

Building a Movement for a Constructive Commonwealth

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I have challenged people in diverse communities — inner-city black folks from New Orleans and New York, immigrants in Idaho, and rural families in Montana — to draw a picture of the community they want. Their pictures are strikingly similar: Their sky is blue and their air is clean; the schools are good and the kids are happy; there are parks, good food, and safe places to live and work, as well as artistic, cultural, and religious institutions that reflect the richness and diversity of our communities and society. The desire to create strong communities where families can thrive seems almost universal, and this is true despite the presence of conservative ideologies that promote rugged individualism.

We all hold this kind of vision; this paper is offered as an early step in building the strategy for transformation toward the political and social economy that sustains this vision.

The kind of society we want to build can be described by the phrase, “Constructive Commonwealth.” I use the words “Constructive Commonwealth” because it engenders our capacity to address what is broken and rebuilding it, and the imperative for constructive, positive solutions to build a true commonwealth. Our Constructive Commonwealth is an innovative, equitable, and sustainable economy that measures its success on the well-being of people and communities across the globe. The notion of “well-being” of people and communities extends to the environment that we live in; the education of its members; the creation of shared wealth and prosperity; access to housing, health care, and healthy food; and a truly participatory democracy governing our public institutions, government and corporations. A participatory democracy requires a well-developed civil society with people coming together to build people’s organizations and institutions that advance local community-based leadership that can interact with public and private institutions from positions of power.

The imperative to recreate and transform our economy comes from three fundamental dangers that we face today: the crisis of global inequity that thrives on racial bias, threats to democracy from increased militarization and corporate control, and the global environmental crisis. Ignoring the confluence of these crises is not an option; we need to lay claim to innovation, ingenuity, and inventiveness to advance new solutions and build the Constructive Commonwealth.

Creating this shift will not be easy — it will require a cultural, power, and policy shift — to move in waves across our country and the world resulting in the reimagining and transformation of our economy and society.

Many of us, myself included, think the economy is like the weather. We act like the economy is an abstract force that we have little control over. But that is not true; our decisions and actions shape the economy, which, in turn, shapes our lives. Every society's economy is shaped by and reflective of its dominant social forces and power relations. And these influences often are justified in terms of “values” and morality. For a constructive commonwealth, we want to bring a prevailing sense of morality into the political sphere and then shape the economy. For example, in the Bible, Jesus becomes outraged by the money-changers and their exorbitant credit rates and throws them out, declaring usury immoral. Congress's decision to lift the Glass-Steagall Act allowed the financial sector to create new, highly speculative and risky investment “products,” becoming a critical factor in the recent and ongoing financial crisis.

Campaigns to regulate the environmental impact of products and corporate practices have had a significant, although insufficient, impact on the quality of our lives. The movement during the Great Depression to put people to work and the post-war enactment of the G.I. Bill changed lives, shaped communities and had defining impacts on our economy. And while they didn't go far enough, these public investments greatly reduced inequality. The economy is not a separate sphere; the notion of a Constructive Commonwealth recognizes the social nature of the economy and holds it within the public sphere.

Our actions stem from our beliefs. To spur action for change, we need to reflect on and assert deeply held beliefs and values into the mainstream culture and politics.

1. **We all do better when we all do better.** Inequity is a crisis in the U.S. and globally, with more than 56 percent of the world population living on \$2.50 a day.¹ While inequity is color-coded and international, it is also a universal crisis. As inequity grows in a society, people of color and low-income communities are hardest hit. It is also true that there are worse outcomes — health, life expectancy, crime — across the board. Addressing inequity will require that we understand our society from both a gender and racial justice lens.
2. **Race matters.** Today our society is shaped by institutional and systemic racism. We will not achieve our aspirations unless we understand how racism functions and address it directly. Just look at the foreclosure crisis. As CNN reported in June, “White Americans have 22 times more wealth than blacks — a gap that nearly doubled during the Great Recession.” The housing bubble and subsequent recession greatly exacerbated existing inequities. One need only look at the predatory lending

¹ The Great Transition page 23

practices of the banks and the foreclosure crisis to get at the root of this wealth loss. As the market has become less regulated, we have seen skyrocketing inequity across the United States. These systems that undermine equity are embedded in our history of manifest destiny, slavery and the near genocide of native peoples.

3. **Human beings, not corporations, have rights.** As Franklin Delano Roosevelt in his Four Freedoms speech eloquently stated, human beings should be afforded the freedom from want, freedom of speech, freedom of religion and freedom from fear. Today that can be translated into access to basic needs: clean air and water, shelter, health, and food; a de-militarized society and a redirection away from a national budget dominated by military spending; an increase in availability to safe, dignified work with adequate compensation; and an end to the promotion of hate and the demonization of groups of people who are deemed to be the “other”. This kind of hate and demonization serves to divide us in ways that intensify inequity and diminish democracy, while weakening cross-cultural solidarity. It also encourages acts of violence — like the killing at the Sikh Temple in Wisconsin. To advance our understanding of human rights, we must address the reality that corporate money and power have limited our democracy and freedom.
4. **Global warming is a social and economic crisis.** James Hanson, NASA’s director of the Goddard Institute for Space Studies, warns that if Canada’s tar sands are exploited, dramatically increasing carbon dioxide levels will alone cause accelerated melting of ice sheets and rising in sea levels that would destroy coastal cities. He predicts that 20%-50% of the earth’s species would become extinct and our whole civilization would be at risk.ⁱ Just as our future will be shaped by the choices Canadians make, ours will also shape the rest of the world. It is time that we understand that our futures are deeply interconnected and interdependent. To date, corporations have not been required to internalize the costs of environmental degradation. It is time to assess the real cost of the production of goods by factoring in the future costs to society and to dramatically increase our investment in clean energy.
5. **Corporate culture of consumption is not freedom and does not create happiness.** Driven by marketing and advertising, we have been transformed from citizens into consumers. Collectively, we have forgotten that it is our family, community relationships, art, ideas, and spiritualism that fulfill us. As a society, we tend to value things over people and measure our worth based on what we have. The point about corporate-consumer culture should not be mis-understood - Economic insecurity, financial worries, and uncertainty undermine self-determination and full participation in our democracy and the cultural life of our communities — this, in turn, undermines happiness.
6. **A healthy democracy is an essential part of our path forward.** Our political democracy is awash with corporate dollars. The influence of this money is growing

and undisputed, with the Supreme Court reinforcing corporations' right to personhood. Our democracy is further undermined by the attack on unions and the erosion of our ability to improve our working conditions and compensation. Increased policing in our communities, the pipeline between schools and prisons, and the policy of "stop and frisk" fundamentally degrade our democracy. If we are to continue to move the arc of history toward justice, it will require a renewal of our democracy. Workers need vehicles to shape their workplaces and improve their lives. Independent civil society institutions need more resources and power. And corporate domination of our politics and economy needs to end.

A New Measure of Success

In a Constructive Commonwealth, the purpose of corporations is redefined. Corporations exist to operate in sustainable ways to meet the needs of the current generations without jeopardizing the well-being of future generations.

- Corporations must be chartered to serve the public interest.
- Corporations can create a fair profit for investors — if they don't create the profit at the expense of the legitimate interests of other stakeholders.
- Corporations must distribute their surplus wealth equitably to all stakeholders — workers, investors, the public through the government (in recognition of the public infrastructure that supports their success) — by supporting civil society.
- Corporations will not be considered people and thus have the rights afforded to personhood.
- Corporations must support participatory democracy both as a business ethic and as a broader social good. In order to strengthen our democracy, corporate money must be removed from the political system.

Further, the Constructive Commonwealth needs to connect with our history of ingenuity, creativity, and innovation. We have faced crises before, and we have brought these traits to bear through collective efforts, like Social Security and Medicare, to improve people's lives and strengthen our society. By confronting inequity, global warming, and threats to our human rights and our democracy, we will transform our society and rebuild housing, transportation, education, health, and food systems. The measures of our success will be a political economy that creates greater equity, is innovative and generative, and is sustainable and survivable.

In a Constructive Commonwealth, government has a critical role to play in reshaping the economy. People come together to govern to improve the quality of their lives and solve problems that are better done collectively. In the new economy, government's role is to:

- Create low levels of inequity, through the ability to tax and make investments for the public good.
- Define and protect our “common wealth,” those resources necessary to sustain and enrich our lives: air, water, land, the ecosystems, culture, information systems, software, etc.
- Create a legal framework that separates corporations from government, and repurpose corporations to harness private interests to serve the public interest — to move from the sole focus on short term profits to measuring long-term impacts on society.
- Direct the investment of public capital to invest in businesses focused on creating value, with democratic workplaces where workers receive family wages and production leads to a net public good.

By creating a participatory democracy at all levels of our society we will own the government and reshape our society not only from the ballot box but in our continuous involvement through an expanded civil society.

Shifting the Relationships of Power

This tectonic shift in our world will take vision, organization, and power. As Fredrick Douglas said, “Power concedes nothing without a demand. It never did and it never will.” Creating this shift in the relationships of power will require that material and human capital be understood and used differently and more innovatively, toward a new outcome. The corporations built their power to advance ideas and control infrastructure. So, too, must we step back and think about what it will take to advance our worldview and to build the infrastructure and power to advance our vision. Toward this purpose, we must:

- Strengthen mass-based democratic organizations.
- Invest in political education inside our organizations and with the public at large.
- Leverage and win transformative demands — that move beyond the current frame of asking for compensation to reshaping the framework and therefore the results of the economy.
- Wrest back our democracy, insisting upon clean and fair elections and the democratization of the workplace, and invest in structured expressions of our political power.

In other words, we must push back against the power of the corporations and build the political power to win.

This journey begins with a conversation about a starting point — about the kind of movement we need to build. In addition, we need to think and strategize together about the

kinds of policy demands that have the potential in the short and longer terms to lay the foundation for economic transformation.

Building a Foundation for a Constructive Commonwealth

Corporate dominance has grown with the belief that there is no other alternative. Our first act is to smash apart this belief system. A Constructive Commonwealth is both a real and necessary option. Every day, we read the news and learn more about how the financial sector and corporate giants have failed us again. From the Lehman Brothers collapse to the LIBOR scandal, we have come to understand that the current system is driven by greed and corruption, and not for furthering a greater good. In contrast, through the creation of a Constructive Commonwealth, we will focus on:

Repurposing Corporations

- Restructure corporations through government's ability to charter, creating B corporations, flexible purpose corporations, and triple bottom line corporations.
- Expand the diversity of the corporate firms by using public investments to support the development of co-ops and other forms of worker ownership.
- Invest in equity. The result of commerce and work is wealth creation. Today, corporations and the financial sector are structured to advance the interests of the very few. The results in the future must be structured to advance equity.
- Create new forms of financial institutions that are operated in the public interest and facilitate the investment of public money in the public good. (This will require significant financial sector reforms, like the ones listed in the next section.)

Financial Sector Reform

- Institute financial speculation taxes to force the financial sector to stop its addiction to short term speculation and to refocus on investments in the public interest.
- Levy taxes in the form of stock, leveraged on profits that give the public interest standing.
- Re-instate Glass-Steagall so that there is a firewall between commercial and investment banking.
- Democratize the Federal Reserve.
- Create a public credit-rating agency.
- Increase Federal Government's direct lending.

Effective Corporate Governance

- Assess the real cost of goods by taxing corporations for the real cost of doing business including environmental impact and social harms.

- Regulate stock exchanges to include a sustainability requirement for corporations to be traded.
- Create a global Impact Investing rating system — that directs investors to corporations with good rather than harmful outcomes.
- Reverse the trend to privatization and expand the public's understanding of our commons.
- Move government investment in building our collective ownership and access to clean air, water, shelter, food, parks, recreational facilities, and public areas to congregate and meet.
- Insure that large public investments in research and development include a capital return that can be invested back into the common good.

Invest in Equity

- Address inequity through taxation of inheritance — and move land and property into public trusts for housing, environmental preservation.
- Invest in our commonwealth in the form of public education, transportation, parks, recreation, health care, access to clean air and water, and culture.
- Fully fund and expand Medicare and Medicaid to cover all residents and protect and expand Social Security.
- Ensure access to basic services and the social safety net.
- Make education public and free, and responsive to communities.
- Increase public investment in vibrant sustainable local economies through the establishment of partnership banks, government lending to purpose and results driven development and to innovation that leads to green innovation and production. (Grey water systems, transit, etc.)

Expanding Democracy and Human Rights

- Break corporate dominance of our democracy by eliminating corporate money in the political sphere — and thus not infringe on the right of self governance.
- Invest in workplace democracy by ensuring that workers have rights to a job with a living wage, representation by a union, a contract and respect and dignity at work.
- Limit corporate speech and increase the rights to individual speech.
- Create public financing for elections.
- Stop predatory policing practices at home and abroad.
- Ensure people right to worship freely and to love whom they choose.

Construct a Job Rich Economy

- Educate citizens through public education, job training, mentorship and apprentice programs to prepare them to hold living wage jobs in the new economy.

- Invest in quality public sector jobs (including public works to take care of crumbling and neglected infrastructure) and ensure hiring policies that address existing racial and gender inequities.
- Invest in the “Caring” professions ensuring that jobs across the sector have dignity and wage equity (this is an expanding part of our economy and we need to invest in it).
- Address our environmental crisis by creating jobs that ensure conservation and new technologies that produce clean energy, as well as cleaner production.

When we close our eyes, we can all have a vision of a more perfect society, where the air is clean, the sky is blue, the children are happy, the schools are good, the park is inviting, and you can smell good food cooking. People have safe places to live and work and after work people are engaged in religious and civic institutions. And there is still time to relax.

We can build this vision of a Constructive Commonwealth. It involves three critical steps. The first is to continue ratchet up the direct confrontation of corporations to reign in their unbridled power. The second is that we must build our power by investing in building strong active civic and political organizations and creating a truly participatory democracy. And finally we must push out our world view, sharing bold ideas and constructing a new foundation for an economy that functions in the public interest.

ⁱ NY Times Op-Ed May 8, 2012