, and joblessness; deportation of immigrants and other family issues; treatment of women; or voter suppression, multiple movements are now challenging key aspects of the system, seeking to drive deep change beyond incremental reform, and offering alternative visions and new paths forward. There are groups that are marching in the streets and on state capitals and local congressional offices. Others are starting to run people for office around alternative agendas. There are places where the needed research is occurring, and new coalitions are bringing diverse groups together. Strong movements can be found in other countries, and, indeed, many countries are further along than we are. Transnational activism is real and growing, and we have much to learn from each other. These are among the grounds for hope, the reasons to believe that real change is possible. Hopefully, many who are still in the mainstream but who see the need for deep change will find ways to join this growing movement for a better world.

I hope today's young people will not worry unduly about being thought "radical" and will find ways to short circuit the long and tortuous path I took while trying to make change as an insider. If it seems right to you, embrace it. A wonderful group of leaders and activists who are trying to change the system for the better are building new communities in which we can all participate.

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36 See [www.neweconomy.net](http://www.neweconomy.net).

# Visions of the Good Life in America: A Look Back

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## PART 3

## Eight: What Is the New American Dream?

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Throughout our history, there have been alternative, competing visions of the “good life” in America. The story of how these competing visions played out in our history is prologue to an important question: What is the American Dream and what is its future?

The issue came up in the early Republic, offspring of the ambiguity in Mr. Jefferson’s declaration that we have an unalienable right to “the pursuit of happiness.” Darrin McMahon in his admirable book, *Happiness: A History*, will be our guide here. McMahon locates the origins of the “right to happiness” in the Enlightenment. “Does not everyone have a right to happiness?” asked [...] the entry on that subject in the French encyclopedia edited by Denis Diderot. Judged by the standards of the preceding millennium and a half, the question was extraordinary: a *right* to happiness? And yet it was posed rhetorically, in full confidence of the nodding assent of enlightened minds.”<sup>37</sup> It was in 1776, the year of the Declaration of Independence, that Jeremy Bentham would write his famous principle of utility: “It is the greatest happiness of the greatest number that is the measure of right and wrong.”<sup>38</sup>

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37 Darrin M. McMahon, *Happiness: A History* (New York, NY: Atlantic Monthly Press, 2006), 200.

38 William Twining, *Bentham: The Selected Writings of John Dinwiddie* (Stanford, CA: Stanford University Press, 2004), 30.

Thus, when Thomas Jefferson drafted the Declaration in June of that memorable year, the words “the pursuit of happiness” came naturally to him, and the language sailed through the debates of June and July without dissent. McMahon believes this lack of controversy stemmed in part from the fact that the “pursuit of happiness” phrase brought together ambiguously two very different notions: the idea from John Locke and Jeremy Bentham that happiness was the pursuit of personal pleasure and the older Stoic idea that happiness derived from active devotion to the public good and from civic virtue, which have little to do with personal pleasure.

“The ‘pursuit of happiness,’” McMahon writes, “was launched in different, and potentially conflicting, directions from the start, with private pleasure and public welfare coexisting in the same phrase. For Jefferson, so quintessentially in this respect a man of the Enlightenment, the coexistence was not a problem.”<sup>39</sup> But Jefferson’s formula almost immediately lost its double meaning in practice, McMahon notes, and the right of citizens to pursue their personal interests and joy won out. This victory was confirmed by waves of immigrants to America’s shores, for whom America was truly the land of opportunity. “To pursue happiness in such a land was quite rightly to pursue prosperity, to pursue pleasure, to pursue wealth.”<sup>40</sup>

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39 McMahon, *Happiness*, 330.

40 *Ibid.*, 330–31.

It is in this jettisoning of the civic virtue concept of happiness in favor of the self-gratification side that McMahan finds the link between the pursuit of happiness and the rise of American capitalism in the nineteenth and twentieth centuries. Happiness, he writes, “continued to entice with attractive force, providing a justification for work and sacrifice, a basis for meaning and hope that only loomed larger on the horizon of Western democracies.” Economic growth had become a secular religion, McMahan observes, and “the pursuit of happiness remained its central creed, with greater opportunities than ever before to pursue pleasure in comfort and things.”<sup>41</sup> Max Weber saw this transformation first hand. “Material goods,” he observed in *The Protestant Ethic and the Spirit of Capitalism*, “have gained an increasing and finally an inexorable power over the lives of men as at no previous period in history.”<sup>42</sup>

The story of the pursuit of happiness in America is thus a story of its close alliance with capitalism and consumerism. But in recent years, many researchers have begun to see this relationship as one of misplaced allegiance. Has the pursuit of happiness through growth in material abundance and possessions actually brought Americans happiness? That is a question more for science than for philosophy, and the good news is that social scientists have in fact recently turned abundantly to the subject.<sup>43</sup> A new field, positive psychology, the study of happiness and subjective well-being, has been invented, and there is now even a professional *Journal of Happiness Studies*.<sup>44</sup>

Imagine, if you will, two very different alternatives for affluent societies. In one, economic growth, prosperi-

ty, and affluence bring steadily increasing human happiness, well-being, and satisfaction. In a second, prosperity and happiness are not correlated, and, indeed, prosperity, beyond a certain point, is associated with the growth of important social pathologies. Which scenario provides a closer fit to reality?

## The story of the pursuit of happiness in America is thus a story of its close alliance with capitalism and consumerism.

What the social scientists in this new field are telling us is of fundamental importance. Two of the leaders, Ed Diener and Martin Seligman, carried out a review of the now-voluminous literature on well-being in their 2004 article, “Beyond Money: Toward an Economy of Well-Being.”<sup>45</sup> In what follows, I will draw upon this article and other research.

Of particular interest to happiness researchers is “subjective well being,” a person’s own opinion of his or her well-being. Subjects in surveys are frequently asked, on a scale of one to ten, how satisfied are they are with their lives in general, how satisfied they are in particular contexts (such as work or marriage), how much they trust others, and so on.

A good place to begin is with the studies that compare levels of happiness and life satisfaction among nations at different stages of economic development. They find that the citizens of wealthier countries do report higher levels of life satisfaction, although the correlation is rather poor and is even poorer when factors such as quality of government are statistically controlled. Moreover, this positive relationship between national well-being and national per capita income virtually disappears when one looks only at countries with GDP per capita over \$10,000 per

41 *Ibid.*, 358–59.

42 Max Weber, *The Protestant Ethic and the Spirit of Capitalism* (New York: Charles Scribner’s Sons, 1976), 181.

43 Among the many notable books on happiness are Robert E. Lane, *The Loss of Happiness in Market Democracies* (New Haven: Yale University Press, 2000); Jonathan Haidt, *The Happiness Hypothesis* (New York: Basic Books, 2006); and Richard Layard, *Happiness: Lessons from a New Science* (New York: The Penguin Press, 2005).

44 Published by Springer Netherlands.

45 Ed Diener and Martin E. P. Seligman, “Beyond Money: Toward an Economy of Well-Being,” *Psychological Science in the Public Interest* 5:1 (2004), 1.



year.<sup>46</sup> In short, once a country achieves a moderate level of income, further growth does not significantly improve perceived well-being.

Diener and Seligman report that people with the highest well-being are not those in the richest countries but those who live where political institutions are effective and human rights protected, where corruption is low, and mutual trust high.<sup>47</sup>

Even more challenging to the idea that well-being increases with higher incomes is extensive time series data showing that throughout almost the entire post-World War II period, as incomes skyrocketed in the United States and other advanced economies, reported life satisfaction and happiness levels stagnated or even declined slightly.<sup>48</sup>

### **What the social scientists are telling us is that as of today, in Ed Diener's words, "materialism is toxic for happiness."**

But that is not all. Diener and Seligman note, "Even more disparity [between income and well-being] shows up when ill-being measures are considered. For instance, depression rates have increased 10-fold over the same 50-year period, and rates of anxiety are also rising [...T]he average American child in the 1980s reported greater anxiety than the average child receiving psychiatric treatment in the 1950s. There is [also] a decreasing level of social connectedness in society, as evidenced by declining levels of trust in other people and in governmental institutions." Numerous studies also stress that nothing is more devastating to well-being than losing one's job and entering unemployment.<sup>49</sup>

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46 *Ibid.*, 5.

47 *Ibid.*, 507.

48 See Jonathon Porritt, *Capitalism as If the World Matters* (London: Earthscan, 2005), 52, 54; and Bruno S. Frey and Alois Stutzer, *Happiness and Economics* (Princeton, NJ: Princeton University Press, 2002), 9.

49 Diener and Seligman, "Beyond Money," 3.

Instead of income, Diener and Seligman stress the importance of personal relationships to happiness: "The quality of people's social relationships is crucial to their well-being. People need supportive, positive relationships and social belonging to sustain well-being [...T]he need to belong, to have close and long-term social relationships, is a fundamental human need. [...] People need social bonds in committed relationships, not simply interactions with strangers, to experience well-being."<sup>50</sup>

In short, what the social scientists are telling us is that as of today, in Ed Diener's words, "materialism is toxic for happiness."<sup>51</sup> Whether the pursuit of happiness through ever more possessions succeeded earlier in our history, it no longer does.

Norton Garfinkle traces another dueling duality in the American tradition, one reflected in the title of his helpful book, *The American Dream vs. the Gospel of Wealth*. Although the phrase "the American Dream" entered the language thanks to James Truslow Adams and his 1931 book, *The Epic of America*, Garfinkle argues that the force of the concept, if not the phrase, derives from President Lincoln. "More than any other president," Garfinkle believes, "Lincoln is the father of the American Dream that all Americans should have the opportunity through hard work to build a comfortable middle class life. For Lincoln, liberty meant above all the right of individuals to the fruits of their own labor, seen as a path to prosperity. 'To [secure] to each labourer the whole product of his labour, or as nearly as possible,' he wrote, 'is a most worthy object of any good government.'"<sup>52</sup>

"The universal promise of opportunity," Garfinkle writes, "was for Lincoln the philosophical core of America; it was the essence of the American system. 'Without the *Constitution* and the *Union*,' he wrote,

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50 *Ibid.*, 18.

51 Quoted in Marilyn Elias, "Psychologists Know What Makes People Happy," *USA Today*, December 18, 2002.

52 Norton Garfinkle, *The American Dream vs. the Gospel of Wealth* (New Haven: Yale University Press, 2006), 28.

‘we could not have attained [...] our great prosperity.’ But the Constitution and the Union were not the ‘primary cause’ of America, Lincoln believed. ‘There is something,’ he continued, ‘back of these, entwining itself more closely about the human heart [...] This is the just and generous and prosperous system which opens the way to all, gives hope to all, and consequent energy and progress and improvement of condition to all.’ This was, for Lincoln, the American Dream, the *raison d’être* of America, and the unique contribution of America to world history.<sup>53</sup>

**In a sample of its twenty peer OECD countries, the United States today has the lowest social mobility, the greatest income inequality, and the most poverty.**

Although Garfinkle does not bring it out, I believe James Truslow Adams’ vision of the American Dream is at least as compelling as that of Lincoln. Adams used the phrase, “the American dream,” to refer, not to getting rich or even especially to a secure, middle class lifestyle, though that was part of it, but primarily to something finer and more important: “It is not a dream of motor cars and high wages merely, but a dream of a social order in which each man and each woman shall be able to attain to the fullest stature of which they are innately capable, and be recognized by others for what they are, regardless of the fortuitous circumstances of birth or position.”<sup>54</sup> That American Dream is well worth carrying with us into the future.

The competing vision, the gospel of wealth, found its origins in the Gilded Age. In his 1889 book, *The Gospel of Wealth*, Andrew Carnegie espoused a widely-held philosophy that drew on Social Darwinism and, though less crudely expressed, has many adherents

today. To Carnegie, the depressed conditions of late 19<sup>th</sup> century American workers and the limited opportunities they faced were prices to be paid for the abundance economic progress made possible. Carnegie was brutally honest in his views:

The price which society pays for the law of competition, like the price it pays for cheap comforts and luxuries, is also great; but the advantages of this law are also greater still, for it is to this law that we owe our wonderful material development, which brings improved conditions in its train. But, whether the law be benign or not, [...] it is here; we cannot evade it; no substitutes for it have been found; and while the law may be sometimes hard for the individual, it is best for the race, because it insures the survival of the fittest in every department. We accept and welcome, therefore, as conditions to which we must accommodate ourselves, great inequality of environment, the concentration of business, industrial and commercial, in the hands of a few, and the law of competition between these, as being not only beneficial, but essential to the future progress of the race. Having accepted these, it follows that there must be great scope for the exercise of special ability in the merchant and in the manufacturer who has to conduct affairs upon a great scale. That this talent for organization and management is rare among men is proved by the fact that it invariably secures for its possessor enormous reward.<sup>55</sup>

Garfinkle recounts the many ways Carnegie’s gospel stood Lincoln’s vision on its head:

Whereas in Lincoln’s America, the underlying principle of economic life was widely shared equality of opportunity, based on the ideals set forth in the Declaration of Independence, in Carnegie’s America the watchword was inequality and the concentration of wealth and resource

53 Garfinkle, *The American Dream*, 29.

54 James Truslow Adams, *The Epic of America* (New York: Little Brown, 1932), 404. Quoted in Garfinkle, *The American Dream*, 206.

55 David Nasaw, ed., *Andrew Carnegie: The “Gospel of Wealth” Essays and Other Writings* (New York: Penguin, 2006), 3.

in the hands of the few. Whereas in Lincoln's America, government was to take an active role in clearing the path for ordinary people to get ahead, in Carnegie's America, the government was to step aside and let the laws of economics run their course. Whereas in Lincoln's America, the laborer had a right to the fruits of his labor, in Carnegie's America the fruits went disproportionately to the business owner and investor as the fittest. Whereas in Lincoln's America, the desire was to help all Americans fulfill the dream of the self-made man, in Carnegie's America, it was the rare exception, the man of unusual talent that was to be supported.<sup>56</sup>

Since the Reagan Revolution, of course, the gospel of wealth has returned with a vengeance. Income and wealth have been reconcentrated in the hands of the few at levels not seen since 1928, American wages have flat-lined for several decades, the once-proud American middle class is fading fast, and government action to improve the prospects of average Americans is widely disparaged. Indeed, government has pursued policies leading to the dramatic decline in both union membership and good American jobs. In a sample of its twenty peer OECD countries, the United States today has the lowest social mobility, the greatest income inequality, and the most poverty.<sup>57</sup>

A third historical duality in envisioning America is that between an American lifestyle that revolves around consumption and one that embraces plain and simple living. In her important book *The Consumers' Republic*, Lizabeth Cohen traces the rise of mass consumption in America to policies adopted after World War II:

Americans after World War II saw their nation as the model for the world of a society committed to mass consumption and what were assumed to be its far-reaching benefits. Mass consumption did not only deliver wonderful things

for purchase—the televisions, air conditioners, and computers that have transformed American life over the last half-century. It also dictated the most central dimensions of postwar society, including the political economy (the way public policy and the mass consumption economy mutually reinforced each other), as well as the political culture (how political practice and American values, attitudes, and behaviors tied to mass consumption became intertwined).<sup>58</sup>

However, Cohen also documents that, whatever its blessings, American consumerism has had profound and unintended consequences on broader issues of social justice and democracy. She notes that:

[...] the Consumers' Republic did not unfold quite as policymakers intended [...] the Consumers' Republic's dependence on unregulated private markets wove inequalities deep into the fabric of prosperity, thereby allowing, intentionally or not, the search for profits and the exigencies of the market to prevail over higher goals. Often the outcome dramatically diverged from the stated objective to use mass markets to create a more egalitarian and democratic American society [...T]he deeply entrenched convictions prevailing in the Consumers' Republic that a dynamic, private, mass consumption marketplace could float all boats and that a growing economy made reslicing the economic pie unnecessary predisposed Americans against more redistributive actions [...] Most ironic perhaps, the confidence that a prospering mass consumption economy could foster democracy would over time contribute to a decline in the most traditional, and one could argue most critical, form of political participation—voting—as more commercialized political salesmanship replaced rank-and-file mobilization through parties.<sup>59</sup>

56 Garfinkle, *The American Dream*, 66.

57 James Gustave Speth, *America the Possible: Manifesto for a New Economy* (New Haven: Yale University Press, 2012), 1–2.

58 Lizabeth Cohen, *A Consumers' Republic: The Politics of Mass Consumption in Postwar America* (New York: Alfred A. Knopf, 2003), 7–8.

59 Cohen, *A Consumers' Republic*, 403–405.

The creation of the consumers' republic represented the triumph of one vision of American life and purpose. But there has been a competing vision, what historian David Shi calls the tradition of "plain living and high thinking," a tradition that began with the Puritans and the Quakers. In his book, *The Simple Life*, Shi sees in American history a "perpetual tension ... between the ideal of enlightened self-restraint and the allure of unfettered prosperity. From colonial days, the mythic image of America as a spiritual commonwealth and a republic of virtue has survived alongside the more tantalizing view of the nation as an engine of economic opportunities, a festival of unfettered individualism, and a cornucopia of consumer delights."<sup>60</sup> According to Shi, "[t]he concept [of the simple life] arrived with the first settlers, and it has remained an enduring—and elusive—ideal [...] Its primary attributes include a hostility toward luxury and a suspicion of riches, a reverence for nature and a preference for rural over urban ways of life and work, a desire for personal self-reliance through frugality and diligence, a nostalgia for the past, a commitment to conscientious rather than conspicuous consumption, a privileging of contemplation and creativity, an aesthetic preference for the plain and functional, and a sense of both religious and ecological responsibility for the just uses of the world's resources."<sup>61</sup>

It is time to resolve these dueling dualities in the American tradition in favor of a new American Dream. This new dream envisions an America where the pursuit of happiness is sought not in more getting and spending, but in the growth of human solidarity, real democracy, and devotion to the public good; where the average American is empowered to achieve his or her human potential; where the benefits of economic activity are widely and equitably shared; where the environment is sustained for current and future generations; and where the virtues of simple living, community self-reliance, good fellowship, and respect for nature predominate.

These American traditions may not prevail today, but they are not dead. They await us, and indeed they are today being awakened across this great land. New ways of living and working, sharing, and caring are emerging across America. They beckon us with a new American Dream, one rebuilt from the best of the old, drawing on the best of who we were and are and can be.

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<sup>60</sup> David E. Shi, *The Simple Life: Plain Living and High Thinking in American Culture* (Athens, GA: University of Georgia Press, 2007), 277.

<sup>61</sup> *Ibid.*, 3.

## About the Author

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**James Gustave Speth** joined the Vermont Law School in 2010 after serving as Dean of Yale's School of Forestry and Environmental Studies for a decade. He serves also as a fellow at Demos, the Tellus Institute, and the Democracy Collaborative, and is co-chair of the Next System Project. He co-founded the Natural Resources Defense Council in 1970 and the World Resources Institute in 1982, and was Administrator of the United Nations Development Programme in the 1990s.

*Layout by Owl Grammar Press.*

## The Next System Project

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The Next System Project is an ambitious multi-year initiative aimed at thinking boldly about what is required to deal with the systemic challenges the United States faces now and in coming decades. Responding to real hunger for a new way forward, and building on innovative thinking and practical experience with new economic institutions and approaches being developed in communities across the country and around the world, the goal is to put the central idea of system change, and that there can be a “next system,” on the map. Working with a broad group of researchers, theorists, and activists, we seek to launch a national debate on the nature of “the next system” using the best research, understanding, and strategic thinking, on the one hand, and on-the-ground organizing and development experience, on the other, to refine and publicize comprehensive alternative political-economic system models that are different in fundamental ways from the failed systems of the past and capable of delivering superior social, economic, and ecological outcomes. By defining issues systematically, we believe we can begin to move the political conversation beyond current limits with the aim of catalyzing a substantive debate about the need for a radically different system and how we might go about its construction. Despite the scale of the difficulties, a cautious and paradoxical optimism is warranted. There are real alternatives. Arising from the unforgiving logic of dead ends, the steadily building array of promising new proposals and alternative institutions and experiments, together with an explosion of ideas and new activism, offer a powerful basis for hope.



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