

Summer 2009

The Day Sherman Alexie Set Me Free

*Vandana Shiva—
Gandhi for Today's World*

yes!

Building a Just and Sustainable World
ISSUE 50

The New Economy Starts Here

WHY THIS
CRISIS MAY
BE OUR BEST
CHANCE



David Korten: Real Wealth, Not Wall Street
How to Put Your Money Where Your Life Is
31 Ways to Jump Start the Local Economy



**WENDELL BERRY'S 17 RULES
FOR A SUSTAINABLE COMMUNITY**



“Now so many of us have lost our jobs, our savings—we are starting new businesses out of our garages. Out of our personal computers. We discover that our hobbies can make money. We teach in the home. Trading, bartering, thrifting... we are doing what we can. We are making things. The old shuttered storefronts can be re-opened ...

“This is the basic healing that we need now across our country ... We are getting to know each other again. This is the stuff of our new economy. It will grow and we won’t let it go this time.”

REV. BILLY
ACTIVIST AND FOUNDER OF THE CHURCH OF LIFE AFTER SHOPPING



The New Economy Starts Now

As the financial system continues to crumble, a new economy is taking form. It's an economy that recognizes that the only thing too big to fail is the Earth itself. It is designed to build sustainable wealth in communities and ecosystems, and it's our best chance to improve prospects for future generations, instead of leaving them with ever-growing debt, conflict, and environmental destruction.

Politicians, pundits, and financiers defend deepening our national debt to bail out the institutions of a failed Wall Street system. But this system, built on speculation and the rule of money, is undermining the health of the planet and the well-being of all but the wealthiest few.

It's time to let it go.

The new economy is built on new forms of money, and on democratic finance and business. In this issue, you'll find stories of worker-owned cooperatives, for example, that distribute the benefits of hard work to employee-owners who call the shots in these democratic workplaces. These co-ops spend locally and are rooted locally, so they are long-term boons to their local economies (see page 39).

Money, though hidden in plain sight, is another critical piece of the puzzle. As currently created, it destabilizes our economy and concentrates wealth. Many communities are developing new means of exchange that work even when there is a global shortage of credit (see page 30).

We're told we need Wall Street in order to finance business. But Wall Street has quit serving the real economy and has morphed into a global casino, creating exotic and toxic packages of "assets" that have no function but to make money for the already wealthy.

In the new economy, credit is provided through local banks rooted in the communities they serve (see page 34). Credit unions, community development banks, and other

democratic institutions also serve, rather than feed off, the real economy.

Americans know we've been living beyond our means, and we're cutting back. That means the segment of the old economy centered on encouraging wasteful consumption will continue shrinking.

The new economy—sometimes with the aid of President Obama's stimulus spending—is moving in to meet needs unmet by a system centered on mega-profits. New jobs are being created to install renewable energy and weatherize homes, raise food through more labor-intensive and less damaging means, build public transit systems and inter-city rail, and rebuild schools, bridges, water systems and neighborhoods. We can no longer defer these vital investments as we did when we oriented our economy around the desires of the ultra-rich.

The new economy is about increasing quality of life, improving health, and restoring the environment. The resources to pay for this will be the resources that previously went into multi-million-dollar CEO pay packages and oversized returns on speculation.

With reduced consumption, we'll no longer need to fight for an excess share of the world's resources, so we can slim down our bloated military budget. We can save on prisons and police, since people with access to good education and jobs less often turn to crime.

An Earth- and human-centered economy is not inevitable. We could revert to a winner-take-all system in which a few benefit and everyone else fights over the scraps. The current economic downturn, though, offers an exceptional opportunity to rebuild and, this time, to make it an economy that works for all.

A handwritten signature in black ink, reading "Sarah van Gelder". The signature is fluid and cursive.

Sarah van Gelder
Executive Editor



www.YesMagazine.org/quotes

Download this Quote
Page or your favorites
from past issues of YES!
Hang them up and share
the inspiration.

CONTENTS

THE ISSUE 50 THEME

The New Economy



ERICA MCDONALD FOR YES! MAGAZINE

THE MISSION OF YES!
is to support you and other people worldwide in building a just, sustainable, and compassionate world. In each issue we focus on a different theme through these lenses ...

NEW VISIONS

Solving today's big problems will take more than a quick fix. These authors offer clarity about the roots of our problems and visions of a better way.

WORLD & COMMUNITY

New models that foster justice and real prosperity, and sustain the Earth's living systems. How can we bring these models to life and put them to work?

THE POWER OF ONE

Stories of people who find their courage, open their hearts, and discover what it means to be human in today's world.

BREAKING OPEN

Humor, story-telling, and the arts—taking you into unexpected spaces where business-as-usual breaks open into new possibilities.

I7 GUIDE TO THE THEME SECTION

I8

Why This Crisis May Be Our Best Chance

Wall Street is bankrupt. Instead of trying to save it, we can build a new economy that puts money and business in the service of people and the planet—not the other way around.

By David Korten

26

People Power Pushed the New Deal

Roosevelt didn't come up with all those progressive programs on his own.

By Sarah Anderson

28

Making Money Out of Thin Air

Think your money comes from the U.S. Mint? Think again.

By James Robertson

34

Small Banks, Radical Vision

Local banks can change the world, one investment at a time. *By Zach Carter*

36 :: MY BEST INVESTMENTS ARE DOWN THE STREET—JUDY WICKS

37

Put Your Money Where Your Life Is

How to overcome barriers to local investing. *By Michael Shuman*

37 :: IT'S CLASSIC

24

Wendell Berry's 17 Rules for Communities

Common sense and neighborliness: what a thriving economy is made of.

27, 33, 39

Reinflate the Old Economy? Get Real!

What the old economy didn't do for us—and what a sustainable economy could do.



REBECCA SELL FOR YES! MAGAZINE

48

Age-Old Wisdom for the New Economy

Indigenous peoples have learned a few things about making it through hard times. Rebecca Adamson discusses what traditional economies did to foster abundance, sharing, and harmony with Mother Earth.

An interview by Sarah van Gelder

30

Dollars with Good Sense: DIY Cash

Three ways ordinary people are printing their own money without breaking the law.

By Judith Schwartz

39

New Ways to Work

40 :: S. BRONX: GREEN WORKER CO-OP

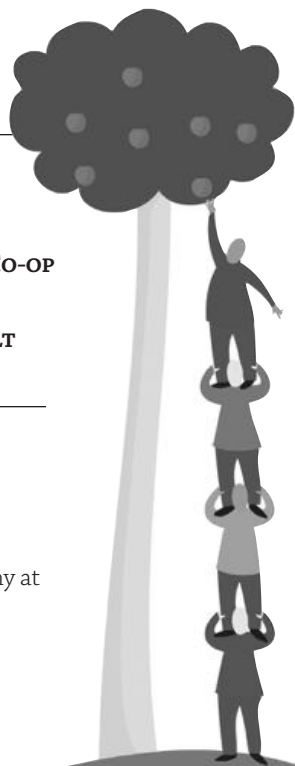
42 :: SPAIN: 100,000 OWNERS

44 :: CLEVELAND: POST RUST-BELT

46

31 Ways to Jump Start the Local Economy

Build a secure, sustainable economy at home and in your community.



OTHER FEATURES

I2

Vandana Shiva on Gandhi for Today's World

Some say terrorism makes Gandhi irrelevant. Vandana Shiva, farmer, seed saver, and global justice activist, says we need him more than ever.

An interview by David Barsamian



FRANZISKA SEEL PHOTO

55

Sherman Alexie, How Dare You Tell the Truth?

A young native writer's ambush interview with Sherman Alexie throws her into a whirlpool of unanswerable questions about tribal loyalty, silence, and healing.

By Heather Purser

1 FROM THE EDITOR

4 READERS FORUM

6 SIGNS OF LIFE :: *Water is a human right; Maine towns end corporate personhood; Health care battle lines; German court nixes black box voting*

10 PEOPLE WE LOVE

11 COMMENTARY :: *Instant Runoff and Election '08*

16 THE PAGE THAT COUNTS

51 IN REVIEW ::

BOOKS, MUSIC & FILM

Hand-Powered home, Tree intimacy, Rules for online radicals, Ecuador's oil wars

59 FROM THE PUBLISHER :: *Does print have a future?*

62 YES! BUT HOW? :: *When to go organic; Which beer?*

64 UPDATE :: *Gaviotas—The rainforest spreads*

READERS FORUM

Tell us. Send your response to an article, stories about making the world a better place, and ideas for connecting with readers to 284 Madrona Way NE, Suite 116, Bainbridge Island, WA 98110 or to editors@yesmagazine.org.



WANT THIS ISSUE?

www.YesMagazine.org/store
or call 800/937-4451

A Delectable Issue

Your Spring 2009 issue provides an excellent overview of what needs to be done to provide sufficient fresh food for everyone. For those of us in the Shasta Cascade area of Northern California, it arrives at an opportune time.

A group of us have come together to help people through the food crisis. We are farmers, ranchers, urban gardeners, county health workers, educators, agricultural advisors, slow food eaters, and some general rabble rousers. We have chosen the name Shasta-Cascade Farm Food Coalition. We are providing micro-loans to small producers, and helping to develop neighborhood gardens.

Our vision is to create a healthy, sustainable, acces-

sible local food system from seed to table and back to soil. Thanks for a delectable issue.

WAYNE KESSLER
Shingletown, CA

Food Co-ops Neglected

I'm an avid YES! supporter all the way from New Zealand! Even here on the other side of the world, people are discovering your magazine and taking inspiration from it.

However, despite many excellent articles, as usual, I feel that your Spring issue does not do justice to the food cooperative movement.

Food co-ops are owned and operated by their members. They are an ideal outlet for locally grown and locally made foods. Profits made by the co-op must go back into the operation itself, so there is no

profiteering, and co-ops can be responsive to their members' health and nutrition needs. In my view, there is no better vehicle for advancing the food needs of the community.

JOEL HILDEBRANDT
Auckland, New Zealand

Kitchen Revelations

Thank you for inviting me into Rajinder's kitchen.

I lead a mental health group where all members weigh between 200 and 500 pounds. Through our group, they explore addiction, compulsion, abuse, grief, and loss. They frequently voice the feeling that they eat to fill an all-consuming need that goes unmet in our culture.

If I were visiting Rajinder's *rasoi*, I would notice things desperately missing from my culture: feeling grounded by the land and generations of tradition; trusting that those who grow my food do so with love of community; nourishing my body in that spirit of love.

I was raised in a culture that values money above all else. Instead of vegetables, my siblings and I ate macaroni and cheese. Now I attempt to grow fresh vegetables, or buy them from co-ops or farmers markets. I feel so much better when I eat in a grounded way.

As we face the economic

crisis—caused by eating, spending, and working in a spiritually bankrupt way—I hope we will learn to engage in more of the activities Madhu Suri Prakash describes.

I expect our culture to begin exploding with new activities, models of health, and means to support each other in being who we really are. In fact, according to the pages of this very positive magazine, we are already doing a phenomenal job of redefining our culture!

CINDY FRANKLIN
Olympia, WA

Meat Eating Is Inhumane

In "Restoring the Range," YES! airs both sides when only one side makes Earth-sense. Forget humane treatment of animals—I will not. You need to write about the amount of Earth resources it takes to create any pound of meat. We need to feed people—not animals raised in torture whose short lives end in inhumane slaughter.

MARIE SPEARMAN
Bainbridge Island, WA

Don't Blame Meat

I find one piece of information in your article, "8 Ways to Support the Local Food Movement," misleading. You write that 18 percent of greenhouse gas emissions are caused by meat production.

 **Hey, look!** This is no ordinary dull white paper with occasional imperfections.



Editorial Staff

EXECUTIVE EDITOR Sarah van Gelder
 MANAGING EDITOR Doug Pibel
 SENIOR EDITOR Madeline Ostrander
 ASSOCIATE EDITOR Kim Eckart
 CREATIVE DIRECTOR Tracy Loeffelholz Dunn
 EDITORIAL ASSISTANT Catherine Bailey
 EDITORIAL INTERN Mary Richter
 ONLINE MANAGING EDITOR Audrey Watson
 ONLINE EDITOR Adam MacKinnon
 ASSOCIATE ONLINE EDITOR Lilja Otto
 ONLINE EDITORIAL INTERN Laura Kaliebe
 ONLINE SPANISH EDITION Lilja Otto, Guillermo Wendorff, Gretchen Sleicher
 CONSULTING EDITORS Rebecca Nyamidie, James Trimarco

Contributing Editors

Jen Angel, Jill Bamburg, Walden Bello, Pamela O'Malley Chang, Holly Dressel, Carol Estes, Lisa Gale Garrigues, Van Jones, David Korten, Frances Moore Lappé, Jonathan Rowe

Positive Futures Network Staff

EXECUTIVE DIRECTOR, PUBLISHER Frances F. Korten
 BUSINESS MANAGER Rod Arakaki
 FULFILLMENT MANAGER Sally Wilson
 CIRCULATION DESIGN MANAGER Sharon Booth
 CIRCULATION/DEVELOPMENT ASSOCIATE Paula Murphy
 MEDIA & OUTREACH MANAGER Susan Gleason
 EDUCATION OUTREACH MANAGER Jing Fong
 DEVELOPMENT MANAGER Jessica Lind-Diamond
 DEVELOPMENT COORDINATOR Christina Twu
 OFFICE MANAGER Gretchen Wolf
 DATA SYSTEMS PROGRAMMER Kevin Audleman
 BOOKKEEPER Martha Brandon
 EDUCATION INTERN Samantha Kimball
 EXECUTIVE ASSISTANT Kai Wallin
 MEDIA & OUTREACH INTERN Colette Cosner

PFN Board of Directors

David Korten chair, Jill Bamburg vice-chair, Tanya Dawkins secretary, Alisa Gravitz treasurer, Puanani Burgess, Richard Conlin, Danny Glover, Dal LaMagna, Nate Moxley, Michael Ramos, Sarah van Gelder

Communications Advisory Board

David Bennahum, Garlin Gilchrist II, Andy Himes, Eric Magnuson, Sarah Miller, Gifford Pinchot

Volunteers

Bill Aal, Elena Arakaki, Sharon Baker, Susan Callan, Brenda Clarno, Barbara Clarke, Lisa Down, Paul Dunn, Bob and Chestine Edgar, Kristin Fiore, Katie Gildner, Valerie Groszman, Gerri Haynes, Jenny Heins, Mollie Herman, Erica Kay, Evi Klett, Melissa Kowalski, Jonathan Lawson, Marianne Mabbitt, Kim MacPherson, Sharon Negri, Rebecca Nyamidie, Meadow Pederson, Arlene Pelvin, Erik Petterson, Heather Purser, Joanne Reno, Charlotte Rovestad, Lynn Tucker, Phil Vogel, Ja Wallin, Richard Wilson, Justice Wolf, Lisa Yarrow

YES! (ISSN 1089-6651) is published quarterly for \$24 per year by the Positive Futures Network at 284 Madrona Way NE, Suite 116, Bainbridge Island, WA 98110-2870. Periodicals postage paid at Seattle, WA and at additional mailing offices. **POSTMASTER:** send address changes to YES! 284 Madrona Way NE, Suite 116, Bainbridge Island, WA 98110-2870. **SUBSCRIPTIONS:** \$24 per year. **CALL:** 800/937-4451; 206/842-0216 **FAX:** 206/842-5208. **WEBSITE:** www.yesmagazine.org **E-MAIL:** yes@yesmagazine.org



YES! is part of the Creative Commons movement. We don't use standard copyright licensing on our work because we want you to pass along our stories of hope and positive change. See our online Reprints Page for easy steps to take when sharing our content: www.yesmagazine.org/reprints

Newsstand circulation: Disticor Magazine Distribution Services, Attn: Dave Kasza, 905/619-6565, dkasza@disticor.com

Multi-species meat production, like that developed by Joel Salatin at Polyface Farm, decreases greenhouse gas emissions via carbon sequestration in the topsoil.

For the record, I am an omnivore. I have been a market grower for 14 years selling all that I produce in my small town in the mountains of western North Carolina. Because of their larger carbon footprints, in lieu of large centralized farmers' markets we support small, local, tailgate markets.

HARRY HAMIL
Black Mountain, NC

Detroit's Gardens

My copy of YES! just arrived. I was intrigued by "Fresh from the City" and "Oasis in an Urban Food Desert."

I would like to bring to your attention yet another effort. In the city of Detroit, there are 60,000 or so vacant lots. More than half of these belong to the city, which is primarily interested in trying to bring back an auto industry that will never return. The citizens of Detroit have taken things into their own hands. They are planting community gardens and urban farms (now numbering over 400, I believe) on nominally city-owned land.

This is a beautiful example of what could happen if and when our culture and society more or less collapses. Grace Lee Boggs, now in her 90s, says: "We are the leaders we've been waiting for."

DANIEL BULL
Scituate, MA

Your Creative Solutions in Tough Times

Our February online newsletter asked readers this question: "What are you doing to make it through the economic downturn?"

PAUL OPPERMAN: I am working with a small committee of volunteers to put on a winter farmer's market in Dubuque, Iowa. It is a community building event, plus it has really increased the income for the 25-30 farmer vendors we have every week.

More of your solutions at
www.yesmagazine.org/economycomments



YES! ONLINE

INSPIRING AUTHORS: A conversation with Sherman Alexie ... Vandana Shiva's *Soil Not Oil* ...

AUDIO: David Korten reads from *Agenda for a New Economy*

PHOTO ESSAYS: 100 Americans Who Tell the Truth ... Muscles over motors: human-powered homes ... Quote posters

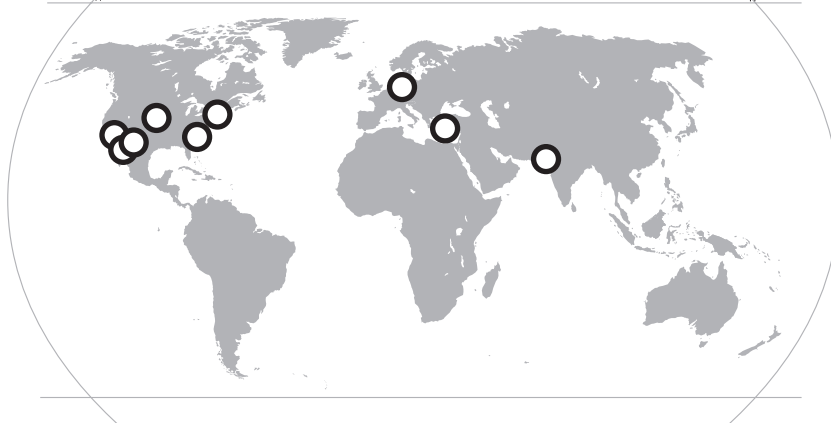
YES! BLOGS: 30 days of organic eating ... Bike-to-work

ALSO: Tried and true green living advice ... Must-see film picks ... Uplifting music ... Cartoon caption contest

WWW.YESMAGAZINE.ORG/SUMMER09


Signs of Life

SMALL STORIES ABOUT BIG CHANGE



ENVIRONMENT

Defending the Right to Water

 More than 20 countries have signed a declaration recognizing water as a basic human right. The declaration was presented as an alternative to a weaker statement on water access issued at the 5th World Water Forum in Istanbul in March.

The World Water Forum, held every three years, is led by The World Water Council, an association dominated by private water corporations. Activists and many governments have argued that such industry involvement undermines the credibility of the meetings and has led to water policies that promote corporate profit over human health and access.

Hundreds of activists protested outside the Istanbul forum, shouting “water for life, not for profit.”

Sixteen countries have also signed a second statement calling on the United Nations to assume leadership of the international water meeting. Maude Barlow, Senior Advisor on Water to the President of the United Nations General Assembly, has backed this proposal.

“This creates terrific momen-



In observance of World Water Day on March 22, approximately 400 people took part in a March For Water on the streets of Los Angeles. The three-mile march was symbolic of the distance much of the world's population walks on a daily basis for clean water to drink and cook with.

ERICREEDPHOTO.COM


tum in the U.N. to responsibly steward our water commons, to ensure that water is not a commodity and that people and nature receive their fair share,” says Barlow.

Worldwide, more than 1 billion people lack access to clean

drinking water, and scientists predict global warming will lead to more frequent and severe water shortages in years to come.

Daniel Moss lives in Mexico and co-coordinates Our Water Commons, www.onthecommons.org/water.

Maine Towns Fight Back

 Three towns in Maine—Shapleigh, Newman, and Wells—have passed ordinances that strip corporations of the rights of “personhood,” a legal concept that allows companies to claim the same rights as individual citizens.

“ While a garden is a great idea, the thought of it being organic made [us] shudder.”

BONNIE MCCARVEL, EXECUTIVE DIRECTOR OF THE MID-AMERICA CROPLIFE ASSOCIATION, IN A LEAKED EMAIL ABOUT THE NEW WHITE HOUSE ORGANIC GARDEN. MICHELLE OBAMA PLANTED THE GARDEN IN MARCH, WITH HELP FROM LOCAL SCHOOLCHILDREN.



The ordinances are aimed at stopping the extraction of local groundwater, which the Swiss food corporation Nestlé bottles and sells under the label Poland Springs. For years, Maine communities have fought the company's efforts to expand its water bottling operations.

The towns also recognized the rights of ecosystems to exist and flourish and the rights of citizens to self-govern—including the right to protect their groundwater by placing it in a public trust.

Brooke Jarvis is a freelance writer based in Maryville, Tennessee.

ALSO...

Two million acres of wilderness in nine states will receive new protection under a bill signed into law by President Obama on March 30. The measure has been called the most significant conservation victory in the last 15 years.



On April 21, President Obama signed the Edward M. Kennedy Serve America Act, before he and First Lady Michelle Obama rolled up their sleeves to join Student Conservation Association members for an afternoon of tree planting. In his address, the President said, “We need your service, right now, at this moment in history ... Years from now, you may remember it as the moment when your own story and the American story converged, when they came together, and we met the challenges of our new century.”

SCA PHOTO, THESCA.ORG

HEALTH CARE

A Push for Public Health Care

Advocates are urging President Obama to end insurance industry domination over health care. But they are divided on how the new system should work.

One camp is campaigning for national single-payer health coverage. A second group is backing a proposal by the Obama administration that offers a hybrid of public and private coverage.

The single-payer plan resembles the Canadian health

system, in which the government covers medical costs, but health services are provided mostly by private entities. Representative John Conyers (D-Mich.) has championed this proposal through the bill H.R. 676, which now has 75 cosponsors in the House.

The single-payer movement has support from a wide range of groups, including Physicians for a National Health

Program and the California Nurses Association. A handful of state legislatures, including California, Colorado, and Pennsylvania, also are considering single-payer bills. Lawmakers in several states, such as Kentucky, Maine, New Hampshire, and New York, have passed resolutions urging Congress to adopt single-payer.

But former Democratic National Committee chairman

Howard Dean warns that the single-payer system will “scare people,” who will be unwilling to give up their current health coverage.

Dean has been stumping for the Obama plan, which offers a choice between private insurance or public coverage. MoveOn.org and Health Care for America NOW! also back the plan.

Single-payer supporters



Greenpeace activists hang a banner from a construction crane near the State Department in Washington, D.C., April 27. The action coincided with the Major Economies Forum on Energy and Climate, a gathering of 17 nations with large or rapidly growing economies.

GREENPEACE PHOTO

counter that the Obama plan is more costly, and that it capitulates to the insurance industry.

Meanwhile, insurance lobbyists oppose both proposals, favoring the Massachusetts approach, in which all but the state's low-income residents must sign up for private coverage. The Massachusetts plan is considered a failure by many, plagued by escalating costs for both the state and health consumers. And advocates fear that private insurance companies will overcharge or exclude services, unless they are forced to compete with a more inclusive public plan.

The Obama administration has held several regional health care forums and a national summit, and is meeting with interest groups, gearing up for what will be the bigger battle: getting Congress to approve reform.

—Kim Eckart

CLIMATE CHANGE

Landmark Climate Change Bill

👍 Congress has begun debate on what could become the first-ever federal legislation to regulate greenhouse gases. The House Energy and Commerce Committee began hearings on the American Clean Energy and Security Act on Earth Day, April 22. The bill was introduced by Rep. Ed Markey (D-MA) and Rep. Henry Waxman (D-CA), who has pledged to move the bill out of committee by Memorial Day, so that discussions can begin on the House floor.

Activists have high hopes riding on the bill, which promises to cut emissions 80 percent by 2050, a target Obama has embraced, though he has stopped short of endorsing the

bill. The bill would place the U.S. in a leadership role on climate change after years of inaction under the Bush administration, and green groups hope it could be a turning point, prompting global action at a major United Nations meeting on climate in Copenhagen later this year.

But climate activists also say the bill needs to go farther. For instance, it funds the development of technology that purports to capture and store carbon emitted by coal plants, even though the technology is unproven and may be ineffective.

Activists are campaigning heavily to improve the bill and gain support from members of Congress. The youth-led organization Focus the Nation is holding nationwide town hall meetings to discuss the legislation with business leaders, politicians, and public citizens.

Meanwhile, the U.S. Environmental Protection Agency has formally recognized carbon dioxide as a pollutant, following a two-year review mandated by the Supreme Court. The decision requires the EPA to regulate greenhouse gases under the Clean Air Act, and it may hasten Congressional action.

Lisa Jackson, head of the EPA, and Obama have said they would rather have regulations set by Congress than by EPA administrative action, which they say could be costly and vulnerable to lawsuits.

—Madeline Ostrander

DEATH PENALTY

New Mexico Ends Capital Punishment



New Mexico abolished the death penalty in March, becoming the second state to do so since the U.S. Supreme Court reinstated capital punishment in 1976. New Jersey repealed the death penalty in 2007.

In signing the repeal, New Mexico Governor Bill Richardson pointed out that over the past 10 years, four of his state's death-row inmates (and more than 100 nationwide) were freed after courts determined they had been wrongly convicted.

This year, lawmakers in 10 other states took up bills to abolish the death penalty; as of press time, four remained active: Colorado, Connecticut, Illinois and New Hampshire.

—Kim Eckart

“We will not continue to sacrifice our culture, our people, and our future for dirty energy.”



MARIA GUNNOE, WINNER OF THE GOLDMAN PRIZE FOR ENVIRONMENTAL HEROISM. GUNNOE HAS ORGANIZED AGAINST MOUNTAINTOP REMOVAL MINING IN APPALACHIA SINCE 2004, WHEN A COAL-SLUDGE SPILL DESTROYED HER FAMILY'S ANCESTRAL HOME.

PEACE

Activists Protest Drone Warfare

Fourteen peace activists were arrested on April 10 at Creech Air Force Base in Indian Springs, Nevada, during a 10-day vigil protesting unmanned aircraft strikes along the Afghan-Pakistan border. The activists, who were participants in an interfaith Sacred Peace Walk organized by the Nevada Desert Experience, sought to engage in dialogue with Air Force personnel operating Predator and Reaper drones from the base.

In addition to causing numerous civilian casualties, the strikes have contributed to a deepening humanitarian crisis in Pakistan's North-West Frontier Province and Federally Administered Tribal Areas. According to UNICEF, over 500,000 displaced persons from those areas, including 325,000 children, are in dire need of water, nutrition, sanitation, education, and health care.

Despite warnings by Pakistani intelligence officials that ongoing strikes will further destabilize the country, the Obama administration has declared its intention to intensify drone attacks. Defense Secretary Robert Gates has announced he will seek \$2 billion in additional funding for unmanned aircraft for the 2010 budget, including 50 more drones. This will represent a 62 percent increase in the military's capability to carry out drone operations.

The activists view their June 9 arraignment in Las Vegas as an opportunity to build support for their “Ground the Drones... Lest We Reap the Whirlwind” campaign. In addition to holding a monthly vigil at Creech, the Nevada Desert Experience plans to draw further attention to the issue during its August Desert Witness, which commemorates the bombings of Hiroshima and Nagasaki.

Valerie Saturen is a freelance writer based in Tacoma, Washington.

VOTING

Germany Bans Electronic Voting

Germany's Federal Constitutional Court has ruled that the voting machines used in the country's 2005 general election are unconstitutional. The 1,800 Dutch Nedap machines, on which about 2 mil-

lion citizens cast their votes, are not in compliance with the right to public elections, the court says, because they do not leave a paper trail. By law, voters and election officials must be able to verify that ballots are recorded correctly.

In one German study, undergraduate computer science students were able to manipulate the machines within minutes.

—Lilja Otto



Just married: Diane Finnerty (left) and Jill Jack at the county building in Iowa City, Iowa. The Iowa Supreme Court overturned a ban on same-sex marriage on April 3.

ALAN CHAN PHOTO
FLICKR.COM/PHOTOS/ALANCHAN



Chris Goodman In Defense of a Good Education

They say knowledge is power. For Chris Goodman, a little tutoring in math empowered him to take on Maryland's public school system.

Goodman was a high school student enrolled in a peer tutoring program called the Baltimore Algebra Project (BAP) when he became aware of inequities in education funding. He noticed his school suffered from overcrowded classes, teacher shortages, and dilapidated buildings. Goodman and his peers in BAP decided to organize sit-ins, traffic blockades, and other public demonstrations demanding better funding. BAP says the state of Maryland has repeatedly promised more money to the school system, but then slashed the budget for education. They estimate the state owes schools more than \$1 billion.

Now a college student, Goodman has been recognized as Best Young Activist by the *Baltimore City Paper*.

Read Goodman's article on happiness beyond the classroom www.YesMagazine.org/goodman




Waseem Mahmood Music to End Intolerance

After hearing his sons' ongoing frustration over the stereotypes of Islam they heard from schoolmates and the media, British producer Waseem Mahmood decided to take action—by creating a pop song and launching a movement.

Mahmood recruited Shuja Haider and Ali Moeen, Pakistan's foremost lyricist, to write the song, "Yeh Hum Naheen" ("This is Not Us"). The lyrics, like these lines, translated from Urdu, take aim at misperceptions of Islam, "The name by which you know us—we are not that ... The stories that are being spread in our name are lies—this is not us."

Mahmood used the song to launch a petition drive in Pakistan condemning terrorism. Six thousand volunteers helped gather more than 60 million signatures.

"It's very moving," Mahmood says. "It's almost as if we've given [the people of Pakistan] something they were waiting for."

 www.YesMagazine.org/mahmood
Watch the music video for "Yeh Hum Naheen"



Peter Marshall Fighting Fire with Climate Activism

When wildfires struck south-eastern Australia in February, firefighters risked their lives to extinguish the flames. But when the fires became deadly, killing more than 200 people, Peter Marshall, secretary of the United Firefighters Union of Australia, decided to fight fire with political activism.

Warming temperatures, caused by climate change, are making catastrophic fires in Australia more likely, and scientists say the danger will worsen if something isn't done. "Firefighters know that it is better to prevent an emergency," Marshall wrote in an open letter in a major Australian newspaper, *The Age*, "and we urge state and federal governments to ... keep firefighters and the community safe by halving the country's greenhouse gas emissions by 2020."

Marshall has since called for public action on climate. "If the government doesn't take notice of our letter, the public should make sure they take notice, because ultimately they're the ones whose lives are being placed at risk."



Agnes Pareyio Creating Choices for Women

At 14, Agnes Pareyio was forced to participate in "Emuratare," a 5,000-year-old rite of passage for Maasai girls involving female genital mutilation (FGM). Forty years later, she is an outspoken leader in Kenya on women's rights, where she works to create alternatives to FGM.

Pareyio began by walking from village to village to educate families on the dangers of FGM and urge them to spare their daughters. Today she runs two safe houses for girls trying to escape "the cut" and flee forced marriage. Both houses offer young women education, counseling, and a two-week alternative rite of passage designed to encourage them to make their own decisions.

An estimated 2 million girls worldwide experience FGM. Pareyio's work to end this practice has won recognition from the United Nations and support from Eve Ensler's organization, V-Day.

 www.YesMagazine.org/pareyio
Honoring Maasai culture, creating alternatives for girls

COMMENTARY :: *Rob Richie*

INSTANT RUNOFF, A VOTE FOR CIVILITY

On March 3, the Progressive Party's Bob Kiss was re-elected mayor of Burlington, Vermont, in the city's second instant runoff voting (IRV) election. The election not only showcased a more democratic way to elect our leaders, it affirmed two clear trends emerging in the growing number of IRV elections around the country: a civilizing impact on campaign discourse and a weakening of big-money politics.

The Burlington election provided a good example of how IRV works. Under IRV rules, voters indicate a first choice, but also can indicate their second, third and remaining choices. Four strong candidates each earned more than 10 percent of first-choice rankings. Republican Kurt Wright led with 33 percent and Kiss was in second place with 29 percent.

In the instant runoff to determine the majority winner, the candidates with the fewest votes were dropped, including Independent Dan Smith and Democrat Andy Montroll. With the field narrowed to two candidates, the ballots were recounted. Voters whose first choice was Wright or Kiss had their votes count for that candidate. Supporters of the eliminated candidates had their votes count for whichever of the remaining candidates they ranked higher. Kiss won with 51 percent by earning more support from Smith and Montroll supporters.

Burlington's candidates participated in forums across the city, and, thanks to IRV, spent little time attacking each other. Attacks tend to be counterproductive if the candidate you attack loses early in the count and that candidate's backers punish you by ranking other candidates higher on their ballots. Negative attacks still take place, but IRV promotes more positive, substantive campaigns where candidates try to earn first choice support against several opponents while still being attractive as a second choice to backers of other candidates.

The Burlington election certainly was a model of clean, open debate. Democratic city councilor Bill Keogh, a past skeptic of IRV, told the local daily newspaper, "This campaign has been very, very good." The four leading candidates had been "as forthright as they can be with their views," he said. "This is the most respectful and informative campaign in Burlington in a long time."

Just as in his initial upset win in 2006, each of Kiss' main opponents outspent him, including Wright, who spent twice as much. In typical races with only two viable



In case of emergency ... no, don't break the glass even then!

BOBBY MULDOON

Inside the Smithsonian's Archive of Poor Choices, 1980s-2009

ALANE CAMERON MILES



www.YesMagazine.org/cartoon for more reader captions

choices, huge amounts of money get spent on negative campaign ads, but those ads are less effective when voters have more choices and candidates have more incentives to reach out to backers of other candidates. That has certainly been the case in San Francisco, which has used IRV for city elections every November since 2004. Numerous highly competitive races have gone to candidates who were outspent, including several progressive candidates targeted by downtown business in the 2008 elections. Today the city's governing body is more representative than ever, with four white members, three Asians, two Latinos, one African American, and one Persian.

Our complex times demand more candidates able to present diverse views in debates and to gain voter support based on ideas, rather than attacks and slogans. Campaigning respect and civility would be an added bonus of IRV for Americans shell-shocked by the stream of negative attacks that so often permeate modern politics. **V**



Rob Richie has been executive director of FairVote, www.fairvote.org, since its founding in 1992.

Vandana Shiva

Interviewed by David Barsamian

Gandhi's three pillars of freedom are now the key to our survival

VANDANA SHIVA is an internationally-renowned voice for sustainable development and social justice. She spoke in New Delhi with David Barsamian, founder of Alternative Radio, during his December 2008 trip to India and Pakistan. Here are her thoughts on why Gandhi's philosophy is still relevant—even in a world where terrorism is on the rise.

David: In the wake of the attacks on Mumbai in late November 2008, there was a piece in the *Sunday Express*, "The Irony Gandhiism Presents in Today's Terror-Infested India." The writer said, "It's time the government became doubly stern about its steps to combat terrorism. India may be the land of Mahatma Gandhi, but today's situation warrants crude and cunning ways to counter extremism. That alone can ensure peace, harmony, and joy in the country."



Vandana: Unfortunately, “crude” means of dealing with violence and terror just breed more violence and terror. As we saw after 9/11, the war on terror has created more terrorists. I think anyone who says that Gandhi is irrelevant in today’s world doesn’t understand either terrorism, its roots, or Gandhi. Suicide bombers don’t get created out of the blue; they are created as a result of decisions, systems, and processes.

It’s very much like weeds in a field.

conflicts took place after the elections. Before that, land use had changed to grow flowers and fruits and vegetables for export to the European markets.

The second issue is shrinking livelihoods, because that’s what globalization does when combined with electoral privilege. There are few sources of livelihoods, and these will be allocated based on which party gets into power and is able to offer privileges to their particular caste, religion, or ethnicity. That’s where violence

Naxalite [Maoist] control. These are largely the tribal districts and the districts where the largest amount of mining and industry is taking away forests and land from the tribals. Under the 73rd and 74th amendments of our Constitution, the tribals have a right to decide what happens with their land and resources. In the 1990s, the communities would decide not to allow these factories and mines, but their decision was not obeyed. Under the Constitution their decision was higher than the

If we’re going to live in a world beyond the financial crisis, we’d better start making things for ourselves, growing our food, making our homes, creating our education and health systems.

One way to control weeds is by spraying Round-Up, but then you get Round-Up-resistant weeds, which are even stronger than the original weeds. That’s what is happening with terrorism.

Or you can do mixed cultivation, where the partnership among the plants controls the weeds by managing the sun in the right way, the moisture in the right way. Organic weed control is totally successful without using violence. The same happens in terrorism. We need to build the levels and kinds of relationships that allow communities to feel as one.

If you want to go beyond the symptoms, and you want to get to the roots, then you have to understand the patterns. The patterns are telling us that every kind of diversity is a potential source of conflict. How come?

First, globalization has robbed people of their resources. Land has been enclosed, land has been taken over. You suddenly see conflicts between Christians and Muslims in Nigeria, again linked to the way resource changes are taking place. In Kenya, ethnic

is growing—that’s where terror is growing. We have to start sharing the resources of this Earth in more equitable ways, using it in more sustainable ways, and, most importantly, maximizing livelihoods in the economy rather than maximizing profits and GNP.

David: Explain about the Gujjars in Rajasthan.

Vandana: The Gujjars are a pastoral tribe in Rajasthan. Over the last few years, as part of globalization, the pastures have been enclosed. This land makes up about 70 percent of Rajasthan, which is a desert state where only about 30 percent is used for agriculture. The Rajasthan government passed a law making the pastures available to grow *jatropha*, a biofuel crop used for cars. As a result, the pastoral economy has absolutely gone. The Gujjars have lost their livelihood base. They came out in a very, very strong way, and they blocked the rails and roads of India for about two months. Parts of the country could not function, and the government was brought to its knees. All they were seeking was a few jobs, because they’ve lost their livelihoods in grazing.

Many of India’s districts are in revolt. Some of them are very organized. One-third of India is now under

decision of the prime minister of this country. So the Constitution was violated to impose on the communities the factories, plants, and mines. When the people realized democracy was not working, they took to the gun.

My hope is that the revolt will be based on Gandhian principles and will demonstrate how we can continue to be a society based on nonviolence.

David: In your publication “The Seed and the Spinning Wheel” you say, “Gandhi lives as a perennial source of inspiration and political innovation to defend our freedoms.” Talk about Gandhi and his influence on you.

Vandana: The Gandhian influence, of course, has been an influence for every Indian. My parents were very active in the freedom movement, so Gandhi was a background influence, but not an influence guiding everyday action. That really was propelled by my waking up to the fact that a new world trading system was being shaped.

As I sat through a conference on biotechnology in Geneva in 1987 listening to the corporate agenda, it became clear to me that it was an agenda of total control. The farmers would depend on these companies for their seed supply. They would have to >>>

Vandana Shiva addresses protesters at the mass civil disobedience at the coal-fired Capitol Power Plant in Washington, D.C., March 2, 2009.

FRANZISKA SEEL PHOTO

We just have to start sharing the resources of this Earth in more equitable ways, using it in more sustainable ways, and, most importantly, maximizing livelihoods in the economy rather than maximizing profits and GNP.

» pay royalties to corporations like Monsanto for every seed they plant, in every season. Human beings would have no choice but to eat the food they brought us, with no way to choose an alternative. We have to do something that prevents this totalitarian future from becoming inevitable.

I thought of Gandhi pulling out the spinning wheel at a time that spinning wheels weren't being used anymore because the British textile industry had absolutely wiped out Indian spinning and weaving. And I thought, what is today's spinning wheel? Today's industry is biotechnology: it's controlling all life on Earth. Seed, therefore, quite clearly, has to be today's spinning wheel. So I started to save seed—in a way, spinning our freedom for today.

But there are other elements of Gandhi's work/life concepts that have very much shaped the struggles that have defended the freedom of farmers and freedom of food in India. The idea of *swaraj*, for instance. *Swa* means self, *raj* means to rule. Gandhi meant that every Indian is a free citizen, self-organizing, self-governing with a full sense of responsibility that comes from being part of a community, part of a country, part of the planet.

That concept of self-organizing is what we have used to build huge movements. Our movement for seed sovereignty is based on the concept of *bija swaraj*. *Bija* is seed, *swaraj* is self-governance. We've had actions where we've told the government, we've told the WTO, we've told the corporations that pirate our seeds that they don't decide what happens to our biodiversity. We decide, because we are self-governing communities.

We've done that with water. New Delhi's water was being privatized

through the World Bank to Suez, the world's biggest water multinational. We used the concept of *jal swaraj*, water freedom, to mobilize a movement for water democracy, and we succeeded in stopping this privatization.

But I think the highest concept that Gandhi has left us is *satyagraha*, the fight for truth, which is translated into civil disobedience. In his writings he says very clearly, "As long as the assumption is there that unjust law must be obeyed, so long will slavery exist." It is the highest moral duty for justice to have the courage to say no to unjust law. That's what Martin Luther King did. That's what Gandhi did.

So how did we get to a place where a total financial scam around housing has brought the entire world economy down? Something is seriously wrong, and the only way we can get out of it is *swadeshi*, *swaraj*, and *satyagraha*. These are the three pillars of survival and these are the three pillars of freedom.

David: What does *swadeshi* mean?

Vandana: *Swadeshi* means self-making. In the name of progress, in the name of development, we have been made to walk down the road of depending. Today all of America depends on something made in a factory somewhere in China. That kind of economy prevents everyone from making what they could make. And you lose quality, because self-making builds in caring. Self-making goes with wanting to put out the ultimate quality. Just as much as when you cook your own food, you will make sure you cook a good dish. Sacrifice quality, and cheap becomes the label for humanity's existence.

If we're going to live in a world beyond the financial crisis, we'd better

start doing things for ourselves, making things for ourselves, growing our food, making our homes, creating our education and health systems. Putting pressure on the state is fine, but ultimately I believe we need to go beyond the centralized state and centralized corporate control. We need to go into decentralized communities that reclaim the capacity to make. And that is *swadeshi*.

David: A couple of other terms that are associated with Gandhi are *ahimsa* and *sarvodaya*. What are they?

Vandana: *Ahimsa* is probably the most powerful word in Gandhi's philosophy and in the core of Indian civilization. *Ahimsa* means nonviolence in the deepest form: doing no harm to any species, doing no harm to anyone, and doing no harm in thought and action. Gandhi said what you must challenge is the violent act, not the person. Always have love for the other person, and through that, practice compassionate nonviolence.

Sarvodaya means lifting up everyone. Gandhi had many, many clashes with other leaders of the Congress Party who wanted an India that would look like the West. But Gandhi knew that an India that looks like the West is for a tiny percentage of India. An India that's for all, that is for the rising of all, must be based on the indigenous traditions, the indigenous possibilities, and must be ecological by its very nature, because wasteful development would rob a large part of India.

David: Gandhi appears on rupee notes, something that might have embarrassed him. There is hardly a town or city in this country that doesn't have a statue

of the Mahatma. But in terms of his relevance, when you travel around and talk to people, is the Gandhian philosophy still living or is it more of a memory?

Vandana: Gandhi is very alive in this country. The superficial display of consumerism might make it look like something else has replaced the Gandhian ideal of equality, justice, and dignity in work. If you're at the Hyderabad Airport, you would never imagine Gandhi is relevant today, because they think they're Americans now, and they serve you a coffee for 250 rupees.

I was in Gulbarga with farmers talking about the way out of the agrarian crisis. And, of course, I was sharing with this group of 1,500 farmers how the farmer suicides that are an epidemic in this country are unnecessary.

The wonderful thing was that the organization that was hosting it is based on an ancient, 800-year-old tradition called the Basava tradition. Basava was a royal who gave up the palace and based his entire philosophy on two core concepts: the dignity of labor and sharing your wealth.

Again and again on that platform, Gandhi's teachings and Basava's teachings were matched together as one teaching—a teaching for a socialism that will always be relevant, as long as human society exists.

David: You hosted a conference at the India International Center in early December. I was interested in a couple of things you said about India having a “violent economy.” Then you added, “farmer suicides are like terror attacks.”

Vandana: I think what we are witnessing in India is really warfare against the poor. It's warfare against the poor because people are literally dying. More than 200,000 farmers have committed suicide in the last decade of neoliberal agriculture policies—policies that tell you that agriculture is not about feeding people, agriculture is not about the livelihood of two-thirds of India's population; agriculture is



DON USNER PHOTO

SINCE 1986, DAVID BARSAMIAN'S Alternative Radio has provided information, analysis, and views that are ignored or distorted in other media. Vandana Shiva is a physicist, scholar, political activist, and feminist, and recipient of the Right Livelihood Award, the alternative Nobel Prize. This article comes from a longer interview, available at www.alternativeradio.org.

about producing cheap commodities for exports. And simultaneously, a total contradiction, that agriculture is about a consumer market for inputs. It's an impossible equation, that you keep spending 10 times more for your seeds and your chemicals, and you keep getting less and less and less for what you produce. It does mean farmers will be wiped out. They get into debt and they're committing suicide.

David: The cover of the latest issue of *Bija* says, “Be the change you want to see in the world.” Did Gandhi say that?

Vandana: Yes, I think it's so powerful. I believe that so many of us wait for that perfect moment for a system change, at a system level. Yes, systems are wrong, but systems change doesn't happen at a system level; it happens by enough people making change that they want to see. And that's why, when I started Navdanya [an organization working to rejuvenate indigenous knowledge and

culture], I didn't wait for government policies to change. And at every point that government is obstinate and pro-Monsanto, we just keep doing what we feel is the right thing.

I have just come back from Kerala, where I've been advising the government there. They have a very progressive chief minister, V. S. Achuthanandan. He believes in people's rights and a communitarian society. I had proposed an idea last year that Kerala is so rich in food traditions, in health traditions, that we should do a festival of food. And they did. And we did seminars. And he and I were there to open the festival called Onam. It happened in one place. Now three other states want to do it. That's how we make change. **V**

Vandana Shiva is director of the Research Foundation for Science, Technology and Natural Resource Policy in New Delhi. Author of many books, her latest are “Earth Democracy” and “Soil Not Oil.”

www.YesMagazine.org/soilnotoil
Read an excerpt from Vandana Shiva's latest book, *Soil Not Oil*.

THE PAGE THAT COUNTS

Approximate number of languages spoken in the world: **6,000**

Number of these that are indigenous languages: **5,000**

Number of languages that go extinct every year: **26**¹

Percentage of Americans who spent time volunteering last year: **26.4**

Median hours they donated: **52**²

Percent increase in adult volunteerism since 1989: **32**

Percent increase in teen volunteerism since 1989: **200**³

Percent lower mortality rate found in older Californians who volunteered, compared to those who did not: **44**⁴

Number of cigarettes consumed in the United States in 1997: **480.5 billion**

Number of cigarettes consumed in the United States in 2007: **360.5 billion**⁵

Percentage of worldwide litter made up by cigarette butts: **28**⁶

Hours it takes two cigarette butts to kill 100% of the microorganisms in one liter of fresh water: **48**⁷

Percentage of games the Detroit Lions lost in the 2008 season: **100**⁸

Percentage of population African lions lost in the past two decades: **30**⁹

Percentage of habitat eastern U.S. mountain lions lost since European colonization: **95**¹⁰

Average hours per week married American mothers spent on childcare in 1965: **10**

In 2003: **14**

Average hours per week married American fathers spent on child care in 1965: **2.5**

In 2003: **7**¹¹

Average hours per day American youth spend watching television: **3.9**

Engaging in physical activity: **1.4**

Reading: **0.7**¹²

Percentage of automobile passengers in America who wore their seatbelts in 1988: **45**

In 2008: **83**¹³

Percentage of time wild chimpanzees spend feeding: **32**

Playing: **6**

Picking their noses: **14**¹⁴

Complete citations at www.yesmagazine.org/ptc

1. Survival International, 2008. **2.** Bureau of Labor Statistics, 2009. **3.** Corporation for National and Community Service, 2006.

4. Doug Oman, et al., "Volunteerism and Mortality Among the Community-Dwelling Elderly," *Journal of Health Psychology*, July 1999.

5. American Legacy Foundation, 2008. **6.** The Ocean Conservancy, 2009. **7.** Kathleen M. Register, "Cigarette Butts As Litter," *Underwater*

Naturalist: Bulletin of the American Littoral Society, August 2000. **8.** National Football League, 2009. **9.** IUCN Red List, 2008. **10.** U.S. Fish and

Wildlife Service, "Florida Panther Recovery Plan," November 2008. **11.** Suzanne M. Bianchi, "Changing Rhythms in American Family Life,"

August 2006. **12.** Kaiser Family Foundation, 2005. **13.** National Highway Traffic Safety Administration, 2009. **14.** Dr. Thomas L. Harrison,

"Nose-Picking in the Pongidae and Its Implication for Human Evolution," *American Journal of Nasal Anatomy*, 1987.

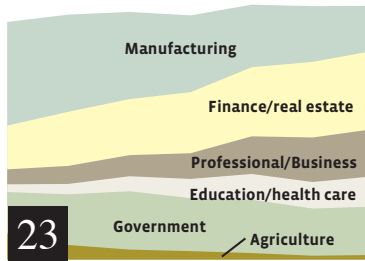
The New Economy

This downturn marks the end of an unsustainable economy. Rather than trying to reinflate the old bubble economy, these activists, visionaries, and upstarts are trying something new: an economy that puts people first and works within the carrying capacity of Mother Earth.



18

David Korten. Let Wall Street go and rebuild a Main Street economy.

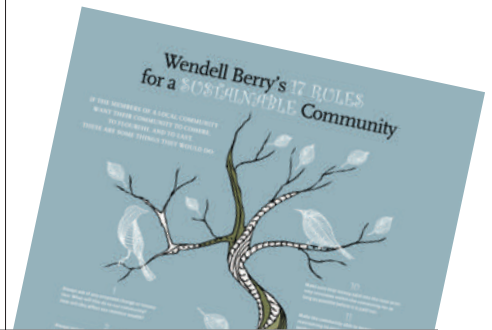


23

Just the Facts. Why we can't go back to the old economy.

24

Wendell Berry. 17 simple rules for building sustainable local economies.



NEW WAYS TO DO MONEY



27

Made out of Thin Air. Where does money come from? **28**
DIY Cash. Communities making their own money, instead of banks. **30**

NEW WAYS TO DO FINANCE



33

Small Banks, Radical Vision. How we get a say about what takes root in our neighborhoods. **34**
How to Invest Locally. Put your money where your life is. **37**

NEW WAYS TO DO WORK



39

South Bronx. A worker co-op turns trash into treasure. **40**
Mondragón. Look who makes the profits. **42**
Cleveland. Rust-belt to recovery. **44**

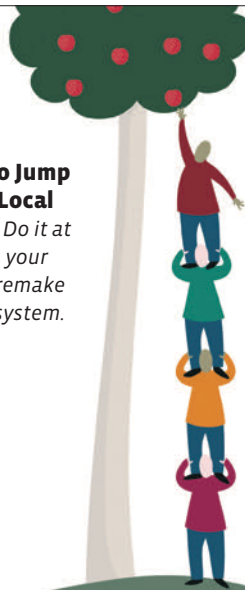


26

People Power. They stopped farm foreclosures during The Depression and got us Social Security.

31 Ways to Jump Start the Local Economy. Do it at home, with your friends, or remake the whole system.

46



48

Age-Old Wisdom. Native peoples know a few things about surviving, together, through tough times.



The New Economy

And why this crisis may be our best chance

David Korten

Whether it was divine providence or just good luck, we should give thanks that financial collapse hit us before the worst of global warming and peak oil. As challenging as the economic meltdown may be, it buys time to build a new economy that serves life rather than money. It lays bare the fact that the existing financial system has brought our way of life and the natural systems on which we depend to the brink of collapse. This wake-up call is inspiring unprecedented numbers of people to take action to bring forth the culture and institutions of a new economy that can serve us and sustain our living planet for generations into the future.



Human-scale, locally owned businesses are essential to creating the new economy. Author David Korten goes for the spring snow peas as he shops for dinner at his local family-owned grocery store in Bainbridge Island, Washington.

PAUL DUNN FOR YES! MAGAZINE

a public policy shift that made finance the leading sector of the U.S. economy and the concentration of private wealth the leading economic priority.

Corporate interests drove a policy agenda that rolled back taxes on high incomes, gave tax preference to income from financial speculation over income from productive work, cut back social safety nets, drove down wages, privatized public assets, outsourced jobs and manufacturing capacity, and allowed public infrastructure to deteriorate. They envisioned a world in which the United States would dominate the global economy by specializing in the creation of money and the marketing and consumption of goods produced by others.

As a result, manufacturing fell from 27 percent of U.S. gross domestic product in 1950 to 12 percent in 2005, while financial services grew from 11 percent to 20 percent. From 1980 to 2005, the highest-earning 1 percent of the U.S. population increased its share of taxable income from 9 percent to 19 percent, with most of the gain going to the top one-tenth of 1 percent. The country became a net importer, with a persistent annual trade deficit of more than three-quarters of a trillion dollars financed by rising foreign debt. Wall Street insiders congratulated themselves on their financial genius even as they turned the United States into a national economic basket case and set the stage for global financial collapse.

All the reports of financial genius masked the fact that a phantom-wealth economy is unsustainable. Illusory assets based on financial bubbles, abuse of the power of banks to create credit (money) from nothing, corporate asset stripping, baseless credit ratings, and creative accounting led to

financial, social, and environmental breakdown. The system suppressed the wages of the majority while continuously cajoling them to buy more than they could afford using debt that they had no means to repay.

A Defective Operating System

The operating system of our phantom-wealth economy was written by and for Wall Street interests for the sole purpose of making more money for people who have money. It makes cheap money readily available to speculators engaged in inflating financial bubbles and financing other predatory money scams. It makes money limited and expensive to those engaged in producing real wealth—life, and the things that sustain life—and pushes the productive members of society into indebtedness to those who produce nothing at all.

Money, the ultimate object of worship among modern humans, is the most mysterious of human artifacts: a magic number with no meaning or existence outside the human mind. Yet it has become the ultimate arbiter of life—deciding who will live in grand opulence in the midst of scarcity and who will die of hunger in the midst of plenty.

The monetization of relationships—replacing mutual caring with money as the primary medium of exchange—accelerated after World War II when growth in Gross National Product, essentially growth in monetized relationships, became the standard for evaluating economic performance. The work of the mother who cares for her child solely out of love counts for nothing. By contrast, the mother who leaves her child unattended to accept pay for tending the child of her neighbor suddenly becomes “economically productive.” The result is a public policy bias >>

The world of financial stability, environmental sustainability, economic justice, and peace that most psychologically healthy people want is possible if we replace a defective operating system that values only money, seeks to monetize every relationship, and pits each person in a competition with every other for dominance.

From Economic Power to Basket Case

Not long ago, the news was filled with stories of how Wall Street’s money masters had discovered the secrets of creating limitless wealth through exotic financial maneuvers that eliminated both risk and the burden of producing anything of real value. In an audacious social engineering experiment, corporate interests drove



In the world we want, the organization of economic life mimics healthy ecosystems that are locally rooted, highly adaptive, and self-reliant in food and energy. Information and technology are shared freely, and trade between neighbors is fair and balanced.

» in favor of monetizing relationships to create phantom wealth—money—at the expense of real wealth.

In a modern economy, nearly every relationship essential to life depends on money. This gives ultimate power to those who control the creation and allocation of money. Five features of the existing money system virtually assure abuse.

1. **MONEY ISSUANCE AND ALLOCATION** are controlled by private banks managed for the exclusive benefit of their top managers and largest shareholders.

2. **MONEY ISSUED BY PRIVATE BANKS AS DEBT** must be repaid with interest. This requires perpetual economic growth to create sufficient demand for new loans to create the money required to pay the interest due on previous loans. The fact that nearly every dollar in circulation is generating interest for bankers and their investors virtually assures an ever-increasing concentration of wealth.

3. **THE POWER TO DETERMINE HOW MUCH MONEY** will circulate and where it will flow is concentrated and centralized in a tightly interlinked system of private-benefit corporations that operate in secret, beyond public scrutiny, with the connivance of the Federal Reserve.

4. **THE FEDERAL RESERVE PRESENTS ITSELF** as a public institution responsible for exercising oversight, but it is accountable only to itself, operates primarily for the benefit of the largest Wall Street banks, and consistently favors the interests of those who live by returns to money over those who live by returns to their labor.

5. **THE LACK OF PROPER REGULATORY OVERSIGHT** allows players at each level of the system to make highly risky decisions,

collect generous fees based on phantom profits, and pass the risk to others.

A Values-Based Operating System

To get ourselves out of our current mess and create the world we want, we must reboot the economy with a new, values-based operating system designed to support social and environmental balance and the creation of real, living wealth. We have seen what happens when government and big business operate in secret. The new system must be open to public scrutiny and democratic control. Globalization and the harshest form of capitalism have eroded the bonds of community and created vast gaps in wealth between the richest and the poorest. The new system must be locally rooted in strong communities and distribute wealth equitably.

Our environment and our infrastructure have paid a terrible price for the belief that private interests must always win over public ones. A viable system must balance public and private interests. Unregulated speculation is at the root of the current crisis. Society is better served by a system that favors productive work and investment, limits speculation, and suppresses inflation in all forms—including financial bubbles.

The following are five essential areas of action.

1. **Government-Issued Money.** There is urgent need for government action to create living wage jobs, rebuild public infrastructure, and restore domestic productive capacity. It is folly, however, for government to finance those projects by borrowing money created by the same private banks that created the financial mess.

The government can and should

instead issue debt-free money to finance the stimulus and meet other public needs. Properly administered, this money will flow to community-based enterprises and help revitalize Main Street market economies engaged in the production of real wealth.

2. **Community Banking.** Under the bailout, the government is buying ownership shares in failed Wall Street banks with the expectation of eventually reselling them to private interests. So far, the money has disappeared or gone to acquisitions, management bonuses, office remodeling, and fancy vacations with no noticeable effect on the freeing up of credit.

A better plan, as many economists are recommending, is to force bankrupt banks into government receivership. As part of the sale and distribution of assets to meet creditor claims, these banks should be broken up and their local branches sold to local investors. These new, individual community banks and mutual savings and loan associations should be chartered to serve Main Street needs, lending to local manufacturers, merchants, farmers, and homeowners within a strong regulatory framework.

3. **Real-Wealth Investment.** Gambling should be confined to licensed casinos. Contrary to the claims of Wall Street, financial speculation does not create real wealth, serves no public interest, and should be strongly discouraged. Tax the purchase or sale of financial instruments and impose a tax surcharge on short-term capital gains. Make it illegal to sell, insure, or borrow against an asset you do not own, or to issue a financial security not backed by a real asset. This would effectively shut down much of Wall Street, which would be a positive result.

»



A clothing swap organized by a group of friends in Chicago last year involved 20-30 people. Leftover clothes were donated to a local charity.

ERIN WATSON PHOTO, TORRIDLY.ORG

Thrift and Shift: Economic Change Recipe for Our Time

Alisa Gravitz

As a nation, we now have the opportunity, as we did during the Great Depression and World War II, to reprioritize the economy. Simply put, we need to “thrift and shift.”

We need to make thrift a fundamental value, to make conspicuous consumption a thing of the past, and return to the days when things were useful and made to last—to make reuse and repair “the new black.” We can use the crises of our time, both economic and environmental, as the impetus to shift our economic engine from the consumer sector to the new green-industrial sector.

My grandparents married during the Great Depression and started their family during World War II. My grandmother told me of those times with pride. Thrift was a necessity: She couldn’t buy a car or even nylon stockings. But she saved every bit of aluminum for the war effort, mended every piece of clothing several times over, and planted a victory garden. Though they had very little, when they could save a dime, she would get another 10-cent stamp toward a \$25 war savings bond.

As tough as those times were, my grandmother felt that what she did every day mattered for the country. Families across the country changed their way of life nearly overnight to respond to a national crisis. Their actions provided resources for the war effort and helped keep food on the table in tough times.

Taken together, these actions gave the economy a whole new set of priorities—shifting from a failing consumer-based economy to an economy focused on providing for the country’s future.

As in my grandmother’s time, the consumer sector can no lon-

ger be the economy’s driver. The economic engine now needs to be a green-industrial effort. This time we won’t be building a war machine. We’ll be building economic activity, investment, and jobs for a sustainable future—from energy efficiency, mass transit, and sustainable agriculture to education, health, and fostering resilient communities—making sure no one is left behind.

Take the shift to green energy as an example of the size and scope of the green-industrial effort. Princeton University’s Carbon Mitigation Initiative says there’s still time to get the economic benefits and to prevent the worst crises of climate change. It will take at least 700 times more solar energy, 80 times more wind energy, improving the efficiency of existing buildings at least 25 percent, making new buildings net zero when it comes to using energy and water, and creating the infrastructure for it all. Green America’s Solar Catalyst study estimated the solar portion alone will create over a million jobs in the United States by 2020. Green energy jobs are good-paying jobs that can’t be outsourced.

Our country made an industrial shift of these proportions for World War II, and we can do it again. What we can’t do is go back to the way it was before the current meltdown. We need to create the fundamental system change that embeds new priorities—a new economics, with a new green engine, that provides well-being for all.

Alisa Gravitz is executive director of Green America, a national organization advocating for a just and sustainable economy (www.greenamericatoday.org) and a board member of the Positive Futures Network, publisher of YES!



» The money that has been used for speculation must be redirected to productive investment that creates real wealth and meets our essential needs responsibly, equitably, and sustainably using green technologies and closed-loop production cycles. We can begin by eliminating subsidies for carbon fuels and putting a price on greenhouse gas emissions. We can revise trade agreements to affirm the responsibility of every nation to contribute to global economic security and stability by organizing for sustainable self-reliance in food and energy and managing its economy to keep imports and exports in balance. If we Americans learn to live within our means, we will free up resources others need to feed, clothe, and house themselves and their families. The notion that reducing our consumption would harm others is an example of the distorted logic of a phantom-wealth economy.

4. Middle Class Fiscal Policy. The ruling financial elites have used their control of fiscal policy to conduct a class war that has decimated the once celebrated American middle class and led to economic disaster. Markets work best when economic power is equitably distributed and individuals contribute to the economy as both workers and owners. Massive inequality in income and ownership assures the failure of both markets and democracy.

To restore the social fabric and allocate real resources in ways that serve the needs of all, we must restore the middle class through equity-oriented fiscal policies. There is also a strong moral argument that those who profited from creating our present economic mess should bear the major share of the cost of cleaning it up. It is time to reinstitute the policies that created the American middle class after World War II. Restore progressive income tax with a top rate of 90 percent and favor universal participation in responsible ownership and a family wage. Because no one has a natural birth entitlement to any greater share of the real wealth of society than anyone else, use the estate

tax to restore social balance at the end of each lifetime in a modern equivalent of the Biblical Jubilee, which called for periodically forgiving debts and restoring land to its original owners.

5. Responsible Enterprise. Enterprises in a market economy need a fair return to survive. This imposes a necessary discipline. Service to the community, however, rather than profit, is the primary justification for the firm's existence. As Wall Street has so graphically demonstrated, profit is not a reliable measure of social contribution.

Enterprises are most likely to serve their communities when they are human-scale and owned by responsible local investors with an active interest in their operation beyond mere profit. Concentrations of corporate power reduce public accountability, and no corporation should be too big to fail. The new economy will use antitrust to break large corporations into their component parts and sell them to responsible local owners. There are many ways to aggregate economic resources that do not create concentrations of monopoly power or encourage absentee ownership. These include the many forms of worker, cooperative, and community ownership and cooperative alliances among locally rooted firms.

Current proposals for dealing with the economic collapse fall far short of dealing with the deep conflict of values and interests at the core of the current economic crisis. We face an urgent need to expand and deepen the debate to advance options that go far beyond anything currently on the table.

The World We Want

The world of our shared human dream is one where people live happy, productive lives in balance with one another and Earth. It is democratic and middle class without extremes of wealth or poverty. It is characterized by strong, stable families and communities in which relationships are defined primarily by mutual trust and caring. Every able adult is both a worker and an owner. Most families own their own

home and have an ownership stake in their local economy. Everyone has productive work and is respected for his or her contribution to the well-being of the community.

In the world we want, the organization of economic life mimics healthy ecosystems that are locally rooted, highly adaptive, and self-reliant in food and energy. Information and technology are shared freely, and trade between neighbors is fair and balanced. Each community, region and nation strives to live within its own means in balance with its own environmental resources. Conflicts are resolved peacefully and no group seeks to expropriate the resources of its neighbors. Competition is for excellence, not domination.

The financial collapse has revealed the extreme corruption of the Wall Street financial system and created an extraordinary opening for change. We cannot, however, expect the leadership to come from within the political system. There is good reason why both the Bush and Obama administrations, different as they are, have responded to the Wall Street crash with bailouts for the guilty rather than face up to the need for a radical restructuring of the financial system. No president can stand up against Wall Street absent massive popular demand.

To move forward, we the people must build a powerful popular political movement demanding a new economy designed to serve our children, families, communities, and nature. It begins with a conversation to demystify money and expose the lie that there is no alternative to the present economic system. It continues with action to rebuild our local economies based on sound market principles backed by national political action to transform the money system and broaden participation in ownership. This is our moment of opportunity. ♻️

David Korten is co-founder and board chair of YES! His most recent book is *Agenda for a New Economy: From Phantom Wealth to Real Wealth*.

🎧 www.YesMagazine.org/kortenreads
David Korten reads from *Agenda for a New Economy*

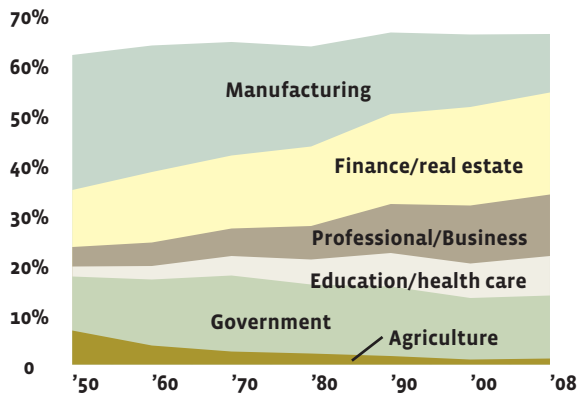
Just the Facts



1

We're manufacturing money, not goods

The U.S. economy was strong in 1950. A quarter of GDP came from manufacturing. Now the biggest sector is finance and real estate—making money from money.

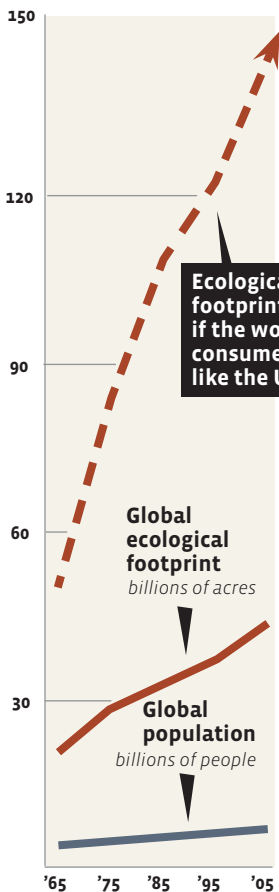
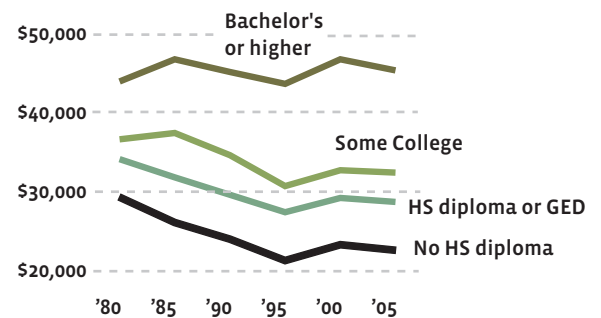


2

You need college to get ahead

Manufacturing jobs used to provide a good living. Now, you're stuck if you don't have a degree. Annual income for those without a high school diploma has dropped 25%.

Annual income in inflation-adjusted dollars



4

We're using up the Earth

Ecological footprints measure how much land and water it takes to provide for humans. If everyone consumed like the U.S., we'd need about 5 Earths.

3

But college is harder to afford

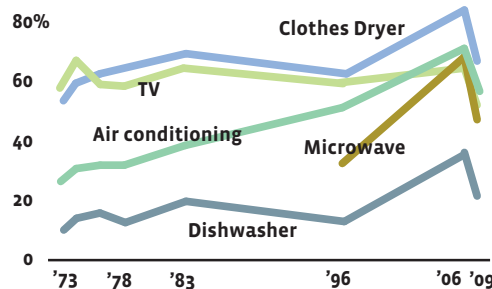
In the last 30 years, average tuition for public 4-year university increased 430%. For private university, 380%. Increase in median family income in that time? 10%.

5

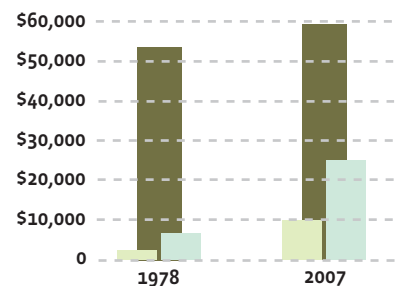
And confusing needs and wants

Consumer culture confuses wants and needs. In the bubble economy, we got needy. The bubble's popped and we're rethinking the meaning of "necessity."

Percent rating each item as "a necessity"



Public college tuition
Private college tuition
Median family income



2009 YES! MAGAZINE GRAPHICS

Source: Research by Kim Eckart, Doug Pibel, and Laura Kaliebe. Citations at www.yesmagazine.org/50facts

Wendell Berry's 17 ROLES for a SUSTAINABLE Community

IF THE MEMBERS OF A LOCAL
COMMUNITY WANT THEIR COMMUNITY
TO COHERE, TO FLOURISH,
AND TO LAST, THESE ARE
SOME THINGS THEY WOULD DO:

1
Always ask of any proposed change or innovation: What will this do to our community?
How will this affect our common wealth?

2
Always include local nature—the land, the water, the air, the native creatures—within the membership of the community.

10
Make sure that money paid into the local economy circulates within the community for as long as possible before it is paid out.

11
Make the community able to invest in itself by maintaining its properties, keeping itself clean (without dirtying some other place), caring for its old people, teaching its children.

12
See that the old and the young take care of one another. The young must learn from the old, not necessarily and not always in school. There must be no institutionalized "child care" and "homes for the aged." The community knows and remembers itself by the association of old and young.



3

Always ask how local needs might be supplied from local sources, including the mutual help of neighbors.

4

Always supply local needs first. (And only then think of exporting their products, first to nearby cities, and then to others.)

5

Understand the unsoundness of the industrial doctrine of "labor saving" if that implies poor work, unemployment, or any kind of pollution or contamination.

6

Develop properly scaled value-adding industries for local products to ensure that the community does not become merely a colony of the national or global economy.

7

Develop small-scale industries and businesses to support the local farm and/or forest economy.

8

Strive to produce as much of the community's own energy as possible.

9

Strive to increase earnings (in whatever form) within the community and decrease expenditures outside the community.

13

Account for costs now conventionally hidden or "externalized." Whenever possible, these costs must be debited against monetary income.

14

Look into the possible uses of local currency, community-funded loan programs, systems of barter, and the like.

15

Always be aware of the economic value of neighborly acts. In our time the costs of living are greatly increased by the loss of neighborhood, leaving people to face their calamities alone.

16

A rural community should always be acquainted with, and complexly connected with, community-minded people in nearby towns and cities.

17

A sustainable rural economy will be dependent on urban consumers loyal to local products. Therefore, we are talking about an economy that will always be more cooperative than competitive.

Excerpted from the essay "Conserving Communities," from *Another Turn of the Crank*, by Wendell Berry © 1995 by Wendell Berry, Counterpoint Press. Used by permission of author.

Illustrations by Bodhi Hill, istsock.com

2009 YEST! MAGAZINE GRAPHIC



Farmers crowd around the auctioneer at a foreclosure sale in Nebraska, intimidating potential bidders so they can buy the farm for a low price. Farms bought at such “penny auctions” were returned to their owners.

People Power Brought the New Deal to Life

Sarah Anderson

During the Great Depression, my grandfather ran a butter creamery in rural Minnesota. Growing up, I heard how a group of farmers stormed in one day and threatened to burn the place down if he didn't stop production. I had no idea who those farmers were or why they had done that—it was just a colorful story.

Now I know that they were with the Farmers' Holiday Association, a protest movement that flourished in the Midwest in 1932 and 1933. They were best known for organizing “penny auctions,” where hundreds of farmers would show up at a foreclosure sale, intimidate potential bidders, buy the farm themselves for a pittance, and return it to the original owner.

The action in my grandfather's creamery was part of a withholding strike. By choking off delivery and processing of food, the Farmers' Holiday Association aimed to boost pressure for legislation to ensure that farmers would make a reasonable profit for their goods. Prices were so low that farmers were dumping milk and burn-

ing corn for fuel or leaving it in the field.

The Farmers' Holiday Association never got the legislation it wanted, but its direct actions lit a fire under politicians. Several governors and then Congress passed moratoriums on farm foreclosures. President Franklin Delano Roosevelt, telling advisors that he feared an “agrarian revolution,” rushed through reforms that helped millions of farmers stay on their land. These new policies regulated how much land was planted or kept in reserve. Although it was eventually replaced by the massive subsidies that today favor large agribusiness and encourage overproduction, Roosevelt's original program supported some of the most prosperous and stable decades for U.S. farmers.

This is just one example of how strong grassroots organizing during the last severe U.S. economic crisis was key in pushing some of that era's most important progressive reforms. Social Security is another such case.

The Depression had been particularly tough on the elderly, millions of whom lost their pensions in the stock crash

and had few options for employment. Roosevelt, however, felt the nation was not ready for a costly and logistically challenging pension program.

Then a retired California doctor named Francis E. Townsend wrote to the editor of his local paper, proposing a pension system that would also stimulate the economy by offering \$200 per month to every citizen over 60, on the condition that they spend the entire amount within 30 days. The idea spread like wildfire. Thousands of Townsend Clubs around the country wrote millions of letters to the President and Congress demanding the pension system Townsend suggested.

Roosevelt, reportedly concerned that Townsend might join with populist Louisiana Senator Huey Long to challenge him in the 1936 election, eventually changed his position. Although he rejected the details of the Townsend Plan, Roosevelt pushed through legislation in 1935 that created Social Security, still one of the country's most important anti-poverty programs.

Seventy-five years later, these stories offer important lessons for a country again mired in economic crisis. Neither the Farmers' Holiday Association nor the Townsend Clubs got exactly what they wanted. But their bold demands and action moved the policy debate much further than it would have gone had these social movements not existed.

Like President Barack Obama, Roosevelt was an extremely popular leader, particularly among the disadvantaged who saw him as their champion. But it wasn't enough to have a generally good guy in the White House. Likewise today, our chances of achieving real change have more to do with the power of social movements than with the occupant of the Oval Office. Obama has opened some doors of opportunity, but to go beyond economic recovery to a more just and sustainable economy, we'll need to follow in the footsteps of Depression-era activists and organize around bold ideas. **V**

Sarah Anderson directs the Global Economy Project at the Institute for Policy Studies.

NEW ECONOMY, NEW WAYS TO DO MONEY

OLD ECONOMY → The measure of a healthy economy is a growing GDP.

GET REAL → *A healthy economy meets real needs within ecological limits.*

OLD ECONOMY → All you need is money.

GET REAL → *You can't eat money. What we need is healthy families, communities, and ecosystems.*

OLD ECONOMY → Booms and busts are inevitable in a modern economy.

GET REAL → *The boom/bust cycle is a result of letting banks create money.*

We usually think of money as neutral—it allows buyers and sellers to make deals, and that's good. But it's not neutral when we give private banks the right to create money that we taxpayers have to borrow. It gets worse when banks get entangled in exotic speculation, creating trillions of electronic dollars that inflate financial bubbles. Then—because the paper wealth is disconnected from the real economy—the bubble pops, and finances crash. The banks don't know how to untangle the mess, and they stop making loans. Even when things are going well, there's this little problem about interest-based money—it concentrates more and more wealth in the hands of those lending it at the expense of your average home buyer, credit card holder, or tuition-paying college student. In the new economy, there are better ways to get money circulating.



STEPHANIE MCMILLAN FOR YES! MAGAZINE



Money from Nothing

Supplying money should be a public service, not a cash cow for banks

James Robertson

The way money is created and issued, who creates it and in what form—as debt or debt-free, in one currency or another—largely determines whether a financial system works fairly and efficiently or not. In our global village, money shapes our lives at personal, household, local, national, and international levels. The system now in place encourages or compels us all to get and spend money in ways that work against the planet, against other people, and against ourselves.

The great majority of the money supply in national economies is created by profit-making banks writing it into their customers' accounts out of thin air as bank loans in electronic bank-account money—not coins or banknotes. They call it “credit,” to disguise the fact that it is actually money.

When money starts as debt, paying the interest in addition to the principal requires more money to be earned as income than has been created. That makes it necessary for the supply of money and the accompanying indebtedness

in society to keep growing, which has damaging systemic effects for both the environment and society. For example, the economic growth that supports an increasing money supply requires more of the Earth's resources to be turned into commodities. Growing indebtedness works in favor of those who lend money into existence and against those who borrow and pay interest.

Giving profit-making banks the privilege of deciding the first use of money when it enters circulation distorts the economy. For example, it favors investing in existing assets like land and housing with ready collateral and long-term prospects of appreciation, instead of investing in needed goods and services.

A Sure Recipe for Booms and Busts

Allowing commercial banks to create our money inevitably causes frequent booms and busts. There have been more than 90 in various parts of the world in recent years, according to a U.N. study. During the booms, when the economy is growing, the banks

greatly profit by making many loans, thus creating too much money. In the busts, they stop lending, which shrinks the money supply. Then they demand massive bailouts so they can reactivate their privilege of supplying money.

From the bankers' point of view boom/bust cycles are inevitable. Chuck Prince, the outgoing chief executive officer of Citigroup observed in 2007, shortly before he received his multi-million-dollar “golden parachute” for being chucked out of his crisis-stricken bank, “As long as the music is playing, you've got to get up and dance.”

Monetary Reform

But there is an alternative—based on the wisdom of U.S. founding fathers like Thomas Jefferson and James Madison, and later Abraham Lincoln, who all opposed giving “the money power” to the banks and said it should be reserved to the government.

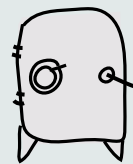
A nationalized central bank would create the right amount of money for the economic conditions, and give it to

How Banks Create Money Out of Thin Air

Yes, the government prints our paper money. But that's only a small fraction of the money in use. Most of the money in national economies is created when banks write it into their customers' accounts out of thin air as bank loans.



1
You earn \$100 and put it in the bank. And then ...



2
The bank keeps \$10 in its Federal Reserve account ...

This is the “reserve,” which the bank uses when customers withdraw funds. As a rule, depositors don't take out more than 10% of the money they have on deposit on any given day.



3
Then loans Susie \$90, at interest.



the government to spend into circulation debt-free.

This would place the national currency under the control of a public agency responsible for carrying out money supply objectives laid down by the elected government, accountable to the legislature, and subject to democratic control. It would break the boom/bust cycle created by the expansion and contraction of debt. Safeguards would ensure that the agency did not allow politicians to create additions to the money supply for their own electoral or other narrow political purposes.

Commercial banks would, without doubt, resist this change. If they lose the privilege of creating money out of thin air, they'll be competing on the same playing field as businesses that don't get their stock-in-trade as a free gift.

A Step Toward More Radical Reform?

Central bank governors—like Ben Bernanke of the U.S. Federal Reserve and Mervyn King of the Bank of England—are now issuing large sums of new money out of thin air in an effort to get banks lending again. Reducing interest rates virtually to zero has failed to persuade banks to lend money into existence. There is no alternative but to create the necessary money through the central banks.

Conventional wisdom throws up its hands in horror at the idea of a public

agency supplying money as a public service. So this practice is called “quantitative easing” and sold as a one-off dose of a very special, costly laxative, designed to clear the constipation of the commercial banks after their gargantuan profit-making “credit” binge. Governments could, however, use quantitative easing, not to shore up the power of the banks, but as a stepping stone toward returning the power of issuing money to democratic control.

Local Currencies and Local Banks


Local currency development is also an important aspect of reform and can make a significant contribution to economic decentralization. It will involve the spread of community currencies like Time Dollars, Ithaca Hours, LETS systems, Chiemgauers, and others already existing in many countries. These currencies can help to support new institutions like local banks, credit unions, and investment funds, as a basis for greater local economic self-reliance.

Local currencies can provide people with a partial response to immediate crises like the present one. They could be encouraged to expand greatly after mainstream monetary reform, when the national money supply will be created as a public service under democratic supervision. But, in the absence of monetary reform, just as they did after the 1930s Great Depression, private banks

will do everything possible to prevent the expansion of locally controlled currencies and finance, in order to maintain their profits. As a result, most people will probably remain too dependent on earnings, pensions, benefits, etc., all denominated in a national currency, to commit themselves to decentralized alternative currencies instead.

A Nightmare for the New President

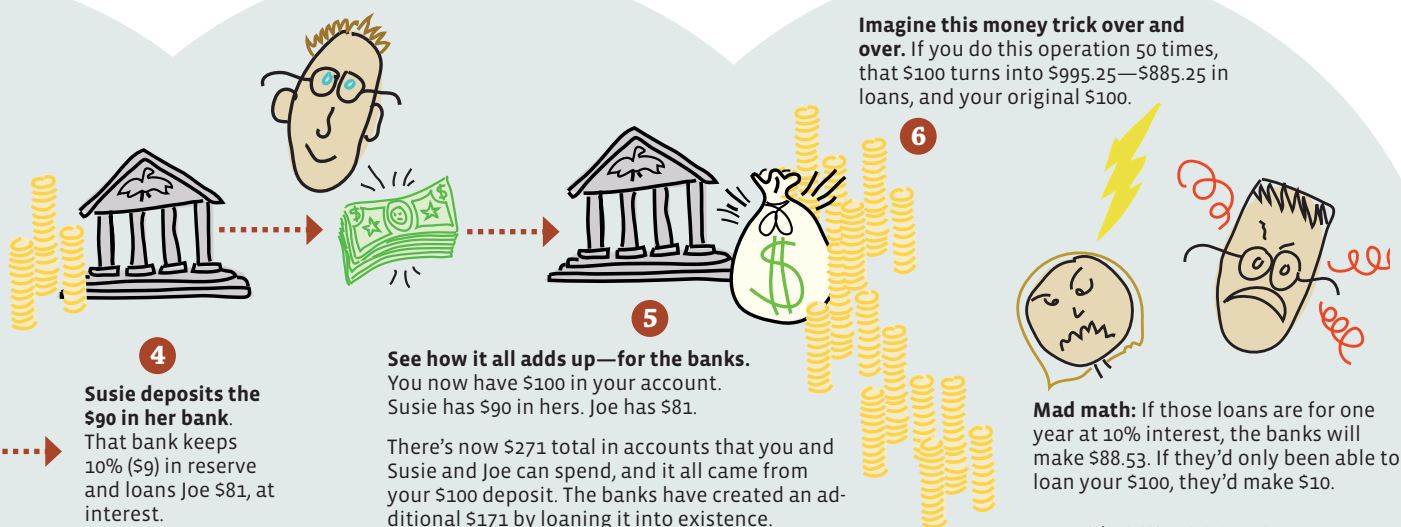
As President Obama struggles with the biggest economic crisis in decades, he may be aware of history. Not only Jefferson, Madison, and Lincoln opposed giving “the money power” to the banks. Woodrow Wilson regretted having “unwittingly ruined my country” by signing the 1913 Federal Reserve Act.

As the cost of reviving the banks’ ownership of our money supply becomes clearer in the coming months, the president may wonder if he should avoid Woodrow Wilson’s regret and take the historic opportunity offered by this crisis to restore the money power to the people. 



James Robertson works for sustainability and monetary reform. He is author of a dozen books, and co-founded The Other Economic Summit and the New Economics Foundation. www.jamesrobertson.com

Read how the public Bank of North Dakota keeps the state in the black. www.yesmagazine.org/bnd



2009 YES! MAGAZINE GRAPHIC



Dollars with Good Sense

Local currencies value time, build community, and keep business moving even when credit dries up



Judith D. Schwartz

Total dependence on one currency is like total dependence on one crop, or, for that matter, a single energy source: there's always the risk that crop failure or a cutoff in supply will topple the whole system. This is the scenario we're seeing now—credit has dried up and unemployment is soaring. In small pockets throughout the world, in rural areas and inner cities, and spots as far-flung as Bavaria and Thailand to Massachusetts and Michigan, people are responding by launching their own currencies. Such monetary renegades are not simply thumbing their noses at

the dollar (or the mark, or the euro, or the baht...) They are making a carefully considered choice to promote the well-being of their communities.

"From the beginning we had two objectives—to promote the region and promote local charities," says Christian Gelleri. In 2003, Gelleri and a group of his students at a Waldorf School developed the Chiemgauer currency in the Lake Chiemsee region of Bavaria, Germany. Since then, some 3 million Chiemgauer notes (equivalent in value to the euro) have been placed in circulation. The currency, accepted by 600 businesses in the region, typi-

cally is spent and spent again 18 times a year—three times more than the Euro. This means that the currency is encouraging trade and cooperation in the region, which keeps the shops and restaurants and artisans active. Think of this faster rate of use (what economists term "velocity") as a kind of reinvestment in the community.

Local currencies can help a community counter some of the problems with conventional money. For example, bank-issued currency tends to flow toward the money centers for investment. If you shop at a chain store, the profit gets whisked out of

Far left, BerkShare board member Asa Hardcastle visits Berkshire Bank in Great Barrington, Massachusetts, to exchange his federal dollars—95 cents for each \$1 BerkShare. Center, a now-common sign around town, this one at Rubi's Cafe. At right, Hardcastle buys food with BerkShares from Rubi's Cafe worker Kate Van Olst.

JASON HOUSTON PHOTOS, JASONHOUSTON.COM



town and into the corporate coffers and then, often, to the speculative market. A local currency stays in the community, encouraging local business and trade, adding value to local products and services, and supporting the local infrastructure.

Reliance on national currency means being at the mercy of the national credit situation. As we've recently seen, credit constriction can paralyze local economies. Despite the availability of goods and the need for business, when there's no money, consumers don't buy. Stores don't sell. Start-ups can't get a toe-hold. An alternative currency gives people another way to buy, sell,

lend, and borrow. If the community creates its own currency, local business can go on even if the supply of national currency dries up.

At the most basic level, currency functions as a means of exchange (I give you a dollar and you give me an ice cream cone), a unit of value (a dollar, pound, etc.) and a store of value (you can hold onto a dollar as it maintains its worth). It's also a source of information about relative value, and about what is needed to keep trade flowing, for instance, by adjusting the supply of money or the exchange rate so that those in other markets can afford your goods.

With local currency, a community can

meet currency needs that the national tender isn't fulfilling. If the idea seems fanciful, there are models up and running—some for many years.

BerkShares

Author and urban activist Jane Jacobs' work was one inspiration for the monetary experiment called BerkShares—considered the best-designed and most successful local currency in the United States, with more than \$2.4 million-worth passing from bank to hand to till and around again since fall 2006. The attractive paper bills—one BerkShare is worth \$1, but is sold into circulation for 95 cents—are accepted at more than 400 businesses in the Berkshire region of western Massachusetts.

Jacobs pointed out that national currencies cover such broad geographical areas that they provide no local feedback. The way our system is now, regions subsidize each other, and weaknesses are not corrected. Local currencies, however, have clear feedback loops so that trade and production imbalances can be addressed more quickly.

As Susan Witt, executive director of the E.F. Schumacher Society, explains, "Whenever a BerkShare must be returned to the bank [instead of recirculated], that means there is not a source or product available locally to fill that business's needs." For example, say a toy store finds itself stuck with the currency. This presents an opportunity for a local craftsperson to provide the store with wooden figures, games, or puzzles to be purchased with BerkShares.

Witt, co-founder of the BerkShares program, took to heart Jacobs' belief that regional economies need their own currencies to grow and thrive. "Businesses are now trading with other local businesses, so that they're sourcing their printing, accounting, and food products locally rather than out of the area," says Witt. "People are getting off Amazon.com and back to the local bookstore and camera store. They like the personal exchanges and the ambiance, so they stay."

The currency belongs to the community, Witt stresses. And its use





» has been a valuable exercise in community empowerment. “The use of BerkShares is educating people on the importance of supporting local businesses. With that comes a sense of empowerment—that people can make positive changes in the local economy. The fact of BerkShares raises questions like: Can we issue currency that is not backed by the U.S. dollar? It’s prompting people to think about other ways of thinking about money.”

On a recent visit to Great Barrington, Massachusetts, I purchased Berkshares at Lee Bank and spoke to Branch Manager Paula Miller, who expressed enthusiasm about the currency. “Customers love it. We’ve gotten to know other businesses better,” she said, adding that it’s always fun when clients recognize the work of local artists who designed the bills. “It makes it a little more real.”

Time Banking

Time Dollars, now used in settings as varied as small towns, retirement homes, schools, and prisons, respond to conventional currency’s limited capacity to measure worth. “Dollars don’t measure value very well,” says David Boyle, a Fellow at the New Economics Foundation in the United Kingdom. They are good, he says, at measuring “the instantaneous value of Microsoft or currencies on the international exchange. But not the value of, say, a local shop, or of me if I’m very old or young. I might have skills, but not those that are conventionally marketable.”

Time Dollars were developed in 1980 by law professor Edgar Cahn, who lamented that crucial work to improve people’s lives—such as child and elder care—is much needed but little valued. He saw that many who could do these tasks were idle and felt useless. To get people economically engaged, Cahn proposed a system where people earn credit according to the number of hours they work. These Time Dollars can then be “cashed in” for services, like yard work, tutoring, etc.

Not only does Time Banking promote

social justice by connecting people, promoting reciprocity, and improving neighborhoods—it has also proved quite versatile: People have exchanged Time Dollars for wool spinning, “rune making,” and having a baby delivered by a midwife. And there’s always an ample supply since no community is going to run out of hours.

TimeBanks USA offers a start-up kit that includes instructions and software for starting a Time Bank anywhere. Rose-Marie Pelletier is working on launching a Time Bank in her town of Pownal, Vermont, an economically diverse rural community of 3,500. At a town meeting, Pelletier looked at the listings of delinquent taxes over recent years and saw that they had increased geometrically. She’s a math teacher, and the numbers spoke to her; she saw the extent to which people were hurting. “People want to help each other—when we know how to do it,” she says. “I see Time Banking as a way of building community, one hour at a time.”

Chiemgauer Regional Currency

Conventional currency excels at serving as a store of value—so much so that use of money for actual trade slows down, leaving some local economies stuck. Coin and paper currencies do not lose value like the products one buys with them can, which makes hoarding and speculation attractive, particularly with the enticement of interest. Argentine economist Silvio Gesell described this phenomenon in 1913 and said that money also should lose value: that it should “rust” or go moldy like other commodities, and suggested a penalty, or demurrage fee, for holding onto it. Nearly 75 years later, then-teenager Christian Gelleri read Gesell’s work and was fascinated. As a high school teacher, he saw the chance to test the model with a local currency. This is how it works: Each quarter, every Chiemgauer bill loses 2 percent of its value. In order to spend the money later, the consumer needs to put a special sticker on the paper currency.

In the beginning, Gelleri got com-

plaints. Then people figured out how to make the model work for them. For instance, one cinema owner said that business went way up at the end of the quarter when people wanted to shed their currency. Increased cash flow at quarter’s end was helpful for accounting, he said. The 2 percent loss, he added, was insignificant compared to the advertising he’d have to buy to secure the same level of customer loyalty he has from accepting the Chiemgauer.

A consumer can exchange euros for Chiemgauers at 50 offices in the region. Three percent of the purchase price goes to a nonprofit the buyer chooses. So far, more than \$100,000 euros have gone to charities such as school athletic programs and environmental groups. The “good cause” component reinforces people’s investment in the currency, and in their community.

Maybe we’re asking national currencies to do too many things. As Thomas H. Greco, Jr. points out in his new book, *The End of Money and the Future of Civilization*, some functions are inherently contradictory: If money is for trading, you want to use it; if money is to store value, you want to save it. Greco and others such as David Boyle say that people could be better served by separating out the functions of money—and using different currencies, depending on whether you are, say, meeting friends at a local café or saving for college.

Back on Main Street in Great Barrington, Matthew Rubiner, of Rubiner’s Cheesemonger & Grocers, says the issue of local currency has shifted quickly from the theoretical to the here and now. “When BerkShares started we talked about what would happen if the economy falls apart and we were really forced to look local.” The economic downturn, he says, has “brought the question into bolder relief.”



Judith D. Schwartz is an author/journalist in Bennington, Vermont now writing about alternative/complementary currencies and localization movements.
www.judithschwartz.com

NEW ECONOMY, NEW WAYS TO DO FINANCE

OLD ECONOMY → Wall Street is the engine that powers our economy.

GET REAL → *Most real economic activity is local.*

OLD ECONOMY → Corporate banks are too big to fail. We need them to keep our economy going.

GET REAL → *Small, responsible banks and credit unions build real wealth in our communities.*

OLD ECONOMY → The smart investor insists on high returns.

GET REAL → *Slow community investments pay back in dollars and quality of life.*

Finance begins with a simple idea—individuals or groups sell shares to investors or borrow money from banks, and use the funds to start businesses, buy land, or build houses, factories, or roads. Investors gain a stake in these ventures; if these companies are publicly traded, investors can buy and sell shares on stock exchanges. But as the small U.S. stock exchanges of the late 18th century grew into the vast institution that is now Wall Street, the relationship between trading and the real economy of goods and services fell apart. We've witnessed what happens when "owners" of businesses have no accountability for outcomes in the real world. Financiers are rewarded for generating short-term profit, even when the investments turn out to be phony or to cause harm. As mega-finance crumbles, many farsighted individuals are putting their money in enterprises and financial institutions that benefit working Americans and the places they live.



STEPHANIE MCMILLAN FOR YES! MAGAZINE



Small Banks, Radical Vision

Local banks can change the world,
one neighborly investment at a time



First National Bank of Orwell, Vermont, is one of the smallest banks in the nation. While bigger banks were suffering last year, First National had one of its best years. Most of the bank's lending is in residential mortgages to Orwell neighbors. And many of those are of a type that larger banks will not issue: mortgages for people who run businesses out of their homes, or who rely on wood furnaces as their primary source of heat, or who saw the timber used to frame homes that they themselves build, often with the help of nearby relatives.

DON SHALL PHOTO
FLICKR.COM/PHOTOS/DONSHALL

Zach Carter

William Spademan is a radical banker. In an era when Wall Street executives frequent talk shows to defend lavish bonuses “earned” through reckless speculation, Spademan has been working to create a new kind of bank that would empower communities instead of enriching a powerful few.

“If you give any community the ability to create and control money, [it] can decide for itself what to invest in ... [and] what needs to be done,” Spademan says.

After spending decades in the non-profit world, Spademan found himself reluctantly turning to the realm of banking in an effort to mitigate economic inequality and assuage poverty.

“I was kind of repulsed by the whole idea of economics and money,” Spademan says. His new banking model is informed by years of community activism. Spademan founded the Center for Peace and Justice in Brunswick, Maine, in the late 1980s and continues to operate a group that provides financial support to nonprofit organizations.

For six years, he has been working to develop a new type of financial institution he calls a Common Good Bank. Spademan's bank combines two common financial structures—a credit union and a public bank corporation—directing the community focus of the former and the profit potential of the latter toward the good of society. It's an ambitious idea that would give communities democratic control over the creation of money and its distribution—restoring public accountability in the financial system, and funding important public projects that have been ignored by Wall Street financiers.

Large banks today tend to be public companies with stockholders spread

all over the globe, especially on Wall Street. The short-term interests of these shareholders are rarely attuned to the well-being of the communities where banks operate.

West Coast financial behemoth Wells Fargo, for instance, has long been considered one of the strongest banks in the world for investors. But its stock price benefited significantly from the billions of dollars the bank raked in from the subprime mortgage boom. Wells Fargo's executives sold these toxic loans off to investors immediately after they had been extended to borrowers, so the bank's books have stayed clean, even though many of the communities it serves have been devastated. In April 2007, the banking giant paid \$6.8 million to settle a class-action lawsuit filed against the company for predatory subprime mortgage lending in California.

It became common for corporate banks to pursue high-risk ventures to turn high profits, despite the fact that it is astonishingly easy to make money in the banking business. Before risky lending was the norm, banking "used to be called the three-six-three business model," according to Lawrence J. White, a senior bank regulatory official during the late 1980s. "You borrow money at 3 percent, you lend it out at 6 percent, and you're on the golf course by 3 p.m.," says White.

Shareholders on Wall Street do not need a bank to make long-term profits; they only need it to garner high returns in the short term. When the stock starts to fall, these speculators can simply sell and move on to other stocks. The pressure on bankers to engage in risky behavior is high, and many banks link executive compensation to the company's stock price, rewarding short-term gains and sacrificing long-term stability.

"We saw what was going on in the industry in the last few years," says Curtis Hage, CEO of Home Federal Bank, a community bank based in Sioux Falls, South Dakota, that specializes in mortgage lending. "It was just intolerable to us."

Hage is no radical. In my half-hour conversation with him, he used the word "conservative" approvingly a total of 22 times. He wasn't referring to theories of international relations; he was talking about straightforward aversion to risk. He never raises his voice. He wears plaid ties. He has never approved a subprime mortgage or a blockbuster merger, and all of his bank's loans are made either in the Sioux Falls area or to people with whom the bank has previously worked. Hage believes the best way to make money is to be responsive to community needs. "If we make a loan to a borrower who can't afford it, we've done no service to them, and we've created no value," Hage says.

Yet Hage still faces pressure from shareholders to make risky loans, expand his operations, or accept a buyout from a bigger bank with no particular commitment or accountability to the Sioux Falls community. Wells Fargo, in fact, owns a stake in Home Federal, and Wells Fargo is far less threatening than some Wall Street hedge funds.

Speculators Keep Out

Spademan thinks he has found the solution to Hage's dilemma. He hopes to lock speculators out of the Common Good Bank business by writing founding documents that require new shareholders to be depositors, and by adopting by-laws that allow each shareholder one vote on how to organize the company's operations. Most corporations grant one vote to each share of stock, a strategy that gives wealthy shareholders more power and allows speculators to rewrite the company's business practices if they purchase a large-enough stake.

Here Spademan borrows from a business model that has thrived in the United States since the Great Depression: the credit union, a democratically governed financial co-op that is owned by its customers.

Michael Sills is the CEO of Evansville Federal Credit Union in Evansville, Indiana, a small collective with about 7,500 members, all with an in-

terest in improving life in Evansville.

"One of our employees here was at church, and she talked to Ruth, who is a social worker here in town, about establishing a house for women who have been through alcohol or drug rehab, a kind of transitional house," Sills said. "So we enlisted our customers and our members to help donate money and do bake sales and car washes—those kinds of things—to generate the money. I think there was a bowl-a-thon, too." Evansville's substance-abuse-recovery home is the kind of project that might not get funding from ordinary financial institutions.

Some credit unions also offer unique, socially responsible loans, like Santa Barbara County Federal Credit Union in California, which specializes in lending for solar energy panels. Interest rates on credit union loans are typically lower than those on bank loans, while credit unions usually pay their depositors more than banks. Credit unions almost entirely missed the subprime explosion.

But there are significant costs to the credit union charter. Credit unions are barred from turning a profit (aside from a small amount to cushion against losses), so Evansville FCU funds its charity work with bake sales rather than earnings. Credit unions cannot sell stock. If they want to grow, they have to rely on the modest earnings cushion they've retained over time to fund any expansion, which makes for a very slow process.

Spademan's Common Good Banks could get around this problem. They would be stock-based corporations, but with strict rules that require them to be governed like a credit union. What's more, Common Good Banks could turn a profit, but they would have to spend it on charitable contributions. Owners of the bank would vote on how to distribute profits to various charities, nominated by the owners themselves.

"Each of the depositors is given 100 virtual pennies, and they have to distribute them among the various organizations," Spademan says. "If you like one organization a lot you could give





TOM GRALISH FOR YES! MAGAZINE

Judy Wicks talks with customers—she lives above the White Dog Cafe in Philadelphia, a restaurant she founded that also serves as a hub for social activism.

My Best Investments are Down the Street

I have always felt uneasy about the stock market. As a longtime organizer and a local restaurant founder and owner, I put nearly all of my money, time, and energy into my local community, rather than into global corporate investments.

When I inherited a few shares of stock from my parents, I moved them into socially responsible investment funds. That way I knew I was not supporting companies that produced weapons or cigarettes, or did testing on animals. But when I looked at my portfolio and saw Wal-Mart among my holdings, I knew the stock market was not for me.

Ten years ago, I sold my stocks and put my entire savings into The Reinvestment Fund, a Philadelphia community investment group that loans money to support affordable housing, local businesses, community centers, and other community needs. I soon discovered that the wind turbines producing renewable energy for our region, including my own home and business, were financed by The Reinvestment Fund. From my local investment, I receive not only a modest financial return (which has now outperformed the stock market), but also a “living return”—the benefit of living in a more sustainable community.

When we invest our savings in a local reinvestment fund, credit union, or locally owned bank, we provide the capital needed to build local, living economies in our regions and receive the benefit of a living return.

Judy Wicks is co-founder and board chair of the Business Alliance for Local Living Economies (www.livingeconomies.org), and founder of the White Dog Cafe (www.judywicks.com).

Read about Judy Wicks and the White Dog Cafe at www.yesmagazine.org/whitedog

» Go virtual pennies to that one, and only five to another. When all the voting is done, you add up all the pennies that all the organizations have been given, and those are the proportions in which the profits will be given out.”

This strategy could dramatically expand a community bank’s local role and influence. It would also give communities control of how money is created and invested, even allowing the bank to fund projects that have no hope of generating a financial return.

“Our money system is so broken that we don’t even see that it’s silly that there are people who are desperate for work while there are jobs that need to be done,” Spademan says. “Things aren’t happening just because we don’t have an accounting system that can deal with it. That’s crazy.”

Spademan faces some significant challenges getting his program off the ground. The recent wave of bank failures has put the federal deposit insurance fund under pressure, and the FDIC has been approving fewer new bank applications. Since Common Good Bank investors will have no hope of earning a significant financial return, Spademan will have a smaller pool of potential start-up capital than ordinary banks and will need committed organizers to assemble depositors.

Fortunately, Spademan appears to be well on his way. Between early March and mid-April, Spademan hired 23 division organizers, each in a different community, to gather the bank’s financing. If he can marshal the capital, Spademan could very well do something radical with the financial system.

Despite all the pressure on Home Federal’s Hage, the survival of his bank proves that a stock-based company can maintain fair lending practices and turn a profit, while the existence of more than 7,800 credit unions in the U.S. proves that democratic finance can work. ♣



Zach Carter writes a weekly blog on the economy for The Media Consortium. His work has appeared in *Mother Jones*, *The American Prospect*, and *The Colorado Independent* and on AlterNet.

Put Your Money Where Your Life Is

AMERICANS WANT TO INVEST LOCALLY. WHAT'S STOPPING THEM?

Michael Shuman

The Obama Administration believes that the best way to repair our financial system after the Great Crash of 2008 is to improve the performance and oversight of global banks and investment firms. A growing number of Americans, however, would prefer to pull their retirement savings out of these high financial fliers altogether. They would rather invest in their communities. The problem is, they can't. Outdated federal securities laws have left Main Street dangerously dependent on Wall Street, and overhauling these regulations turns out to be a hidden key to economic revitalization.

There are two reasons Americans increasingly wish to invest in locally owned businesses. First, they understand that these businesses are the real pillars of a prosperous, sustainable economy. A growing body of evidence suggests that every dollar spent at a locally owned business generates two to four times more economic benefit—measured in income, wealth, jobs, and tax revenue—than a dollar spent at a globally owned business. That's because locally owned businesses spend more of their money locally and thereby pump up the so-called economic multiplier. Other studies suggest that local busi-

nesses are critical for tourism, walkable communities, entrepreneurship, social equality, civil society, charitable giving, revitalized downtowns, and even political participation.

Second, many Americans no longer believe Wall Street's assertions that a global, publicly traded corporation is the safest place to invest their savings. According to data in *Statistical Abstract*, sole proprietorships (the legal structures chosen by most first-stage small businesses) are nearly three times more profitable than C-corporations (the structures of choice for global businesses). Moreover, a bunch of >>



Community Investment: It's Classic

The appeal of investing in your own community isn't new. If you've seen the 1946 film, *It's a Wonderful Life*, you've witnessed Jimmy Stewart's heroic speech to stave off a bank run on the Building and Loan Association. (It goes something like this: "I don't have your money, George! It's in Harry's house! And Martha, your savings let the Wilsons build their house!") Half a century later, you can still put your dollars in a local bank or credit union that invests in your town or region. And though federal regulations limit community-scale stock purchases, there are several other ways to revive the old classic—community investment.

➔ Support Community Enterprise

If you've ever bought a share in a local farm's harvest, you've participated in Community Supported Agriculture (CSA). Now consider Community Supported Enterprise (CSE). In a CSE, your up-front investment in, say, a woodworking shop earns furniture purchases over a period of time. For instance, in Morrisville, Vermont, a CSE saved a local restaurant from going out of business: Each CSE member gave the owner \$1,000, and received \$90 restaurant coupons every quarter.

➔ Bank on Small Businesses

Members of the Self-Help Association for a Regional Economy (SHARE), a program of the E.F. Schumacher Society, can direct their bank deposits toward loans to local businesses of their choice. Members have lent to businesses like "Rawson Brook goat cheese ... or Marty's Washing Machine Repair Service," says the SHARE website. Members often know their borrowers by name.

➔ Invest in Community Loan Funds

Community loan and redevelopment funds offer the chance to finance community projects in your region. For instance, Vermont Community Loan Fund (vclf.org) provides loans and grants for affordable housing, community facilities, local businesses, child care programs, and other enterprises "that benefit lower-income Vermonters." Investors get an interest rate that usually lags a little behind mainstream investments, though it looks generous by current standards.

Jeff Golden is the author of *Unafraid: A Novel of the Possible*, www.unafraidthebook.com.
More ideas for sustainable investment at www.YesMagazine.org/golden



» global trends, like rising energy prices and the falling dollar, are making local businesses increasingly competitive. Meanwhile, Americans are shifting their spending from goods to services, a trend that promises to expand the local business sector, since most services depend on direct, personal, and, ultimately, local relationships.

Locally owned businesses currently generate half of the private economy,

One easy reform would be for the SEC to allow low-risk public ownership of locally owned microbusinesses. By *low-risk*, I mean that no person can hold more than \$100 worth of any one stock—which means that we’re freeing up people to engage in the risk equivalent of a nice dinner for two. By *local ownership*, I mean that stock shares can only be bought, held, and sold by residents within a state. And by *microbusi-*

These new community-based funds and investments, of course, need to be overseen to prevent fraud and ensure accountability. But since all these activities are intrastate, these new rules can be left to the existing securities departments in the 50 states. Once state-level laws are put into practice, many of the absurd requirements of the SEC—like expensive audits and lengthy legal filings—may finally disappear.

Were these reforms enacted nationally, literally trillions of investment dollars could begin to move into the local business economy.

in terms of output and jobs. Add in other place-based institutions—non-profits, co-ops, and the public sector—and we’re talking about 58 percent of all economic activity. So in a well-functioning financial system, we’d invest roughly 58 percent of our retirement funds in place-based enterprises.

Yet local businesses receive none of our pension savings. Nor do they receive any investment capital from mutual, venture, or hedge funds. The result is that all of us, even stalwart advocates of community development, overinvest in the Fortune 500 companies we distrust and underinvest in the local businesses we know are essential for local vitality. This situation represents a colossal market failure.

The good news is that much of the problem could be solved by modernizing securities laws. Today these laws place huge restrictions on the investment choices of small, “unaccredited” investors—a category in Securities and Exchange Commission vernacular that includes all but the richest 2 percent of Americans. The regulations prohibit the average American from investing in any small business, unless the business is willing to spend \$50,000 to \$100,000 on lawyers to prepare private placement memoranda or public offerings—thick documents with microscopic, all-caps print that no human being has ever actually been observed reading.

nesses, I mean any business with a total stock valuation on issuance of under \$250,000.

This legal reform would be even more effective if supported by a few others:

Micro-investment funds. Let’s allow small investors to pool their money in backyard investment funds (again, up to \$100 per person) that in turn create diverse portfolios of local stocks. (Only the rich can invest in such funds now.)

Co-op investment funds. Let’s allow cooperatives, most of which are owned by workers or consumers in a single community, to set up investment funds empowered to make local investments on behalf of their members. (Currently, they can only invest members’ capital in businesses owned and run by the co-op itself.)

Local stock exchanges. Let’s allow private companies to facilitate local trading of microbusiness stock electronically, like Prosper.com and Kiva.org do for microloans. (The SEC now bans small, electronic exchanges like these from trading equities.)

Pension fund participation. Let’s allow any pension fund that places as much as 5 percent in local securities, either directly or through micro-business investment funds, to meet legal standards of “fiduciary responsibility.” (Current regulations define the term in a way that directs virtually all such investments to global companies.)

Were these reforms enacted nationally, literally trillions of investment dollars could begin to move into the local business economy. Entrepreneurs, hungry for new capital in the post-meltdown credit crunch, will begin to restructure their businesses to receive microcapital. Investors terrified of betting all their money in the global casino will start shifting their investments to local businesses they know, trust, and can visit and “ground-truth” with tough questions.

The result will be a nation of stronger local economies, with American investors placing more and more of their money into backyard businesses rather than into the untrustworthy hands of distant speculators.

Finally, there are two other compelling features about these ideas. First, they cost nothing. And second, the experimentation opened up at the state level will invite all kinds of grassroots engagement and inventions. Instead of spending billions more in federal taxpayer dollars to prop up dubious big financial institutions, why not create a system that’s more stable, safe, lucrative, and democratic—for free? 🗣️



Michael Shuman is director of research and public policy for the Business Alliance for Local Living Economies (livingeconomies.org) and author of *The Small-Mart Revolution: How Local Businesses Are Beating the Global Competition*

(Berrett-Koehler, 2007).

NEW ECONOMY, NEW WAYS TO WORK

OLD ECONOMY → Well-run businesses require a hierarchy of highly paid executives.

GET REAL → *Worker co-ops are efficient and democratic, and workers keep the profits.*

OLD ECONOMY → The freedom to do ecological damage improves the business climate.

GET REAL → *If we destroy the environment, there is no business ... or climate.*

OLD ECONOMY → Large corporations are efficient, innovative, and create jobs.

GET REAL → *Locally rooted small- and medium-sized businesses create the jobs and innovations we need.*

Do you want new jobs in your community? With layoffs and businesses closing, who doesn't? The standard formula is to offer big corporations subsidies and tax breaks. Throw in lax environmental and labor standards, and you may win the new-jobs sweepstakes—until another city offers a better deal. There's another way—build your economy from local assets. Worker co-ops, in particular, are enjoying a resurgence. The Mondragón cooperatives in Spain started up to provide jobs during an economic slump; today, they employ 100,000 worker/owners. In the South Bronx, a new green worker co-op is reselling salvaged building materials. In Cleveland, co-ops will soon be servicing the city's most stable employers—hospitals and colleges. These businesses employ the poor and keep jobs local. Many have a distinctly green tinge. Instead of flying off to distant shareholders, the profits go to the worker/owners who keep them circulating close to home.



STEPHANIE MCMILLAN FOR YES! MAGAZINE



Worker Co-ops

GREEN AND JUST JOBS YOU CAN OWN

James Trimarco & Jill Bamburg

Difficult times call for creative strategies. Time and again during periods of economic hardship and market failure, cooperatively owned businesses have emerged as a democratic, grassroots, and DIY response. It happened during the economic upheavals of the 19th century and again during the Great Depression.

Today, as the current economic crisis deepens, co-ops are again coming to the fore as producers and consumers seek stable sources of employment, goods, and services. There are no easy numbers to quantify this growth, but signs of a new upsurge are becoming clearer. The farmer-owned agricultural cooperative Land O'Lakes, for instance, chalked up its strong performance in 2008 to its co-op status.

Others, especially the recently laid off, want in on the action. Melissa Hoover, the executive director of the U.S. Federation of Worker-Owned Cooperatives, says that over the past year her organization has seen "a spike in calls requesting technical assistance, information, and loans to start a co-op." Adam Schwartz at the National Cooperative Business Association echoes that and adds that he's seen especially strong growth in food co-ops. These are "traditionally

Omar Freilla wants to see worker co-ops, like ReBuilders Source, everywhere.

ReBuilders Source, owned and operated by workers from the South Bronx, sells salvaged building materials that would otherwise be destined for a landfill.

ERICA MCDONALD FOR YES! MAGAZINE



GREEN WORKER COOPERATIVES

New York City

an urban phenomenon,” he says, “but now we’re also seeing it in small towns in Indiana or Colorado.”

Another sign of growth is the rise of the co-op internet suffix. The .coop domain, which can only be used by active cooperatives, has gained 5,800 addresses since its inception in 2000.

Nonprofits Take the Lead

The pattern of co-ops proliferating in tough times seems to be repeating. Yet the current upsurge is not identical to the ones that came before. While political parties or social movements spearheaded earlier surges, nonprofits are taking the lead today. “I think it’s really telling that the growth is coming from the nonprofit sector,” Hoover says, because “social movement energy has been funneled into nonprofits.”

Consider the case of Green Worker Cooperatives, a nonprofit created by South Bronx native Omar Freilla. Through his organization, Freilla aims to cultivate a whole network of worker-owned green businesses in his hometown, the traditional dumping ground for New York City. The first of these co-ops, ReBuilders Source, began operations last year as a discount retailer of used and surplus building materials. The idea is to provide an alternative to the landfill for some of the 1,900 tons of construction waste that pass through the South Bronx every day.

Freilla seeks not only to cut waste but also to incubate an attitude of self-sufficiency. “I’ve seen a great deal of personal growth among the four members of ReBuilders Source,” he says. “There is something very real and very different about not just being your own boss, but being your own boss together with other people.”

ReBuilders Source is only the beginning of Freilla’s vision, which is to see worker co-ops everywhere in the South

Bronx. And other nonprofits are working for the same thing. An organization in Brooklyn called The Center for Family Life has founded three co-ops since 2006 that focus on cleaning, home-repair, and child care. And in Cleveland, a partnership among local nonprofits, hospitals, and a university has helped to organize the Evergreen Cooperative businesses, poised to become the largest family of co-ops in the country (see page 44).

Worker-owned cooperatives such as ReBuilders Source are one of four different types of cooperative, each of which addresses a particular shortcoming of the mainstream economic system.

Worker-owned cooperatives like ReBuilders Source and the Equal Exchange coffee company offer workers more control over decisions and allow them to share in the profits. Producer cooperatives such as Sunkist, Land O’Lakes, and Organic Valley share processing and marketing costs to get better prices in commodity markets. And purchasing cooperatives like Ace and True Value pool their buying power to get lower prices.

Consumer cooperatives, though, constitute the great majority of co-op memberships in the United States. This type ranges from the tiniest cooperative grocery stores, day-care services, and housing projects to huge credit unions, utilities, retailers, and financial service companies. Each one allows consumers to reduce their costs and achieve social and environmental benefits by owning the firms that supply them with goods and services.

Credit unions in particular represent one of the steadiest sources of growth for the co-op movement. This should come as no surprise, as financial security is essential to the livelihood of families, and credit unions generally opt

for sound long-term investments over the financial shenanigans that recently brought down a slew of private banks in a domino-like cascade.

So while the number of individual credit unions has fallen since 1969, membership and total assets have grown consistently over the same period. Studies by the Credit Union National Association show that the number of credit union members in the U.S. doubled to about 89 million over the past 30 years, while total credit union assets doubled to a whopping \$825 billion in just 10 years.

While credit unions represent a particularly successful part of the co-op sector, a new study by the University of Wisconsin’s Center for Cooperatives points to a long-term gradual growth throughout the movement. There are now almost 30,000 cooperative businesses in the U.S., and they generate about \$500 billion in revenue and \$25 billion in wages. The Center also found 350 million co-op memberships, with all but 10 million of them in consumer cooperatives.

More Than Money

The cooperative model presents a stark contrast with conventional corporations, and not only in terms of its financial stability. Co-ops offer shared ownership and democratic control. Those who benefit from the enterprise own it, and own it as equals: one member, one vote. The purpose of the enterprise is to benefit its members, not to use their economic activity as the basis for someone else’s returns.

Most co-ops also embrace the seven principles spelled out by the International Co-operative Alliance (ICA):

- Voluntary and open membership
- Democratic member control
- Member economic participation
- Autonomy and independence
- Education and training
- Cooperation among cooperatives
- Concern for community

As Ivano Barberini, president of the ICA, observed in a March 2009 “Open Letter to the Governments of the G20,” >>



» this model presents a true and viable alternative, a “secure, stable and sustainable model of business owned and controlled by 800 million people worldwide.”

Building a Movement

Co-ops are attractive for their economic stability and their enlightened principles. Yet there are obstacles to their continued growth. Co-ops, like other democratic institutions, can be messy, slow, conflicted, and political. In addition, cooperatives have historically had difficulties accessing capital through conventional sources of either debt or equity. And there is a huge ongoing need for education aimed at helping members sharpen their business and management skills, while deepening their understanding of and commitment to co-op values.

Dedicated boosters of the co-op movement are striving to tackle these dilemmas. On the problem of capital funds, for instance, the National Cooperative Business Association is about to launch a cooperative equity fund, in which people would be able to invest money to help co-ops grow. Cleveland’s Evergreen businesses are launching a fund designed to do the same thing on the local level.

Despite the difficulties, co-ops seem like an idea whose time has come—again. In purely economic terms, they neatly align the interests of ownership, production, and consumption in a way that investor-led capitalism does not. And they firmly ground those economic interests in the larger field of social welfare and democratic values. Cooperatives are not a panacea. In fact, they are likely to be far more difficult to run than the top-down, single-bottom-line focused companies of the 20th century. But they offer us several hundred years of experience that may better guide us in the 21st. **v**

James Trimarco is a YES! consulting editor and freelance writer. **Jill Bamburg** is a co-founder and member of the core faculty at the Bainbridge Graduate Institute and a member of the board of the Positive Futures Network, publisher of YES! Magazine.

MONDRAGÓN

Basque Country, Spain



WWW.EROSKI.ES PHOTO

Spain’s Eroski grocery stores are Mondragón’s largest cooperative.

WHEN WORKER-OWNERS DECIDE HOW TO RIDE OUT A DOWNTURN

Georgia Kelly & Shaula Massena

It has become a sadly familiar scene. Hard times force a company to downsize, and some people will have to lose their jobs. Or will they?

The Mondragón Cooperative Corporation (MCC), the largest consortium of worker-owned companies, has developed a different way of doing business—a way that puts workers, not shareholders, first.

Here’s how it played out when one of the Mondragón cooperatives fell on hard times. The worker/owners and the managers met to review their options. After three days of meetings, the worker/owners agreed that 20 percent of the workforce would leave their jobs for a year, during which they would continue to receive 80 percent of their pay and, if they wished, free training for other work. This group would be chosen by lottery, and if the company was still in trouble a year later, the first

group would return to work and a second would take a year off.

The result? The solution worked and the company thrives to this day.

The central importance of workers permeates every aspect of the Mondragón Cooperatives. Even though the MCC businesses are affected by the global financial crisis, there is no unemployment within the MCC businesses. People are moved around to other jobs, or hours are cut without cutting pay. The wages for unworked hours are to be repaid through extra hours worked later in the year.

Contrary to what some advocates of top-down management say, this worker-centered focus hasn’t been an obstacle to growth. Founded in 1956 by Father Don Jose Arizmendi, a Basque Catholic priest, the Mondragón cooperatives today comprise more than 100 cooperatives, as well as more than 100

subsidiaries that MCC has purchased and hopes to convert. Altogether, MCC companies employ more than 100,000 worker/owners and in 2007 generated revenues of more than \$24 billion.

This empire of egalitarianism grew from humble roots. Father Arizmendi brought together the residents of this Basque community through study circles and workshops. His aim was to confront high levels of unemployment that kept the region in poverty and isolation. The philosophy that emerged from those meetings put the rights and well-being of workers first, with growth mainly aimed at providing additional jobs and job security to employees.

These principles drive everyday practice at MCC companies. For instance, while most businesses determine voting power based on how many company shares a person owns, MCC cooperatives allocate each worker one vote. They also stick to an egalitarian pay scale—top management is rarely paid more than six times the lowest-paid worker. Profits and losses are distributed among all the members equitably because their efforts together determine the success of the company.

Co-op Entrepreneurs

At the same time, the MCC has never lost sight of the fact that it can't generate high-quality well-paying jobs, without innovation and creativity.

To that end, MCC managers in 1981 founded SAIOLAN, an incubator program that aims to create new companies and products by bringing together would-be entrepreneurs with identified needs, and helping out with feasibility studies and prototypes.

The result has been rates of innovation that challenge those of the world's most successful corporations. A Mondragón firm manufactured Spain's first computer chips, for example. Others are producing wind, solar, and hydrogen power. New business opportunities in health and food, communications, and alternative energy are now being researched, as well as shared housing for elders and furniture convenient for older people. The company estimates

that fully a quarter of the products its cooperatives will make in 2012 are not yet in production.

SAIOLAN also offers budding entrepreneurs coaching, technical resources, funding, and help with business plans. To date, it has helped 285 entrepreneurs create their own companies and many others to develop their ideas within existing co-ops.

Capital & Globalization

Not surprisingly, running a huge cooperative involves a host of challenges. One that has been with MCC from the start is the difficulty of raising capital to start new businesses. Without capitalists to own the companies, there's no obvious source for the big money required to get a business off the ground. Worker-members do buy into their jobs, but it doesn't generate enough capital to start up a brick-and-mortar business like manufacturing.

The MCC developed a unique solution: Starting with the first affiliated cooperative 50 years ago, workers' shares of company profits have been paid into capital accounts that stay within the company until the workers retire.

The funds were originally pooled in the *Caja Laboral* bank, owned by MCC member businesses. These accounts are now managed by MCC, and the bank operates as another member cooperative, with 389 branches located in all parts of Spain. The bank's entrepreneurial division creates new businesses and offers microcredit to young people in the Basque region to assist them in developing businesses.

As the co-ops have spread to other parts of Spain and abroad, the percentage of workers who are also owners has fallen. Approximately 9 percent of employees are not worker/owners—most from outside of the Basque region. Many of them work in Eroski, the largest supermarket chain in Spain. These workers will soon have an opportunity to become owners, however. At the January 2009 General Assembly of the MCC, the decision was made to open membership to non-

Basques in other regions of Spain, and these workers are now being invited to join as worker/owners.

To keep supplier contracts with global partners and avoid import tariffs, Mondragón has purchased local subsidiaries in countries such as China and Brazil. These relationships have strengthened local employment but created a new problem: a growing body of international non-member workers. Cooperatives with foreign subsidiaries are experimenting with ways to ensure good working conditions and extend the principles of employee participation in management, profits, and ownership. But to date, the co-ops have not found a way to offer full membership to the workers in the international subsidiaries.

A New Way of Life?

One of the first things you notice while driving from the Bilbao Airport toward the town of Mondragón is the unspoiled beauty of the countryside—rolling green hills uninterrupted by billboards, and smooth roads untarnished by potholes.

The town of Mondragón, population 23,000, is solidly middle class. There were neither mansions on the hill nor poverty in the streets. We didn't see wealth but everyone had a comfortable place to live, healthy food to eat, and the comfort of modern conveniences. Equally noticeable was their convivial, even joyful sense of community. The people we met were friendly, conversational, and trusting.

Mondragón is proof that a commitment to the common good is not an obstacle to commercial success. Instead, a dedication to innovation and training at all levels can bring forward the best of the community. That quality of life continues outside the workplace, multiplying the benefits for those who choose a cooperative path. **Y**

Georgia Kelly is the founder and director of Praxis Peace Institute and the organizer of a tour of the Mondragón Cooperatives (Fall 2008). **Shaula Massena** does research and consulting about socially responsible investing and small business finance. She joined Kelly on the tour.



EVERGREEN COOPERATIVES
Cleveland, Ohio

HELP WANTED:
GREEN BUSINESSES SEEK WORKER-OWNERS.
WALK TO WORK. GOOD BENEFITS.



THE CLEVELAND FOUNDATION

**Ted Howard, Steve Dubb,
and Gar Alperovitz**

This June, the doors will open at the Evergreen Cooperative Laundry, a state-of-the-art, nearly \$6 million facility in Cleveland, Ohio.

What's so special about this laundry? In a word, ownership. The business will be 100 percent owned by its 50 employees, virtually all of whom live in the surrounding community. Life is tough in this neighborhood, where the poverty rate exceeded 30 percent and thousands of homes lay stripped and abandoned even before the current recession began.

In the midst of this urban distress, the Evergreen Laundry employee-owners will earn a living wage and health benefits. As members of the co-op, they will enjoy greater job secu-

In Cleveland's University Circle neighborhood, the university and hospitals invested in worker-owned enterprises that could supply them with such services as laundry and energy. Their investment also brings good paying jobs and a more stable economy to nearby neighborhoods.

urity than workers at more traditional businesses, and, after seven years on the job, they will have built an ownership stake of as much as \$65,000.

The laundry is the flagship of a wider network of Evergreen Cooperative businesses, part of an effort to transform the quality of life for Cleveland's low- and moderate-income residents.

While its planners—the Cleveland Foundation, the Ohio Employee Ownership Center at Kent State University, ShoreBank Enterprise and others—

drew on experiences gained in cities around the country, the Evergreen initiative represents some important firsts. It is the first attempt to bring together the economic power of "anchor institutions"—universities and hospitals, in this case—that have a long-term commitment to the city. Instead of luring outside corporations with promises of tax breaks and lax standards for labor and environmental practices, the Evergreen strategy develops home-grown worker-owned enterprises that can offer ongoing services to these anchor institutions.

This represents the first significant effort to create green jobs that not only pay a decent wage, but also build assets and wealth for employees, since they are not only workers, but also owners. If successful, this initiative could become a national model.

Solar Cleveland

Later this summer, Ohio Cooperative Solar (OCS) will begin installing solar panels on the roofs of the city's biggest nonprofit health, education, and municipal buildings. These institutions will lease their roofs to the employee-owned energy co-op, and in turn will purchase electricity from OCS. Within a few years, OCS and its worker/owners will own and reap the income from the largest installation of solar panels in the Midwest. The long-term goal is to develop a workforce capable of carrying out similar installations throughout the state.

Another co-op will advance large-scale urban agriculture—something missing in an area that spends

\$7 billion on food shipped in from California, Arizona, and even Hawai'i.

Evergreen City Growers will build and operate a year-round hydroponic greenhouse located in the heart of Cleveland capable of producing more than 3 million heads of fresh lettuce and nearly 1 million pounds of basil per year. The company will employ about 50 local low-income residents.

That Cleveland may become a center of an innovative, green, wealth-sharing economy is especially remarkable because the city has been one of the hardest hit by the flight of capital and jobs. Cleveland was once home to major steel producers and auto-makers, and at its peak in 1950, it was the nation's fifth-largest city, with a population of 915,000.

Today, the population is 440,000 and falling. Cleveland is among the five poorest cities in America. There are at least 15,000 vacant buildings in the city and more than 3,300 acres of vacant land.

Is there a future for older industrial cities like Cleveland? That was the question Ronn Richard, president of the Cleveland Foundation, asked himself when he was appointed in 2003.

The answer, he and his colleagues concluded, lay in building on the city's most significant assets: the network of health care, higher education, and cultural "anchor institutions" that are a legacy of the city's once-strong manufacturing base. The university and hospitals are prominent among them.

These institutions together purchase many billions of dollars of goods and services, and they are among the only institutions still growing. Because they are rooted in place, they have a self-interest in ensuring their surrounding neighborhoods are safe, healthy, and vital communities.

"If we could work with these institutions, particularly in helping them focus their business and investment practices locally, we could create economic energy and opportunity for local residents," he says.

Thus was born the Greater University Circle Initiative, which includes

the Cleveland Clinic, University Hospitals, Case Western Reserve University, and a number of other health and cultural institutions in the city.

The Evergreen Cooperatives represents the Initiative's best bet for Cleveland's future, and other stakeholders are getting on board. Local foundations, hospitals, nursing homes, banks, a university, and City Hall are each investing in the Evergreen network of community- and worker-owned enterprises. These co-ops are structured to serve the anchor institutions' ongoing needs for laundry services, energy, food, janitorial services, records retention, and so on. The goal is to create jobs and wealth within the city, multiply the impact of local dollars by keeping them in the community, and regenerate the local economy, particularly in the city's most distressed neighborhoods.

Evergreen companies will hire and train employees from low- and moderate-income neighborhoods for jobs in the cooperative enterprises. A local nonprofit specializing in workforce development is recruiting workers through church and other networks. More than 90 neighborhood residents—some who have been laid off during the current recession, others who have been underemployed for years—attended the first community hiring meetings. Some of these men and women will become the first Evergreen employee-owners.

By linking green jobs to wealth creation, Evergreen is pioneering a new approach to organizing the green economy. After all, if green jobs are good, isn't a green job you "own" even better?

Green Jobs You Own

The Evergreen businesses are aptly named: all aim to be environmentally sustainable. The Evergreen Laundry, for instance, will be the greenest commercial-scale laundry in Northeast Ohio. The cooperative plans to construct its building to LEED silver certification standards, and it will use energy-efficient washing machines and dryers along with processes to reuse waste heat and water.

These green features give the cooperatives a competitive advantage. Most of the city's anchor institutions are committed to decreasing their carbon footprints, and doing business with the Evergreen enterprises will help them deliver on their goals.

These co-ops are a good start, but there are many people in Cleveland who need good, stable employment. So the issue of "moving to scale" is central to Evergreens' economic development strategy. Put simply, how do you move from 50 jobs to 500, and then to 5,000?

Access to capital is the key to expanding impact. In Cleveland, the Evergreen Cooperative Development Fund was formed to provide seed financing for the next generations of worker cooperatives. The Fund is modeled in part on Spain's Caja Laboral bank (see page 43), with initial funding from foundations. But as they grow, the Evergreen co-ops will be an increasingly important source of funding for other co-ops; each will dedicate at least 10 percent of their pre-tax profits to the Fund to help build the cooperative network.

Cleveland Mayor Frank Jackson probably speaks for many mayors when he says: "In these tough economic times, our cities need not only good jobs, but ways for working people to build up their family assets and wealth. Why shouldn't all of our citizens have access to meaningful jobs in workplaces where they can own a piece of the company and participate in the company's direction?"

Matching words to deeds, this spring the mayor's Department of Economic Development became an "investor" in the Evergreen Cooperative Laundry with a low-interest loan of \$1.5 million. ♾

Ted Howard is the executive director of The Democracy Collaborative at the University of Maryland.

Steve Dobb is the senior research associate of The Democracy Collaborative. **Gar Alperovitz** is the Lionel Bauman Professor of Political Economy at the University of Maryland and the author of *Unjust Deserts*. The Democracy Collaborative worked with the Greater University Circle Initiative on the development and implementation of this economic development strategy. www.Community-Wealth.org

HOW TO MAKE IT
WITH LESS, SHARE MORE,
AND PUT PEOPLE AND
THE PLANET FIRST

Sarah van Gelder



AT HOME

- 1 Rent out a room in your home**, or swap space for gardening, child or elder care, or carpentry.
- 2 Buy less** so you can buy higher quality. Buy from companies that “internalize” costs by passing along to you the cost of living wages, low carbon footprints, or organic production.
- 3 Take your money out of predator banks** and put it into a credit union, local bank, or an institution like Shorebank Pacific that supports sustainable businesses.
- 4 Pay off debts.** Try life without credit cards.
- 5 Downsize your home** and shrink your mortgage.
- 6 Fix things.** Mend clothing, repair the vacuum, fix the car—instead of replacing them. Or give them away on Freecycle.org.
- 7 Invest with passion.** Know where your money is and what it’s up to. Go for a *living return* that builds your community (see page 36). Or invest in tangible things like a pre-paid college fund or a piece of land.
- 8 Shorten the supply chain.** Pick the wild greens and extra fruit growing in your neighborhood. If you can’t do that, then buy direct from a farmer. If you can’t do that, then look for local produce in season at your locally owned grocers.
- 9 Support other people’s local economies** by urging your representatives in Congress to cancel debts to poor countries (see www.jubileeusa.org).
- 10 Find a place, put down roots**, and stay put. Get to know people from other generations. Turn off the TV and talk to friends and neighbors.
- 11 Support local green businesses** rather than distant energy conglomerates by insulating your house, upgrading windows, and installing solar.

JEREMY MAYES ILLUSTRATION, ISTOCK.COM



Jump Start the Local Economy



TOGETHER WITH FRIENDS

- 12 Form a dinner club** and hold a weekly potluck, or trade off cooking and hosting.
- 13 Dip your toe in the barter economy.** Check out Craigslist's "barter" category, and learn what WTT means (Willing To Trade). Even better, ask the guy at work who makes micro-brews to trade a sixpack for a dozen of your chicken's eggs.
- 14 Get together with coworkers** and start a list of things you can do at work. For example, buy fair trade coffee, change to energy-efficient lighting, or carpool.
- 15 Start a Common Security Club** in your faith community or neighborhood to help folks cope in the crisis and act together to create the new economy (www.commonsecurityclub.org).
- 16 Exchange care of children and elders.** Better yet, bring the generations together and support each in offering love and care to the others.
- 17 Pool funds** with a group of friends for home repairs, greening projects, or emergencies.
- 18 Do home work parties.** Each month, go to a different household to do major home greening, a garden upgrade, or some deferred maintenance.
- 19 Keep more people from becoming homeless** by challenging evictions and occupying vacant homes.
- 20 Create a space at a farmers market** to exchange or sell used clothes, electronics, games, CDs, plants, seeds, compost, and books. Encourage people to swap services, too, like haircuts, photography, or prepared dinners.
- 21 Reach out** to groups that are organizing people on the front-lines of the crisis, like Jobs with Justice (www.jwj.org) and Right to the City (www.righttothecity.org).



IN YOUR COMMUNITY

- 22 Link up people looking for job skills** with people who can offer apprenticeships.
- 23 Start a local currency** or time dollar program to help link needs and offerings, those with time and those starved for time (see page 30).
- 24 Use publicly owned lands** for community gardens, farmers markets, business incubators, community land trusts (with affordable housing), community-rooted grocery stores.
- 25 Hold on to the local businesses** you already have. Help retiring entrepreneurs sell to employees or other locals.
- 26 Create a car, kayak, and electric pick-up truck co-op** to save money and carbon, and provide access to a variety of vehicles.
- 27 Create or join a chapter of the Business Alliance for Local Living Economies (BALLE)** or similar groups. Work together to find services or products you could substitute for imported ones, local assets you can build on, and ongoing institutions that could be serviced locally (see page 44).
- 28 Start a community bank, loan fund, or credit union** to invest in local well-being, or encourage existing ones to rethink their lending (see page 34).
- 29 Declare an end to corporate personhood** in your community. Barnstead, New Hampshire did, and, more recently, three communities in Maine have done it (see page 6). You can too.
- 30 Hold a weekly dinner for the hungry.** Ask those who attend to help serve food at subsequent dinners. (Having an opportunity to give is important for everyone's dignity).
- 31 Keep your energy dollars circulating locally.** Launch a clean energy cooperative to install wind turbines or solar roofs (see page 44), and to weatherize homes and businesses.

www.YesMagazine.org/posters
to buy or download a poster

ISSUE 50



Age-Old Wisdom

REBECCA ADAMSON OFFERS NATIVE AMERICAN
VIEWS ON SCARCITY, WALL STREET,
AND HOW TO THRIVE EVEN IN HARD TIMES.



for the New Economy

Interview by Sarah van Gelder

Indigenous peoples have known hard times. There are signs of drought, crop failure, and forced migration over the millennia, and of course these peoples survived centuries of colonialism. When we were looking for some wisdom on building a new economy, I immediately thought of Rebecca Adamson. Native peoples have developed societies that function within ecological limits and counter the tendency of societies to polarize between rich and poor, powerful and excluded. Adamson, a Cherokee, is founder of First Nations Development Institute and First Peoples Worldwide. She works globally with grassroots tribal communities, sits on the boards of the Corporation for Enterprise Development and the Calvert Social Investment Fund, and is an advisor to the United Nations on rural development.

Sarah: When you look ahead at the coming months, perhaps years, of economic downturn, what do you see coming, and what does indigenous experience teach us about what we should be doing?

Rebecca: I've gotta say, it's about time the bubbles burst. I don't want to see anybody without a home or a job, but Wall Street had to come to reality sooner or later. I just wish they were taking the brunt of it instead of Main Street.

President Obama assumes that through more spending we can stimulate the financial sector. But why would we want to save something that had no productivity for human life? Until we move away from that paradigm, I don't hold out too much optimism for the next months, or the next years, or even the next seven generations.

What indigenous experience tells us is that an economy is about fairness and equity. It should be for the well-being of your people and the sacredness of creation. You take care of your place because it provides for you. And the place provides for you because

you're protecting it. We have to begin to rethink our economic system so that it's accountable for our place.

Sarah: So what is an economy for?

Rebecca: The economy used to be about livelihoods and the provision of a household, but we've lost that purpose. We have created an economic system with a goal of material wealth, rather than human development.

We need an economy that provides for people. It has to be fundamentally, radically brought back into control and harnessed for the well-being of society. Not for making money, but for making dignified livelihoods and for the betterment of community.

Sarah: It seems to me that there's a tendency in any society for wealth to concentrate—if you have a little bit more than someone else, you can use that little bit of additional power to get even more than others. How do indigenous societies counter that?

Rebecca: An indigenous system is based

on prosperity, creation, kinship, and a sense of *enough-ness*. It is designed for sharing. Potlatches, give-aways—these involve deliberately accumulating wealth as a person or as a family or as a clan for the sole purpose of giving it away. The potlatch or the give-away takes place at very specific times of life—birth, naming ceremonies, puberty. Often, if you receive a gift during a potlatch, you are then obligated, at some point in the future, to give a gift. That puts in motion a continual, ongoing requirement for redistribution.

Sarah: So someone with very high status can't accumulate too much wealth?

Rebecca: You can't get high status unless you give gifts. Here's an example. We just got back from a visit with the James Bay Cree. I learned there that the very first ceremony that a baby undertakes is called a walk-away ceremony. James Bay is very cold and so the baby's first days of life are spent inside the lodge.

Once the baby takes his first steps, they prepare for a walk-away ceremony. A hide is tanned, and an elaborate outfit is made for the baby to wear as he takes his first steps away from the lodge. The baby's family and the clan gather outside. The baby walks away from the lodge as far as he can. Then everybody calls the baby back in. The child is carrying a bundle filled with food. He comes back into the circle of the family and the clan, and then goes from person to person sharing the food. By doing this, a child has learned to both become his

»

Rebecca Adamson

» own person and to come back to share.

Sarah: Sharing is hard when people fear that there isn't enough to go around.

Rebecca: It is an obligation to share. So you design the economic system with an emphasis on sharing.

In modern U.S. society, individual property rights are treated as exclusive. If I own something, man, you can't even put your foot on it. This ownership paradigm is about excluding people from resources because you're afraid you're going to run out.

Within an indigenous economy, the mere fact of your birth guarantees you usage rights through the clan system. That would be the equivalent, in the United States, of your birth granting you access to capital and credit—you would have usage rights to the economy because you were born.

You can create self-fulfilling scarcity if you focus, for example, on running out of fossil fuel. Within a "prosperity of creation" mindset, though, there's wind energy and solar energy, and there's the ability to create new kinds of energy that we haven't even tapped yet. That way of thinking brings us into a relationship in which we create new responses to what we need.

Sarah: How could a "prosperity of creation" mindset work in a world where people don't know one another outside their small circle of friends and family?

Rebecca: When we've seen a contemporary system that comes from a paradigm like the indigenous paradigm, it usually has a spiritual base. The Amish economy is much less cash-dependent, for example. They have a strong sense of community and a high quality of life. Their economy is highly productive, and there's a lot of cooperation. That's a very, very healthy economic system.

Sarah: People are fearful because the things that they thought they could count on—retirement, or a job, or the value of their house—turn out to be unreliable. How can we move away from

a fear-based system at a time when people have the most reasons to be fearful?

Rebecca: This is where I think indigenous people really hold a key: In their economies, there is a general safety net for all. There is no homelessness or grinding poverty. There is a band of general affluence and well-being which no one falls below.

We keep going into this paradigm of scarcity because fear is good for the capitalistic system. If you want to drive consumption, you've got to be fear based.

But God is in the space and silence. That is where it's sacred. You look up on a starry night, and you feel yourself unfold, and that silence is where God is.

When people are consumed with filling all their space with stuff, and all silence with noise, you lose that sacredness. And then they are driven with consumption, consumption, consumption. The shopping mall becomes the cathedral. There you have capitalism. Even though it might be really good for the bottom line, it's not good for a society.

We have to go back to the understanding that some things are sacred and cannot be *profitized*. No one owns Mother Earth. And living, breathing creations cannot be thrown away, or "externalized." We have to be willing to pay the full cost for everything we use.

We can do this—we can rebuild the system so we no longer allow unfair practices or inequity. There is no such thing as a value-neutral economy. It's not about a financial recovery, it's about

an economic rebuilding, and first and foremost, it's about a moral rebuilding.

Sarah: If you were advising someone whose local economy is falling apart what would you suggest they do?

Rebecca: Watch how you spend your money; apply your values to every dollar you spend.

Insist that corporations do not externalize their dirt, pollution, low wages.

Get involved with the socially responsible investment movement. It's not perfect, but it's the best we've got.

Hold Congress accountable. Understand there's not going to be a recovery of the Wall Street system. We need to let some of these institutions go bankrupt.

What makes scarcity self-fulfilling? Fear. The more you're fearful, the more you go out and buy. And pretty soon you run out of money and go into debt, and pretty soon the planet runs out of natural resources and places to put all the garbage.

Maintain the stance of abundance through tough times and through good times by having a spiritual base and good values—by caring about something other than yourself. That's how you maintain abundance.

Abundance comes not from stuff. In fact, stuff is an indication of non-abundance. Abundance is in the sacred; it's in the connection of love. We will find abundance through hard times when we find each other. ♣

Read "Surviving Hard Times: It's not for sissies," by John Mohawk. www.YesMagazine.org/hardtimes



The New Economy Resource Guide

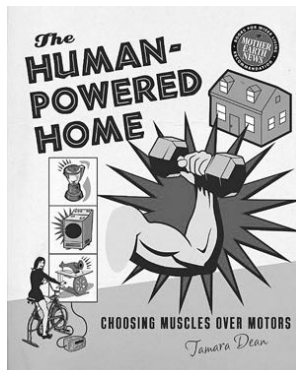
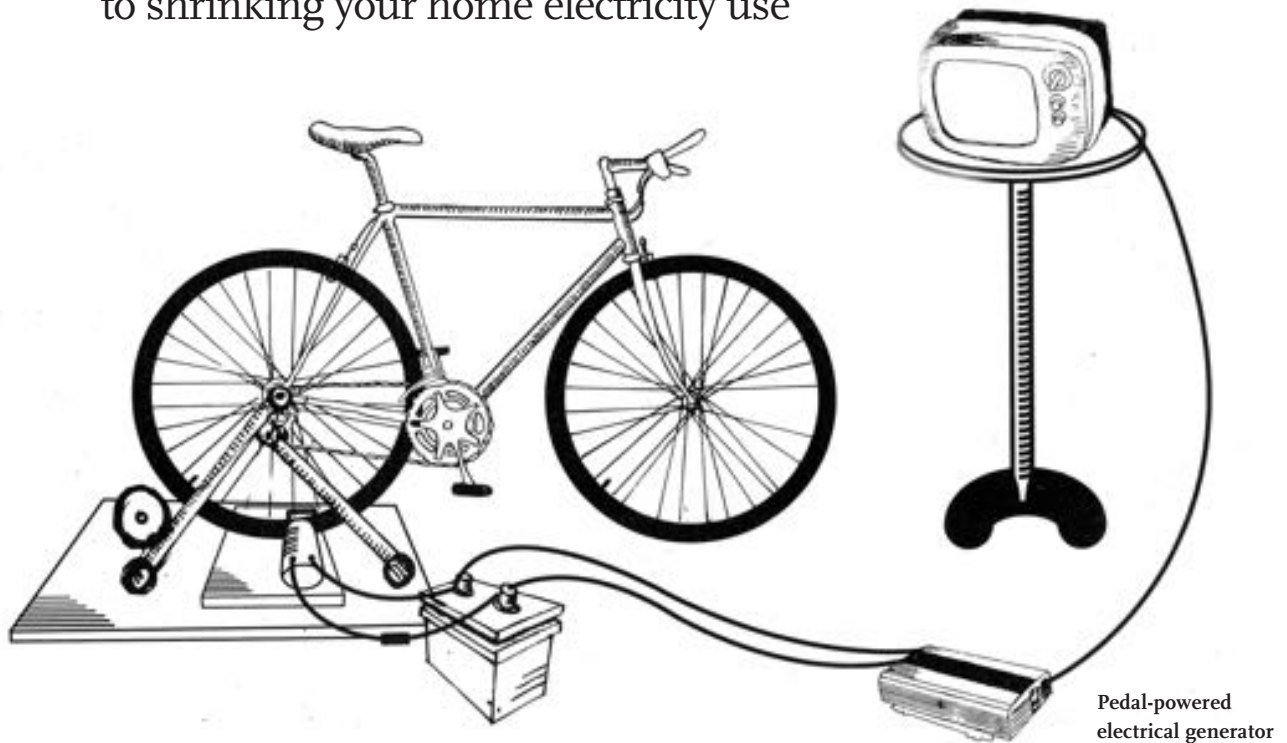
The information and links you need to find out more. www.YesMagazine.org/resourceguide50

The New Economy Discussion Guide

Get a group together and have a conversation. www.YesMagazine.org/discuss50

Homemade Revolution

A hand-cranked and pedal-powered guide to shrinking your home electricity use



The Human-Powered Home: Choosing Muscles Over Motors

TAMARA DEAN

New Society, 2008, 288 pages, \$29.95

REVIEWED BY ERIK KNUTZEN

The thought must occur to anyone who's ever done time on a stationary bicycle or treadmill: Couldn't this muscle power be harnessed to, say, turn on a light or blend a post-workout smoothie?

But before we can leverage all that gym-monkey energy, we need to restore a century's worth of engineering knowledge lost to our reliance on petrochemicals. Transforming our muscle energy into machine power is simple in concept, but not always straightforward in execution. Tamara Dean's practical how-to guide, *The Human-Powered Home: Choosing Muscles Over Motors*, is a welcome resource in an underserved field. Dean details, in clear, step-by-step instructions, how to build human-powered devices for

use in the kitchen and garden, and also for generating emergency power.

In choosing her projects, Dean focuses on what she considers the most appropriate use of human power: devices that require small amounts of energy. In other words, don't expect to run your 65-inch plasma screen with furious pedaling. Using human power to generate electricity is inefficient, and Dean prefers machines that harness muscle power directly, such as apple presses, treadle sewing machines, and bike-driven grain mills and nut shellers.

Dean sees a niche where human power can not only save energy but improve the quality of our work. She makes the case that human touch—the turn of a hand-cranked food mill, for example—gives us a direct connection with the task, and in so doing, >>

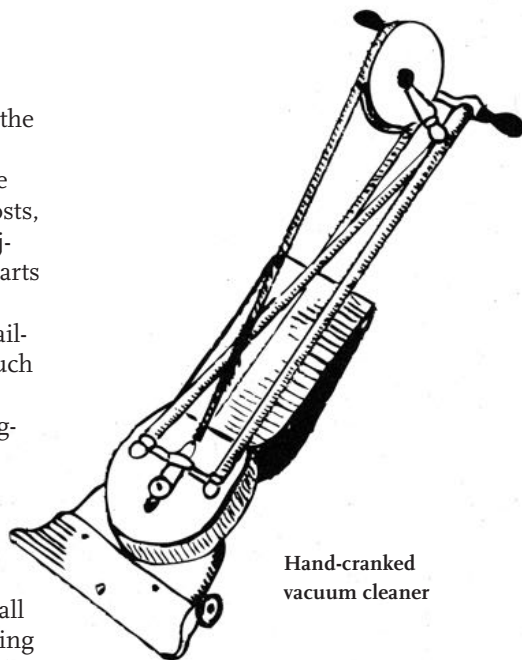
IN REVIEW ::

» improves the texture and flavor of the food.

For each project contained in the book, Dean describes materials, costs, and sources. Most, but not all, projects are bicycle-based, since bike parts are easily scavenged and repaired. Dean also details commercially available human-powered machines, such as hand-cranked grain mills, and describes how pedal power can augment these store-bought devices.

The book includes profiles of creative human-power innovators, such as Maya Pedal, a non-governmental organization that assists farmers and small businesses in Guatemala by recycling old bikes into a variety of useful, labor-saving machines. Chapters on the history and principles of harnessing human power introduce the projects and will be useful to those who want to build their own devices. The review of bicycle parts, gearing ratios, and mechanics rounds out the foundational material in the book.


The Human-Powered Home will serve as an excellent resource for nonprofits wanting to assist the poor in developing countries, but its most provocative application may be in the industrialized world. Giving up some of our modern conveniences would make us stronger and healthier. Putting our hands and feet to work again

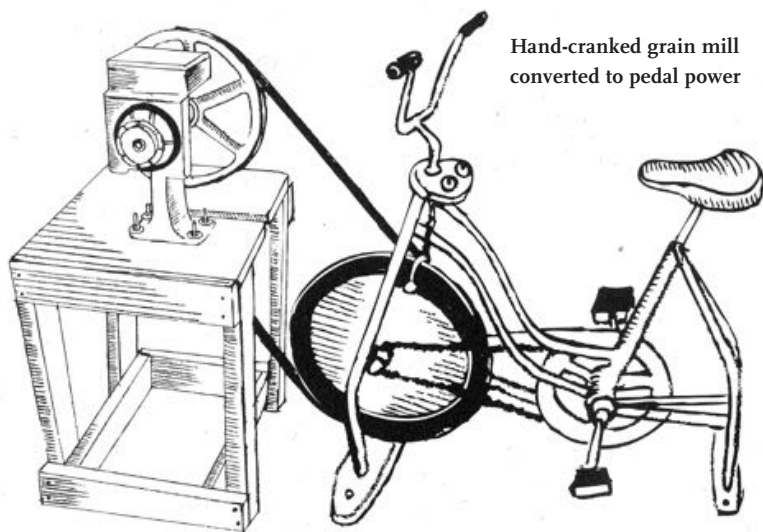


Hand-cranked vacuum cleaner

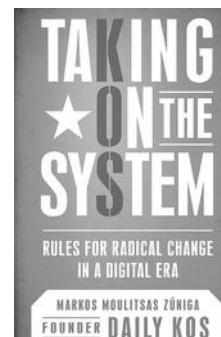
would also force us to slow down and consider the task at hand, and ultimately make us more mindful in an increasingly virtual, text-messaged and Twittered-out 21st century. But the manual and the virtual need not be mutually exclusive. Tamara Dean has written a guidebook that will get us moving again, grinding our corn while we charge our cell phones.

Erik Knutzen is coauthor, with his wife, Kelly Coyne, of *The Urban Homestead*, published by Process Media. He blogs at www.homegrownevolution.com.

 www.YesMagazine.org/humanpower
Photo essay of the human-powered home



Hand-cranked grain mill converted to pedal power



Taking on the System: Rules for Radical Change in a Digital Era

MARKOS MOULITSAS ZÚNIGA
Celebra, 2008, 275 pages, \$23.95

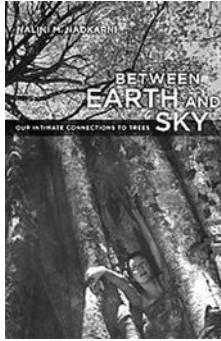
REVIEWED BY JAMES TRIMARCO

A new book by Markos Moulitsas Zúniga, founder of Daily Kos, is essential reading for anyone who wants to use new media to organize political activism. The author may rankle some progressives with his contention that today's media landscape has often rendered mass street protests irrelevant. Yet it's impossible to argue with the long list of achievements he attributes, at least in part, to "netroots" activism.

Many examples are partisan: For instance, an online progressive campaign in Virginia used citizen pressure to draft a strong and ultimately successful opponent, Jim Webb, to challenge Republican incumbent George Allen for his Senate seat. But internet communities were also indispensable in rallying support for the Jena Six—black students in Louisiana who faced charges for fighting with a white student, weeks after nooses were hung from a tree on school grounds.

For Zúniga, such achievements emerge from a more inclusive political environment ushered in by internet technology. While elite editors and producers once served as gatekeepers, he argues, today there is nothing to stop the average citizen from setting up a blog, speaking out, and being judged on the merits of his or her arguments.

James Trimarco is a consulting editor at YES!



Between Earth and Sky: Our Intimate Connections to Trees

NALINI M. NADKARNI

University of California Press, 2009, 336 pages, \$24.95

REVIEWED BY BROOKE JARVIS

“To a hammer, everything is a nail.” The proverb is meant to be cautionary, a warning that it can be dangerous to see only what we look for. But a single-minded focus can also illuminate something new in the familiar. To Nalini M. Nadkarni, canopy ecologist and arborophile, nearly everything is a tree, or at least connected to one.

Nadkarni introduces herself as “an ecologist interested in understanding trees with my intellect and as a human being who cares deeply about trees with my heart.” She believes that, though we are inextricably connected to all nature, we feel our relationship to trees most profoundly.

Charismatic and accessible, trees serve as “ambassadors for the rest of nature.” Through them, we can begin to realize the depth of our reliance on nature for everything from our sustenance and shelter to the symbols and concepts that inform our spiritual thought.

To read Nadkarni’s new book, *Between Earth and Sky: Our Intimate Connections to Trees*, is to borrow her tree-colored glasses and look at the whole world—from kitchen ingredients to baseball bats to Chanel No. 5 knock-offs (whose popularity devastated the rainforest tree from which rosewood oil is derived)—and see not

only trees, but the intricate relationships between humans and the natural world.

Nadkarni grew up with a deep affinity for the maples of her suburban yard, and, as an adult, she is still fascinated by trees. Now a Guggenheim fellow and professor at The Evergreen State College, she spends field seasons hundreds of feet aloft in the canopy of the Costa Rican cloud forest. Hers is an all-trees, all-the-time perspective, and her research into the interactions of people and trees is seemingly nonstop (she will, for example, step out of a movie theater line to question patrons about the emotions they associate with trees).

Nadkarni structures her new book on a modified version of Abraham Maslow’s “hierarchy of needs,” tracing the ways that trees impact our physical needs, security, play and imagination, sense of time and history, symbols and language, spirituality, and mindfulness. At times this effort can be as dry as her list of the nations whose currencies and postage stamps depict trees, but more often she points out connections that are rich and surprising.

We find out how scientists climb trees, test their ages, and measure the growth of forests. We learn about the operation of a lumber mill, the science of maple syrup, and the ecological side effects of synthetic wine corks. The book wends past medicinal plants, nature-deficit disorder, art, and religious beliefs and imagery, and toward the conclusion that trees’ contributions to human life are more important, complex, and fragile than most of us have ever realized.

Which may be why Nadkarni rejects “self-actualization,” Maslow’s term for the apex of human aspiration, in favor of “mindfulness.” What she gives us is the rare chance to stop seeing ourselves everywhere we look, and to glimpse instead the vastness of our dependence on just one small part of the natural world.

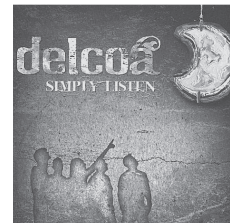
Brooke Jarvis is a freelance writer based in Maryville, Tennessee.

YES! PICKS :: Musical inspiration while putting out this issue



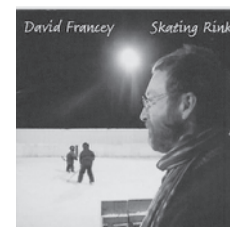
Dark was the Night

Indie songwriters offer 31 tracks to benefit AIDS-awareness charities. One disc is quiet; one is energetic. Highlights include **The Books’** up-tempo cover of **Nick Drake’s** “Cello Song,” **Ben Gibbard** and **Feist’s** swifty “Train Song,” and **Antony Dessner’s** elegant nod to **Bob Dylan**. **Cat Power, Andrew Bird, and Iron and Wine** offer standout tracks.



Simply Listen

The Phoenix-based group **Delcoa** combines the lyrical musings of five diversely trained musicians. Described as a “folky-funk rock” band, Delcoa blends smoothness and energy and will have you bobbing your head in no time.



Skating Rink

Scotsman **David Francey** lives quietly in the woods in Canada and sings about the joys of his simple life. You won’t easily forget the honesty in the a capella “Exit”: “Rich or poor, or young or old, some of us carry a heavy load.”

🎵 Have a listen at
www.YesMagazine.org/music



MOFILMS PHOTO

FILM ::

Justicia Now! Documentary, 2007, Mofilms, 30 min.

Directed by Martin O'Brien and Robbie Proctor.

REVIEWED BY LISA GALE GARRIGUES

The documentary *Justicia Now!* tells the story of 30,000 rainforest-dwelling Ecuadoreans who organized to bring the largest environmental class-action lawsuit in history against Chevron/Texaco for oil contamination of their territory.

The lawsuit, begun in 1993, marks the first time a U.S. company has been charged in a foreign court over environmental crimes. The Ecuadoreans have managed to keep the issue not only in the courts but in the public eye, drawing fierce opposition from Chevron, which has denied that it is responsible for damage to the environment and to public health.

The Ecuadoreans achieved a milestone in 2008 when a court-appointed independent expert recommended that Chevron be liable for damages between \$7 billion and \$16.3 billion.

I visited Lago Agrio, where some of the film's footage was shot, back in the 1980s. I remember listening to gunshots pepper the night while lying in bed in a flimsy hotel.

"It's about the oil," someone said the next day.

It's still, as the film shows us, about the oil.

But in this documentary, people power has replaced weaponry, as some remarkable footage demonstrates: An impassioned woman with cancer calls for justice before a crowd; the Ecuadorean lawyer Pablo Fajado tells how even the death of his brother has not swayed him from pursuing the case; and several hundred people line up to form the words, shot from the air, "Justice Now."

The film also includes interviews with concerned North Americans like Darryl Hannah, Stuart Townsend, aerialist John Quigly, and Amazon Watch director Atossa Soltani.

In just 30 minutes, *Justicia Now!* does an excellent job of showing how people affected by oil pollution are fighting back.

It is an inspiring tool not only for raising awareness but for sparking a dialogue about how the cost of human and natural life should be weighed against the cost of oil.

The film can be downloaded for free at www.mofilms.org.

Lisa Gale Garrigues is a contributing editor of YES!

 www.YesMagazine.org/justicia
Trailer for *Justicia Now!*

YES! PICKS ::

Maddening and motivating independent films

The Singing Revolution (96 min)

Sky Films, 2007.

When the Soviet Union collapsed in the early 1990s, the republics under its control charted various, often violent paths to independence. But in Estonia, thousands of civilians turned to peaceful solidarity. Their unique strategy used cultural songs and free public media to promote a practical, alternative form of governance. Combining striking archival footage with interviews from experts and leaders on all sides of the story, *The Singing Revolution* documents a rare historic moment when songs triumphed over tanks.

Flow (93 min)

Oscilloscope Laboratories, 2008.

Without water, we will wither, and in our postindustrial age, the world's water situation grows increasingly dire. *Flow*, the new documentary by Irena Salina, covers privatization and the struggle for universal water rights. With an estimated one in six people living without clean drinking water, few issues are more vital today.

 www.YesMagazine.org/films50
Trailer and interview for these films

ARE YOU A GREEN SUBSCRIBER?



Visit our online store
www.YesMagazine.org/store

Renew. Donate. Order gifts.
Find products with purpose.

Oh, everything.

Sherman Alexie, How Dare You Tell the Truth?

A YOUNG NATIVE WRITER FINDS FREEDOM
IN A CHAT WITH HER NEMESIS AND IDOL

Heather Purser

I used to hate Sherman Alexie's writing—and I was obsessed with it. I chimed in with his critics, other Indians who called him a sell-out, a whiner, or even an “apple”—slang for Indians who don't fit in. Red on the outside, white within. He's one of the most controversial, arrogant, annoyingly honest, and successful Indian writers in history. So when I heard Alexie was coming to my reservation last October to promote his newest book, I knew I had to get an interview.

My aunt gave me a copy of *First Indian on the Moon*, a book of Alexie's poetry and short stories, when I was an eighth-grader struggling to prove my identity on the Suquamish Reservation. Suquamish lies near Seattle, but across the water, isolated and rural.

That was the year I danced in the city at the Salmon Homecoming powwow. I wore my Miss Chief Seattle Days crown, the cedar bark regalia I had made myself, and my bare feet—because true coastal Natives should never wear moccasins. When a photojournalist for *The Seattle Times* wanted a picture of the dancers, >>

Author Sherman Alexie, February 9,
at the University of Puget Sound in
Tacoma, Washington.

KEVIN CURLETT PHOTO

Sherman Alexie, How Dare You Tell the Truth?

Too often I gained acceptance through silence. I believed that “real Natives” are stoic types who suck it up and don’t say what’s on their mind. ... But while I was silent, Sherman Alexie wrote the truth.



Heather Purser prepares to embark on an Intertribal Canoe Journey.

SARAH VAN GELDER PHOTO

» I huddled in with the other powwow princesses and hoped we’d make the front page. But the photographer took one long look at my red hair, pale skin, and freckles, and ordered me to step clear of his shot. “Not you,” he barked, “you’re white.”

It was not the first time my complexion made me feel isolated from my community. I’ll never look like the idealized Indian, so I learned other ways to prove myself. Sometimes I showed off my knowledge of Lushootseed, my tribe’s traditional language, or defended myself with a retort: “What are Indians supposed to look like?”

But too often I gained acceptance through silence. I believed that “real Natives” are stoic types who suck it up and don’t say what’s on their minds. I learned to say nothing as I watched my cousins call to their alcoholic parents from the sidewalks outside the bars, begging for a ride home, money for fireworks, or at least something to eat. I accepted sexual abuse and violence, then later told myself I deserved it—that the pain would make

me more Indian. I started a drinking habit and even convinced myself it was okay to drink in front of small children. I learned to fake comfort while getting high with my cousins as their babies cried for attention in the next room. I wanted to fit in so badly that I didn’t speak out against what I knew was wrong. I couldn’t risk angering the people whose acceptance I most wanted.

But while I was silent, Sherman Alexie wrote the truth. In his books, I found all the ugly and beautiful stories of reservation life laid out right there on the page, for millions to read. He wrote about our poverty, addiction, and repeated cycles of violence and despair. I both envied and resented the freedom and openness of his words.

When I got to college, I told my creative writing professors and friends I despised Alexie. He’s not proud of his people; he’s not traditional; he’s marketing stereotypes, I’d say. And if anyone compared my writing to his, I’d roll my eyes and insist they only did so because, on paper, Alexie and I both

looked Indian.

For years I protested and ranted about Alexie’s work. And then one moment I arrived at an unavoidable conclusion: I had no point. Unfortunately, that moment came less than half an hour before I planned to ambush Alexie for the interview. The realization was hard to swallow, but I had to swallow it fast.

Lunging from the couch, I ran for my notebook to review the questions I’d written. To my embarrassment and horror, I discovered that none of them would work anymore. I ripped them out, painful page by painful page. I had no backup plan and decided just to go ahead and wing it—wing an interview with the writer who has been called “the voice of Indian people.” To say I was nervous was an understatement. Scared didn’t do it much justice either, because Alexie was expected to arrive down at the tribal center in ten minutes, and I still hadn’t even been able to confirm an interview.

Luckily, when I got there, everything was off to a late start, and the tribal maintenance department had reliably forgotten to unlock the small conference room where select tribal members and leaders were going to have dinner with Alexie. I found him standing right there in the center of the hallway, the same hallway I’d so often paced when I was a nerdy and unpopular redheaded kid, trying to figure out how to fit in. The woman accompanying Alexie, some local librarian, looked completely annoyed with the locked door and even more irritated when I walked straight up to the writer himself and asked if I could have an interview. “Who are you?” she demanded, before Alexie could even respond.

"I'm Heather Purser. And who are you?" I said, hiding my nervousness beneath a false air of self-importance.

That got her. She relaxed and refocused her attention on the locked door. Alexie kindly agreed to the interview, and after a few seconds, the woman asked me to wait with him while she looked for someone who knew what was going on. I just shrugged as she took off down the hall and left me standing there with "The Sherman Alexie." It was perfect. It was awful.

I fumbled around with my notebook for a few seconds too long and pretended to read through my imaginary notes. Finally, I mumbled something about being a creative writing major, something about being "like, totally nervous," and oh, yeah, something about never having actually liked Alexie's writing because of my own jealousy. This last remark immediately sucked the tension from the air, and he cracked up in laughter that knocked some of the nervousness out of my trembling body.

I summoned enough composure to ask him the one question I've always wanted to know: "How are you able to understand yourself enough to write about where you're from?" I had trouble writing about my own reservation, I explained, because I was afraid of getting something wrong and hurting the people I love.

"I don't care," he said nonchalantly. "I don't care what people on the rez think."

"But what about the elders, your aunts, your uncles—?"

He cut me off. "I don't care. I mean, you can't, and if you do, you can't write about it. You have to write about something else."

I thought about my family and all the people on the rez that I cared about. How could I hurt them with my version of the truth? None of them chose to carry the weight of the problems they inherited from their parents and their grandparents—or to pass addictions, secrecy, and anger on to their children.

We never intended to hurt one another.

"I feel like I have to understand exactly what I'm saying before I can begin," I said.

"Oh God, no," he almost gasped, "That's not what writing's for. Writing is asking questions, not having answers. You write to try to understand it. That's the whole process."

After an awkward pause, Alexie turned his attention to the talk he was about to give. Those two simple and perplexing answers were all I could get from him, but I had just caught a glimpse of the freedom that allows him to bring his thoughts into the world.

On the reservation, it's so easy to fall into silence. During the decades when the U.S. government banned our potlaches and spiritual traditions, took away our livelihoods, and sent my grandparents' generation to boarding schools where they were beaten and harassed for speaking their native language, native people learned to be silent just to survive. Those decades have stayed with us. We have hidden ourselves and our pain beneath addiction, abuse, and poverty. And we are still fighting to reclaim our identities.

Now silence tempts us with its promise not to hurt us, but it's a promise always broken. We tell ourselves to keep our heads down and our mouths shut because it's easier to leave our problems buried. Those who speak up ask for trouble; they stir up emotions that no one wants or knows how to deal with. When someone like Sherman Alexie comes along and exposes our pain, people get angry.


I've never wanted to betray my community, because the reservation is the one place I've always been able to return to. No matter what faults my community has, or what suffering it bears, when I am hurt, brokenhearted, or hopeless, the reservation has always taken me in. But I realize now that it's not the secrecy that has held us together.

Months after my interview with

Sherman Alexie, I was sitting on a cousin's couch, trying not to feel like a therapist or a superior because of my recent decision to stay sober. I didn't focus on the fact that my cousin was drunk again or that the house was falling apart around us. I listened to the words she only lets out when we're alone. It's always been that way ever since we were just little kids whispering our secrets back and forth in the dark. The only difference is that now she has to be almost too drunk to know what she's saying in order to tell me her fears and dreams.

That night she told me about her pain, more pain than I could even imagine. She told me what happened when she was too small to realize her body was hers and that her innocence deserved protection. She explained how bad it hurt to be alive and how angry she was that she couldn't escape her memories. I knew she might not remember this in the morning and that I wouldn't say anything to remind her. She would only have gotten angry. I couldn't force her to feel the peace or the dignity she deserved. But we had that one night where her intoxication created room for honesty without the fear of judgment.

So I wrapped my arms tightly around her sobbing body and told her all the things she needed to hear, "It's not your fault. It was never your fault. You deserved better. I love you." The harder she cried, the closer I held her. Silently, I prayed that I would learn to speak the truth.

I don't want to hold on to the trauma I experienced growing up, and I can't allow myself to continue to hide behind fear and addiction. If I can use my voice to help myself and others find comfort and healing, why shouldn't I let the truth out? Why should I care what anyone has to say about it? I don't care. I can't be silent anymore. 

Heather Purser is a writer based in Suquamish, Washington. She blogs at <http://hpurser.blogspot.com>.

 www.YesMagazine.org/alexie
A conversation with Sherman Alexie

Sherman Alexie, How Dare You Tell the Truth?

Two excerpts from the poem “Tuxedo with Eagle Feathers”

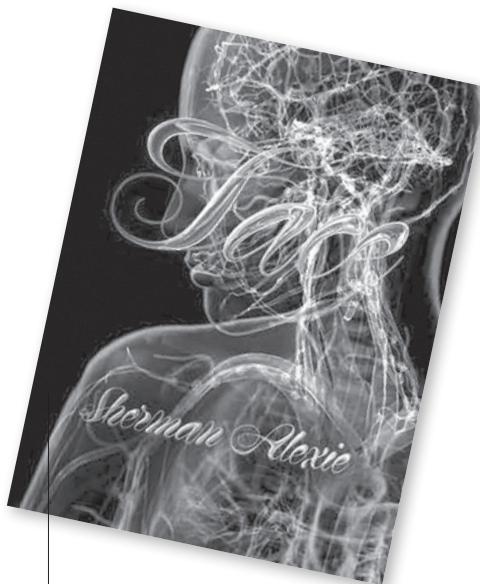
There have been plenty of rich and famous drunk writers; it’s my sobriety that separates me from my drunken childhood and drunken profession. Of course being sober doesn’t prevent me from being a raging, incoherent, vindictive, self-loathing, and needy asshole. But my sobriety does give me sovereignty. Most Indians use “sovereignty” to refer to the collective and tribal desire for political, cultural, and economic independence. But I am using it here to mean “the individual Indian artist’s right to be an eccentric bastard.” I am using it here to attack Elizabeth Cook-Lynn, the Sioux Indian writer and scholar who

Has written, with venomous wit,
That Skins shouldn’t write autobiography.
She believes that “tribal sovereignty”
Should be our ethos. But I call bullshit!

My tribe tried to murder me --
And I don’t mean that metaphorically.
I’ve been to dozens of funerals and wakes;
I’ve poured dirt into one hundred graves;

And if you study what separates me,
The survivor, from the dead and car-wrecked,
You’ll learn that literacy
Saved my ass. It was all those goddamn texts

By all those damn dead white male and female writers
That first taught me how to be a fighter.



Face

SHERMAN ALEXIE

Hanging Loose Press, 2009,

160 pages, \$18

This sonnet, like my reservation, keeps
Its secrets hidden behind boundaries
That are simple and legal at first read
(Fourteen lines that rhyme, two rivers that meet

Poem and water joined at one confluence),
But colonialism’s influence
Is fluid and solid, measurable
And mad. If I find it pleasurable

To (imperfectly) mimic white masters,
Then what tribal elders have I betrayed?
If I quote Frost from memory faster
Than I recall powwow songs, then what blank

Or free or formal verse should I call mine?
I claim all of it; Hunger is my crime.

FROM THE PUBLISHER



Many are asking “Can print publications survive in the digital age?” Our answer for YES! Magazine? Yes we can! As many of you have told us, if there was ever a time for the YES! message, this is it.

Can Print Survive in the Digital Age?

“SO HOW IS YES! DOING?” a long-term subscriber asks me. The anxious edge in her voice tells me this is not a casual question. With daily reports of newspapers and magazines folding or going online only, she’s afraid she may lose her favorite magazine.

And of course she’s not alone. Many are asking “Can print publications survive in the digital age?”

Our answer for YES! Magazine? Yes we can! As many of you have told us, if there was ever a time for the YES! message, this is it. Despite the economic downturn, subscriptions to YES!, visits to YES! online, and newsstand sales are hitting all-time highs. And, thanks to several generous donors, we’re expanding our staff to mount our online “YES! Takes on the News” program.

But let me be honest. This is not easy. Our expenses keep growing—especially health insurance, postage, and our 100 percent post-consumer-waste recycled paper. To meet the challenge, we’ve got five key strategies we’re betting will keep us serving you, both in print and online, for the long haul.

We are a nonprofit. Some experts are suggesting newspapers and magazines can survive by becoming nonprofits. Fortunately, we’ve been a nonprofit from the beginning, which means we’ve had no owners demanding ever-growing returns on their investment. We just have to break even. And being a nonprofit means supporters can

make donations that are tax-deductible.

We count on our readers’ generosity. When YES! was founded, we knew that broad communication of our message of the positive possibilities for deep social change would require a great many people’s support. You have come through with tremendous generosity and heart. In 2008 more than a thousand of you provided financial support beyond the subscription price. By the end of April 2009, a whopping 540 had become Dedicated Friends—providing monthly or quarterly donations that help stabilize our income. Thousands of you give gift subscriptions, acquainting friends and relatives with YES! Major donors and foundations provide critical support for outreach programs and new initiatives that enable us to innovate and grow.

We make print and Web work together. The Web can spread ideas quickly. But it’s a fleeting medium. Print works best for in-depth examination of a topic. So we’re using each medium to its best advantage. YES! Magazine provides the multifaceted exploration of where our society needs to move on topics as diverse as the economy, education, and peace and security. YES! online spreads our stories to a larger audience. We’ve particularly seen our timely “YES! Takes on the News” commentaries travel to many high-traffic sites, giving wide visibility to our solution-oriented jour-

nalism and acquainting a broad audience with YES! That exposure in turn brings in more subscriptions to the print magazine.

We partner with like-minded organizations. We love to feature the good work of other organizations advancing democracy, peace, social justice, and environmental sustainability. Some of those organizations want to introduce their members to YES! You can read about two of our partners on page 60 and at www.yesmagazine.org/partners.

We keep expenses low. We go to great lengths to keep our costs down. We clean our offices ourselves, make use of donated equipment, and bring sleeping bags to our annual staff retreat. Our superbly talented staff works for salaries that are modest, even by nonprofit standards. And many important members of our team are volunteers and interns, working for free.

Will these five strategies be enough to survive and thrive in the digital age? I think they will. But I’m acutely aware that our success rests, as it always has, on the passion and generosity of you, our readers, and your commitment to supporting a voice that celebrates what we can all do to build a just and sustainable world.

Fran Korten, Publisher

WHO WE ARE ::

YES! Magazine is published by the Positive Futures Network, an independent, nonprofit organization supporting people's active engagement in creating a just, sustainable, and compassionate world. The work of the Positive Futures Network is to give visibility and momentum to signs of an emerging society in which life, not money, is what counts; in which everyone matters; and in which vibrant, inclusive communities offer prosperity, security, and meaningful ways of life.

FEATURED PARTNERS ::

At YES! Magazine we work with hundreds of organizations that are building a just and sustainable world. We develop special partnerships with some to help each of us reach more people. Here are two partner organizations whose work we think you'll want to know about.

Common Cause



Common Cause is a nonpartisan, nonprofit advocacy organization deeply committed to making democracy work. Founded in 1970 by John Gardner, it now has nearly 400,000 members and supporters and 36 state organizations. Common Cause promotes honest, open, and accountable government and active citizen participation. For more information about Common Cause and their recently released Financial Bailout Report, please visit www.commoncause.org/bailoutreport.

Center for a New American Dream



Center for a New American Dream is a nonprofit organization dedicated to encouraging Americans to have "More Fun, Less Stuff!" It works with individuals, institutions, communities, and businesses to counter the commercialization of our culture and promote environmentally responsible and socially just changes in the way goods are produced and consumed. One of New Dream's current campaigns is Break the Bottled Water Habit, highlighting the environmental and financial waste created by the beverage industry. Learn more and pledge to break your own habit at water.newdream.org.

ISSUE 50 SPONSORS ::

Nathan Cummings Foundation
Portfolio 21 Investments
Cathleen Dorinson
Margaret (Peggy) Christensen
Martha and Bill Densmore

YES! PICKS ::

Things To Do, Places To Go



www.YesMagazine.org/events

For an expanded listing of upcoming events

EarthSpirit Rising

June 12–14, in Cincinnati, OH. This year's EarthSpirit Rising conference focuses on economic models that are in keeping with Earth's living systems—what YES! board chair David Korten describes as a "planetary system of community-led local, living economies." Join David Korten, Genesis Farm co-founder Miriam Therese MacGillis, Oberlin College professor David Orr, and others at this YES! co-sponsored event. www.earthspiritrising.org

Earth Charter U.S. National Momentum Conference

June 19–21 in Indianapolis, IN. Discover more about the Earth Charter and its practical application as an ethical framework for sustainability. Learn about working for sustainability in your local community while remaining part of the global effort. Speakers include Mirian Vilela, executive director of Earth Charter International, Jan Roberts, founder and president of Earth Charter U.S., and David Korten, among others. www.earthcharterus.org

Netroots Nation

August 13–16 in Pittsburgh, PA. Join 2000-plus politically active bloggers, organizations, and elected officials who embrace the grassroots potential of new media technologies. This year, organizers are "greening" the event by holding it at the nation's first Gold LEED-certified convention center, minimizing waste, donating leftover food, and reducing greenhouse gas emissions. www.netrootsnation.org

The Economics of Peace

October 18–23 in Sonoma, CA. With a focus on transforming money, rebuilding community, and redefining wealth, the Praxis Peace Institute's 2009 conference will be an in-depth exploration of solutions to the economic crisis. Speakers include David Korten, Vandana Shiva, Dennis Kucinich, James Galbraith, and Riane Eisler. Co-presented with the Rudolf Steiner Foundation, co-sponsored by YES! www.praxispeace.org

SUPPORTING YES! :: A Special Invitation

The Story of a Dedicated Friend of YES!

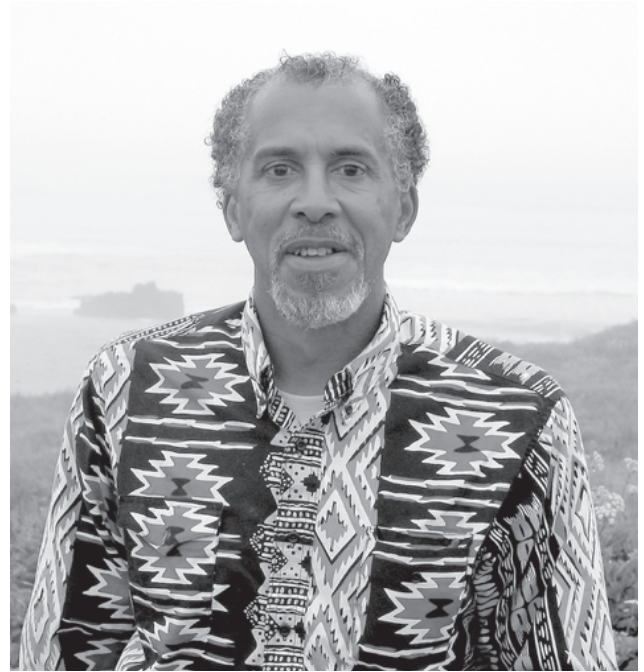
Jim Embry has long been active in social change movements—civil rights, peace, women’s rights, environmental justice, and criminal justice reform. He lives in Lexington, Kentucky, where he co-founded the Good Food Cooperative in the 1980s. More recently, Jim helped a domestic violence program use organic farming as a means of helping survivors heal. He’s also intervened at detention facilities and developed a sustainability network.

In 1996, when Jim encountered YES! Magazine, he found a fresh perspective that integrated all of the movements he cared about.

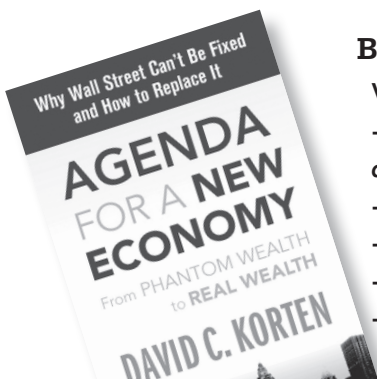
“It’s really important that people have an idea of what’s possible. YES! is at the forefront of the effort to transform our country.”

With monthly contributions as a Dedicated Friend of YES!, Jim ensures that the diverse voices from today’s peace, environmental, and social justice movements receive national attention. He also gives gift subscriptions, connects national leaders with the magazine, and makes sure that YES! is on the newsstand at his Lexington co-op.

Jim says, “Becoming a Dedicated Friend of YES! is an extension of what I’ve been doing all my life.”



JONATHAN THOMAS PHOTO



Become a Dedicated Friend of YES!

With a monthly donation of \$10 or more, you’ll receive:

- A signed copy of David Korten’s newest book, *Agenda for a New Economy*, and the DVD *Dalai Lama Renaissance*
- Your subscription to YES! (no more renewal notices!)
- Quarterly updates from our publisher
- Future free gift offers of books, DVDs, or calendars
- Invitations to YES! events



YES! I would like to become a Dedicated Friend of YES!

Your subscription to YES! is included when you sign up for a monthly or quarterly donation:

- \$10/month \$20/month \$50/month
 \$30/quarter \$60/quarter \$150/quarter

I hereby authorize YES! Magazine to charge my credit card for a recurring donation in the amount indicated. I understand I can change or end this pledge at any time by notifying YES! in writing.

Signature _____

- My donation is confidential. Please do not publish my name.



Name _____	
Address _____	
City _____	State _____
Zip _____	Country _____
E-mail _____	Phone _____
<input type="checkbox"/> VISA	<input type="checkbox"/> MasterCard
<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Card #	Expiration

Mail to YES! Magazine, 284 Madrona Way NE #116, Bainbridge Island, WA 98110-2870, or fax 206/842-5208.
For more information, contact Christina Twu at 206/842-5009 ext. 204 or ctwu@yesmagazine.org.



YES! BUT HOW?

IF YOU'RE SEARCHING FOR PRACTICAL WAYS TO LIVE SUSTAINABLY, JUST ASK US.

Send questions to YES! But How?, 284 Madrona Way NE, Suite 116, Bainbridge Island, WA 98110 or to editors@yesmagazine.org

ORGANIC PANIC

I'd like to buy all organic food all the time, but sometimes I just can't afford it. Which products are important to buy in organic form?

The problem with buying non-organic produce is that much of it is treated with pesticides that may be harmful to human health. There is some variation in the ranking of which fruits and vegetables are the most harmful, but overall, there is broad agreement.

Peaches, which are frequently treated with the fungicides captan and ipridione, rate in the top 10 on nearly all dangerous-produce lists. They are often sprayed with up to nine different pesticides, according to the Environmental Working Group.

Other frequent chart-toppers are strawberries, apples, grapes (and raisins), red and green bell peppers, potatoes, and celery. Apricots, nectarines, pears, cherries, spinach, green beans, and lettuce are rated slightly less harmful, but still buy organic when you have the option.

But there are foods you can be a little less afraid of if you're shopping on a budget. Onions, avocados, broccoli, cabbage, winter squash, cauliflower, asparagus, pineapple, watermelon, blueberries, and

mangoes are usually exposed to far fewer pesticides than their more dangerous cousins.

There is some debate surrounding certain foods, like corn and bananas. These items make appearances on both "safe" and "unsafe" lists.

Bananas are sprayed with chemicals linked to birth defects and neurological damage, but some researchers claim that these pesticides lodge in the peel, leaving the fruit safe.

Corn appears on many lists, not because it is particularly full of pesticides but because 75-90 percent of U.S. corn has been genetically modified (therefore, this warning also applies to corn syrup, corn oil, and other corn products).

Small, local farms typically use fewer pesticides than commercial growers, even if they don't sell their produce as "organic." And of course, you can always grow your own!—C.B.

Read the YES! blog on a Month of Organic Eating www.yesmagazine.org/eatwell

FREE BEER

When I sit down for a beer, how do I know if alcohol is the only harmful chemical I'm imbibing?

Traditional beer is brewed from four ingredients: water, barley, hops, and yeast; but there are few regulations in

Our Issue 50 Researchers

After finishing her second amazing internship with YES!, **Catherine Bailey**, on the left below, plans to live the (eco-friendly) bohemian dream until it's time for grad school. **Mary Richter** represents an unlikely collision between punk and hippie, wont to fling red paint on her own leather jackets. If her journalistic aspirations deflate alongside the economy, she hopes to spend her life digging holes.



the United States about what goes into beer. Where the Bureau of Alcohol, Tobacco, and Firearms lets you down on labeling requirements, YES! is here to help.

Among the surprise ingredients in beer are high fructose corn syrup (HFCS), gelatin, silicone, polyvinylpyrrolidone (PVPP, a plastic), bisphenol-A (a toxic derivative of PVPP), chitosan (from shellfish), phosphoric acid, sulphur dioxide, and ammonia caramel.

The Food and Drug Administration says these ingredients are safe in the amounts found in beer, but those who prefer

all-natural, organic, kosher, or vegetarian diets may not want them at all.

The German Reinheitsgebot is a time-honored purity law that limits the ingredients in beer to water, barley, hops, yeast, wheat malt, and cane sugar. Most German brewers leave other ingredients out of their beer.

Unfortunately, the clarification process for German and most other beers uses PVPP, which is filtered out before sale, but some studies say bisphenol-A and other toxic chemicals may leach out of the plastic first. Another clarify-



YES! PICKS :: Fly Patrol

The pleasure of the cohabitation from which the housefly draws its name does not belong exclusively to the winged ones. We depend as much on flies for decomposition as they do on us for shelter. Nonetheless, most of us prefer to have our flies do their work outdoors. Here's how to keep them there.

Clean up. Wash everything: garbage cans, sink and tub drains, even the dog and his backyard deposits. Seal everything: Put fruits and veggies in the fridge and cover any food left out.

Barriers. Caulk every crack in the house and cover all vents with fine mesh. Garden with fly-repelling plants: marigolds, geraniums, mint, basil, purple coneflowers, Russian sage, tansy, and garlic. Burn eucalyptus leaves. Aim fans at open entrances to irritate the fly's sensitive leg hairs. Fill a zip-top plastic bag with water and hang it above the doorway to reflect the sun: Flies' compound eyes are sensitive to focused light.

When gentler measures fail. If you find yourself hanging a sign that says "No Flies Allowed," mass flyicide may be your only hope. Introduce natural predators: carnivorous plants, spiders, dragonflies, mantids, frogs, or lizards. Catching flies is easy, and no need to chase them with a swatter. Use cabbage like a drug: it attracts flies and makes them sluggish enough to pick up by hand. Use sweet-smelling bait like fruit or wine to draw them into your choice of many traps: an open wine bottle, a plastic tub with a tiny hole cut in the lid, or a commercial bug trap. A spray bottle with water and detergent works as a weapon. For homemade, non-toxic fly paper, boil water or cider vinegar with corn syrup, adding sugar until the mixture is thick and sticky, then spread it on strips cut from a brown paper bag. Soon, your home will be fly-free, and you can rest with the knowledge that your winged friends are happily decomposing things outside.—*M.R.*



SAY YES! TO THE NEW ECONOMY

Help get copies of this YES! issue to policy-makers, activists, and educators. Donate to the Positive Futures Network (YES!'s publisher).



Call Jessica at
206/842-5900 Ext. 213

ing agent is silica gel, which is non-toxic but inedible. Natural clarifying agents include isinglass, gelatin, diatomaceous earth, and Irish moss. The first two are animal products; the latter two are vegan. British ales are traditionally clarified using isinglass. You can avoid clarifying agents altogether with cloudy, unfiltered beer.

Those concerned about HFCS should be aware that many cheaper U.S. beers are brewed with it, but imported beers and microbrews use cane sugar or maltodextrin instead. You can also look for beers that are "kosher for Passover" or "100 percent organic." Kosher rules prohibit the consumption of corn products during Passover. Regular "organic" beers can contain up to 5 percent non-organic ingredients, so HFCS may be

present unless the label states "100 percent organic." The FDA has no official definition of the word "natural," so a label that says "100 percent natural" tells you little about the ingredients.

If gluten is a problem, some beers are brewed with another grain, like buckwheat or sorghum, in place of barley.

One sure-fire way to know what is in your beer is to brew it yourself. Spending less than \$200 and a bit of time will have you making your own microbrews for less than half the retail price.

Otherwise, use these tips to make educated decisions in the beer aisle, and you should be able to sustain a healthy drinking habit right up until your liver function collapses. Cheers!—*M.R.*



TEACH YES!

Your support gets YES! Magazine and materials into the hands of teachers and students nationwide.

Donate online at www.yesmagazine.org
or call 800/937-4451

UPDATE

HAS THE PROMISE OF THE STORIES WE'VE PUBLISHED TURNED INTO REALITY?



Kids help with tree planting, one part of the sustainable forestry cycle.

WWW.FRIENDSOFGAVIOTAS.ORG

Gaviotas Still Dreaming and Growing

Ten years ago in YES! ... We featured the story of Gaviotas, a village of more than 200 scientists, ecologists, students, dreamers, and innovators located deep in the heart of the Colombian llanos—an area of virtually lifeless desert. Founder Paolo Lugari explained, “They always put social experiments in the easiest, most fertile places. We wanted the hardest place.” The pioneers of Gaviotas transformed 20,000 acres into a thriving community that sustained a wealth of flora and fauna, offered medical aid to the region, provided safety and education for young and old, built relationships with the indigenous people, and made its way toward self-sufficiency by cashing in on its renewable crops.

Today ... Though it has had its share of troubles, Gaviotas is alive and well. The pine forest the Gaviotans planted in the 1970s has created a lush ecosystem that supports over 200 different kinds of plants and animals—many more than there were a decade ago.

In his postscript to the 10th anniversary edition of his book, *Gaviotas: A Village to Reinvent*

the World, Alan Weisman writes, “Gaviotas [has] stayed alive by becoming an agro-industrial cooperative, and the industry part [means] tractors, mulchers, plows, and disks as well as motor scooters.” The biodiesel grown on-site is enough to power them all. The Gaviotans have built a massive forest-fire prevention system featuring steel lookout towers—manned 24 hours a day—and a 65-foot-long, remote-controlled zeppelin equipped with video cameras. Their co-generating boiler produces heat to refine pine resin while spinning a turbine that provides electricity to the entire village.

The founder of the U.N.’s Zero Emissions Research and Initiatives foundation, Gunter Pauli, has been working with Lugari on expanding the Gaviotas model to other parts of Colombia. With the help of the community, they are making plans to build Gaviotas II, a reforestation project that would offset the equivalent of Japan’s CO₂ emissions.—*Catherine Bailey*

Check out the YES! archive: See our original story on Gaviotas at www.yesmagazine.org/gaviotas. It’s one of more than 3,000 YES! Magazine articles in our searchable online archive.