

AGENDA FOR A GREEN ECONOMY

By David Korten
Presentation to Green Party National Conference
and NY Green Fest
Friday August 5, 2011, Alfred, New York

Greetings to those gathered at Alfred University and those watching via live streaming across the country. Special greetings to Michael Greenman and my friends in Columbus, Ohio. It is wonderful to join you by Skype for this important conversation.

As you all know, this timely event is an interesting combination of a local New York Green Fest conversation on Building a Green Economy and the annual conference of the Green Party US. My assignment for this session is to spell out an Agenda for creating a Green Economy based on living system principles that is rooted in and serves the needs of people and the human and natural communities in which we live. I want to begin, however, by setting a context and spelling out the connection between the New Green Economy and the work of New York Green Fest, Transition Towns, and the Green Party US.

Economic Failure

Our nation remains in the midst of a deep economic crisis. Official unemployment continues to hover around 9 percent. If you factor in both short-term and long-term discouraged workers and those forced to work part-time, because they can't find full-time jobs, the total of unemployed and under employed in the United States runs near 23%. The worst hit are people of color, young people in general, and young to middle aged men. On top of that, over 11 million homes in America are vacant and one out of every 46 homes is in foreclosure.

There is no hope for a Main Street recovery on the horizon. And those in charge haven't a clue what to do about it.

The only recovery since the 2008 crash has been on Wall Street. Thanks to massive bailout funding from the Federal Reserve and U.S. Treasury, the folks who brought down the economy are doing splendidly. They enjoy record share prices, corporate profits, and



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executive bonuses. The financial assets of America's billionaires and the idle cash reserves of the most profitable corporations are at historic highs. Their biggest challenge is figuring out where to park all their cash.

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The reality that returning to pre-2008 business as usual is not an option seems totally to escape the awareness of those in power. It is, however, evident to an ever growing segment of a deeply frightened electorate increasingly susceptible to the siren call of political demagogues of the far right.

We in America have come to the end of the road for an economy that assumes America's global economic role is to live beyond our own means by consuming the products and resources of the rest of the world, while running up an international credit card bill we have no plan ever to repay.

We have become masters of gaming the international system to live ever further beyond our own means, while running up ever more massive environmental, social, and financial deficits. We know in our hearts that the party is over.

The day of reckoning has arrived. We need a radical redirection of the economy. There is, however, no national political voice framing the real issues and articulating a compelling positive vision of the America that can be.

Why America Needs the Green Party

Both major parties are in the pocket of Wall Street interests. The Republicans push their standard agenda of tax cuts for the rich, a rollback of regulations on predatory corporations, and elimination of the social safety net—a well proven prescription for further job loss and devastation of the middle class. The Democrats put up a feeble, but ineffective and unconvincing show of resistance. Neither has a credible vision or program for America.

America's political future belongs to the party or movement that can provide a credible positive vision and program for America's future. Among America's political parties, only the Green Party is positioned to frame and build support for the missing vision and agenda. We desperately need a strong Green Party voice to help define the upcoming 2012 cycle political debates.



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Most of the essential elements of a New Economy based on living system principles are already included in the Green US party platform. It remains only to pull it all together into a coherent, credible, compelling, and easily understood vision for America's future.

And we are fortunate to have within our ranks a number of strong, politically and emotionally mature leaders with the potential to function as a strong politically savvy and publicly credible leadership team. America needs the Green Party and it is time to step up to the challenge of building a broad political base and mobilizing the funding required to make this party a coherent and effective national political force.

One of our leaders, David Cobb, in his role as the 2004 Green Party presidential candidate, defined and demonstrated what I consider to be a sophisticated political strategy for the Green Party consistent with America's political reality. We demonstrated in the 2000 election the potential of the Green Party to play the electoral spoiler role at the national level by helping to put George Bush in office. I know this is a controversial issue within the party, but I clearly recall how that experience led me, and many of my friends and colleagues, to back away from the Green Party.


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I was later drawn back to the Green Party by David Cobb and his nuanced strategy of being a Presidential candidate who used his national platform to outline the Green Party's principles and values and to focus attention and resources on local Green Party candidates. I hope and trust that the Green Party will present a similarly strong candidate with a similarly sophisticated strategy for 2012.

Beyond Traditional Left Right Politics

We can and must work for rule changes that open real space for third parties at the national level. In the meantime, we should build on the party's past success electing hundreds of Greens to local offices in which they have played an important role in building green communities and economies. I believe we only do harm to both ourselves and the country if we take the Tea Party path of "My way or the highway."

Much of the appeal of the Green Party resides in the fact that it offers solutions beyond conventional left-right political ideologies that present voters with a presumed choice between rule by big business or rule by big government. Greens know that this is a false frame that fails to address the reality that America is ruled by an oligarchy that that has achieved a seamless consolidation of economic and political power through its control of a Wall Street-Washington axis. This oligarchy will continue to rule the country in its own interests at the expense of the wishes and interests of the majority so long as we the people remain divided by a false debate about whether big business or big government is the problem.

We the people are not supposed to notice the real story that the obvious alternative to rule by an unaccountable oligarchy is what capitalism promises, but fails to deliver: real democracy and real market economies responsive to the needs and values of ordinary people.

The Green Party presents a real alternative of locally rooted, rule-based markets and democracy within a framework of community values and mutual caring. This is the economy envisioned by the Green Party values statement and policy platform. We seek the real, locally rooted markets of Adam Smith and the real locally rooted democracy of Thomas Jefferson.

We start from a set of values that define America at its best, align with the needs of our time, and frame a vision of the world of peace, justice, and environmental vibrancy for which most psychologically healthy humans have longed for millennia. We offer real solutions grounded in local control and popular sovereignty.

Which brings us to the theme of local green economies.

Living with the Biosphere

The significance of the national and global drive to rebuild local economies comprised of local businesses owned and managed by local people to serve local needs in harmonious partnership with natural systems goes well beyond what some may dismiss as merely a nostalgic longing for a return to the small and local.

We humans are confronting the reality of our nature as living beings—the reality that living beings, because of the way life manages energy, exist only in active relationships to other living beings—life exists only in community.



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In a fit of adolescent hubris, we humans have been engaged for the past 5,000 years in an effort to liberate ourselves from the responsibilities of life in community. During the time of this misadventure, we have so confused individual autonomy with personal liberty that we have created economies that reduce caring human relationships to soulless financial exchange. We have structured our physical space around buildings and auto-dependent transportation systems that wall us off from one another and nature. In isolation from nature we rely on a nonrenewable and fast depleting fossil fuel subsidy to dominate and control rather than to work with nature's life serving generative processes.

Blinded to the realities of a living planet by a seemingly unquenchable thirst for corporate profits, we have created a global economy that uses Earth's finite store of fossil fuels to isolate people and communities from the sources of

their food, energy, water, materials, manufactured goods and leave them dependent on corporate controlled global supply chains that are wasteful, unstable, unaccountable, and environmentally and social destructive. Working in opposition to nature, the global economy is maintained only by unsustainable dependence on a non-renewable fossil fuels subsidy.

The institutions of the old economy are by design, extremely efficient, but only at converting the real wealth of people and nature into the financial assets of the already richest members of the society. The result is an economic system that in an act of collective suicide self-organizes toward environmental collapse, social disintegration, and political corruption. So let's call it what it is: a *suicide economy* supported by the theories of a *suicide economics* propagated by legions of *suicide economists*.

The future of humanity depends on navigating a transition to the culture and institutions of a planetary system of local living economies, green economies that work in cooperative integral partnership with nature. Properly designed, they will self-organize toward:

- **Ecological Balance** between aggregate human consumption and the regenerative capacity of Earth's biosphere.
- **Equitable Distribution** of real wealth to meet the needs of all.
- **Living Democracy** to secure the accountability of our governing economic and political institutions to people and community through active citizen participation.

These outcomes align well with the 10 Green Party values.


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Basics of a Green Economy

Realization of the Green Party values depends on restructuring our economic institutions to align and partner with the structure and dynamics of Earth's biosphere. This requires segmenting the borderless global economy into a planetary system of interlinked self-reliant bio-regional living-economies, each rooted in a community of place and organized to optimize the lives of all who live within the community's borders.

Each bioregional economy will meet most of its needs with local production using local resources in the manner of local ecosystems. Rather than gearing their economies to export, they will benefit from trading their surplus with their neighbors in return for that which they cannot reasonably produce for themselves.

Millions of people around the world are already engaged in living this new reality into being through an emergent local living economies movement. Transitions towns and the Business Alliance for Local Living Economies are at the forefront of this movement.

There is an emerging parallel *living buildings* movement that is dealing with the physical/spatial dimension of this transformation. It is designing buildings to eliminate waste, feature natural lighting, and provide for onsite capture of rainwater, energy (wind, solar, and thermal) and organic matter (food scraps and human waste) for recycling and reuse, including for urban gardens (edible roofs and walls and built-in greenhouses). It requires a capacity to adapt to local micro-environments in the manner of healthy ecosystems.

Water is used in the first cycle for drinking, dish washing, and showering; recycled for laundry and micro-flush composting toilets, and directed from there to onsite gardens from which it filters into the local aquifer. Hot water, cooking, and space heating are integrated to optimize overall energy efficiency.



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Integrating multi-purpose buildings into larger multi-building neighborhood and district systems adds opportunities to develop public green spaces, community gardens, edible landscaping, small-scale poultry and livestock production, natural wetlands and living machine water purification to continuously recycle nutrients, water and energy at a micro-local level.

Integrative projects also create opportunities to balance the utility loads of businesses, which generally have greater energy needs during the day, and residences, which have greater needs during evening and early morning. Bringing residences, employment, shopping, and recreation together in close proximity minimizes transportation requirements and facilitates the sharing of autos, bicycles, appliances, and tools, and community connections to mass transit, bike trails, and other transportation alternatives.

These are very practical dimensions of the human transformation now underway. Every aspect rebuilds active relationships of community between people and between people & nature. The only political party in a position to translate this into a coherent political agenda is the Green Party.

Seven Policy Clusters

The New Economy Working Group, which I co-chair with John Cavanagh of the Institute for Policy Studies in DC has framed a seven-part policy agenda for advancing the transition from the suicide economy we have to the living economies we must create. A

brief review helps to highlight practical implications for framing the Green Party policy platform.

Each of the seven action-clusters identifies a critical systemic source of suicide economy failure and pairs it with a needed living economy change. The intention of this policy agenda is to shift the locus of economic power from global financial markets to local communities and shift the values focus from making money for the rich to creating community wealth for everyone. This is a crucial step toward bringing the structure and dynamics of our human economies into alignment with those of the biosphere.

I want to review, briefly, each action cluster so you get a sense of the scope of the issues and needs to be addressed.

- **Cluster 1: Indicators. Problem:** The use of financial indicators like gross domestic product (GDP) and the Dow Jones industrial average to assess the performance of the economy gives priority to making money for rich people over improving the lives of all.

Solution: Focus attention on sustainable human well-being by evaluating economic performance against a dashboard of living indicators of human- and natural-systems health. The [Bhutan experiment with a happiness index](#) is an excellent start.

- **Cluster 2: Money System. Problem:** The design of the money and banking system gives Wall Street control of the creation and allocation of money, which means our lives and national priorities are controlled by institutions devoted solely to maximizing private financial return to themselves through financial games that contribute nothing to the creation of anything of real value.

Solution: Decentralize and democratize the money system so that the power to create and allocate credit resides in a system of cooperatively owned community banks, mutual savings and loans, and credit unions accountable to local people and devoted to serving local financial needs. This is elaborated in a recently released report on [How to Liberate America from Wall Street Rule](#).


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- **Cluster 3: Wealth Distribution. Problem:** Wall Street interests use their political power to cut taxes for the rich and advance trade, fiscal, workplace, and social policies that suppress wages, erode worker protections, and cut services and safety nets for those most in need. This results in an extreme concentration of wealth and related social dysfunction.

Solution: Implement fiscal, workplace, and social policies that distribute income and ownership equitably. [Equitable societies are proven to be healthier, happier, and](#)

more democratic, and do not divide the society between the profligate and the desperate.

- **Cluster 4: Enterprise Ownership and Purpose. Problem:** Global scale publicly traded corporations create an extreme form of absentee ownership that delinks ownership from moral responsibility and owner interests from community interests. The problem is exacerbated by an ideology of market fundamentalism that maintains the sole purpose and responsibility of a business enterprise is to maximize financial returns to its owners.
Solution: *Advance public policies that favor living enterprises with living, locally rooted responsible owners who seek a living return that includes a healthy community and a healthy natural environment. [Cooperative, worker- and community-owned enterprises](#) are positive examples.*
- **Cluster 5: Markets and Democracy. Problem:** Global corporations operate beyond public accountability to monopolize economic and political power under unified management with no external accountability. They use this power to manipulate both markets and politicians to extract public subsidies, and externalize social and environmental costs—all in violation of foundational principles of socially-efficient fair-market competition and one-person one-vote democracy.
Solution: *Breakup concentrations of corporate power, bar corporations from competing with living human beings for political power, and implement rules and incentives that support cost internalization, and fair competition. Corporations are creations of government and government has a responsibility to assure that they are democratically accountable and play by proper market rules.*
- **Cluster 6: Local Economic Development. Problem:** Fragmented local economies dependent on global corporations for jobs and basic goods and services, leave people and nature captive to the financial interests of distant institutions that are interested only in extracting community wealth, not creating it.
Solution: *Pursue [local economic development policies](#) that build diversified, self-reliant, energy efficient, democratically self-organizing bio-regional economies comprised of locally-owned living enterprises accountable to local owners and devoted to serving local needs.*
- **Cluster 7: Global Rules. Problem:** Global rules formulated and enforced by corporate dominated institutions like the WTO facilitate and enforce the concentration of corporate power and shield it from democratic accountability.


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Solution: *Restructure global rules and institutions to limit the concentration of corporate power, support national ownership and balanced trade between bioregional economies, and secure the economic sovereignty of people by assuring that any corporation that operates across national borders is democratically accountable to the communities in which it does business.*

You may have noted that most of the recommended measures are already found in the Green Party platform statement. The elements of this platform remain to be pulled together in a way that communicates a clear and compelling vision of the America that can be and to frame a strategy for achieving that vision through policy action at all levels from the local to the global.

Now is the hour. We have the power. We are the ones we've been waiting for. Thank you.

David Korten is co-founder and board chair of [YES! Magazine](#), co-chair of the [New Economy Working Group](#), president of the [Living Economies Forum](#), and a founding board member of the [Business Alliance for Local Living Economies \(BALLE\)](#). His books include *Agenda for a New Economy: From Phantom Wealth to Real Wealth*, *The Great Turning: From Empire to Earth Community*, and the international best seller *When Corporations Rule the World*. His website is <http://livingeconomiesforum.org>.