

New Economic System Needed and Growing: Learn How to Build it in Your Community

By [Margaret Flowers](#) and [Kevin Zeese](#)

Theme: [Global Economy](#)

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Another jobs report is in and it shows continued waddling along in job creation, just enough to keep the unemployment figure stable. The reality is [the collapse has cost the nation 3 million jobs](#) and that number is not shrinking. The “[Lost Out-Put Clock](#)” shows the nation has lost \$4,602,667,601,6089 in national income and counting since the 2008 collapse.

To make matters worse we are now entering a new reality of poor jobs, part-time and [temporary](#), and [low-paid](#) without [benefits like health](#) insurance. Big business makes big profits off these workers but [treats them like they are disposable people](#). [Workers who have health insurance will not see benefits from Obamacare](#), indeed things will likely get worse. This downward spiral for US workers comes after years of stagnant wages, and at a time when [CEO pay](#) continues its rapid increase. The wealth divide is worsening as the ‘haves’ and ‘have-not’s’ become more extreme.

It is these kinds of neoliberal policies that are at the root of social unrest around the world. This is [particularly clear in Brazil](#) where a left-leaning government came to power but embraced George W. Bush and the IMF. These are the roots of the current crisis in Brazil.

The bi-partisans in DC have created an economy that [savages the long-term unemployed](#) and they refuse the kind of policies that would protect abused, low-wage workers. Indeed, a prominent belief is that the poor get too many benefits and therefore don’t seek jobs, ignoring the reality that [there are 3 unemployed for every 1 job](#). Because of mistaken austerity programs, cuts to state and federal jobs, and inadequate investment in the economy by the government, we have seen a [record 54 months with over 7.5 percent unemployment](#).

People are realizing that they cannot make it in the current Wall Street dominated corporate capitalist economy. It is not designed for most people to make it. Rather it is designed for a small percentage to profit while everyone else is exploited and economically insecure.

A new economic model is [gravely needed](#) and has in fact [taken root](#) worldwide and increasingly in the US. People are not waiting for Congress, and are instead taking action to create the new democratized economy in many areas from finance to employment to food, energy and health care.

Two years ago, we organized the [economic democracy track](#) of the first national Democracy Convention. More than 1,000 people attended and the energy for creating real democracy was high.

The second national [Democracy Convention](#) will take place this August 7 to 11 in Madison WI. Once again, [It’s Our Economy](#) is organizing the economic democracy track, this time in

partnership with the [Public Banking Institute](#). Our focus this year is to bring those who have been building the new economy together to share what they are learning so that participants can put new systems in place in their own communities.

Since 2011, efforts to [build local economies](#) and create affordable and sustainable supplies of the basic necessities have all advanced, and the potential for the future is amazing. Gar Alperovitz, a political economist who will be a speaker at the convention, recently had [an article](#) published in the New York Times about the vast potential of the aging baby boomer generation reaching retirement. Owners of businesses can take steps to transfer ownership of their businesses to their workers, this provides economic benefits to both the owners and the workers, and builds the foundation for a new economy – worker ownership building the wealth in workers.

People are also questioning the way the economy is financed. At the conference the concept of money will be challenged by Jacqui Dunne, co-author of “Rethinking Money” and learn how communities are [creating monetary systems](#) that are based on [values of dignity and collaboration](#) rather than exploitation and competition. Kurt Von Mettenheim, an international expert in [public banking](#), will give us the facts we need to make the public banking argument. And Marc Armstrong and Ellen Brown will share the experiences of the 20 states that have public banking supporters.

We will learn about efforts to end the [debt-based economy](#) and become participants in making local budget decisions. This conversation is coming at a critical time as some countries like Ecuador have refused to pay some of their debts and in Europe people are investigating the legitimacy of debts; and in the US the Strike Debt campaign is challenging the debt-based economy.

On Friday, August 9, we will hold a plenary session on the big picture of the economy, followed by a social event where you can meet the presenters and discuss these topics in more depth. We will also hold a workshop on the [Trans-Pacific Partnership](#) and the [campaign](#) to stop it.

Examples of a new economy – more local, sustainable and democratic – taking hold can be seen in a variety of areas. [Food, for example](#), in the decade from 2001 to 2011, the US organic food market grew by 238%, while the non-organic market only grew by 33%. Of course, at the same time there is a battle over food, with Monsanto helping to push the global corporate coup known as the Trans-Pacific Partnership which will allow their pesticide, GMO laden food to dominate the globe. Thankfully, people are organizing to stop the TPP, see <http://www.FlushTheTPP.org>.

We can also see it in banking. Not only is [the public banking movement taking off](#), but credit unions are as well, now [credit unions have assets](#) equal to the largest bank. People are moving their money from big banks to credit unions, which are bank cooperatives, now the big banks want to stifle that competition. The [Wall Street banks, with the help of President Obama](#), want to remove a tax exemption that helps finance credit unions. Unlike banks, credit union cannot raise capital through public stock offerings the way that banks can, credit union have other limits on them as well. But, Wall Street wants to destroy the completion and is trying to use government to do so.

And, in housing, community land trusts are keeping housing affordable. The land is put into a trust controlled by the community – a board made up of businesses, property owners, non-

profits, local institutions, government. People can buy and sale houses, but the land stays in the trust. This allows community management of development and keeps prices stable, [as Madison, WI](#) and other communities have learned.

We are also seeing re-making of corporate charters. Corporations were originally formed – at their very beginning in the pre-colonial era – to serve a public function but over the years they have transitioned to be only about making profit for their investors. Now [seven states have put the public benefit back into corporations](#) by creating Benefit Corporations of B Corporations. As part of the mission of these corporations they need to provide a community benefit, their charter is no longer just about profit for investors.

People are seeing more local solutions to national problems like energy. Recent research shows that communities that implement [renewable energy solutions for homes](#) can simultaneously reduce their carbon footprint at a drastic rate while saving collectively millions of dollars in meter costs over time.

While the new economy built on democratization is growing, so are efforts to privatize public services. The conflict between public space and services; and space and services controlled by corporations is heightening. But, more often [people are seeing that privatization is a scam](#) that makes services more expensive, less universal and weakens services. This conflict between privatization and democratization will show people that blind support of corporate control is backfiring.

The Democracy Convention comes at an important time in history. Since the first convention two years ago it has become more evident that corporate capitalism is not working for most Americans and new alternatives are needed. At this conference people will see that new alternatives are taking root and growing. People are finding new solutions and creating a new economy designed to serve all of us, not just a few of us. We are in the midst of what Gar Alperovitz calls an “evolutionary transformation;” it is something we are all a part of, join us in Madison so you can participate fully in this transformation.

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