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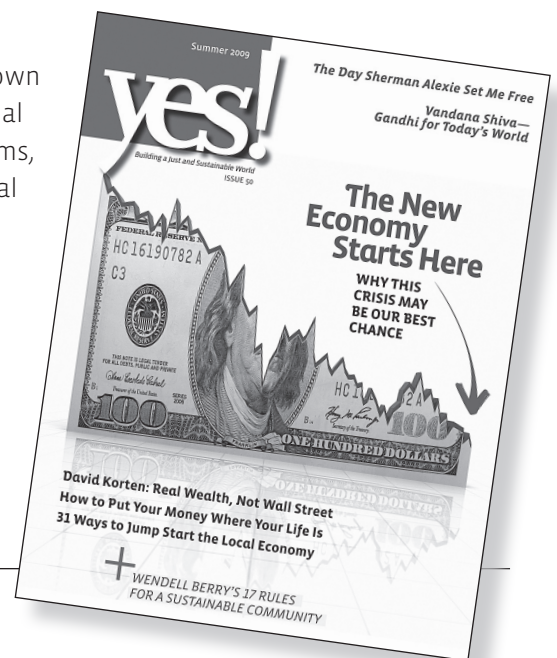
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Building a Just and Sustainable World

DISCUSSION GUIDE | ISSUE 50 | THE NEW ECONOMY

YES! Discussion Guides are designed to help you explore your own experiences, opinions, and commitments as they relate to material found in YES! magazine. Use them in group discussions, classrooms, or study circles. We believe that when people discuss, with mutual respect and caring, the critical issues of our time, they create a powerful avenue for constructive social change.

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As the United States struggles with a major financial meltdown, many are calling for Wall Street bailouts and a return to the old ways of doing economic business. In this issue of YES!, we show how we can use this crisis as an opportunity to reframe the role of the economy in our society, and we tell the stories of people who are already doing so. For too long, corporate interests have dominated business and finance, with devastating results. This may be our best chance to make the shift to a new economy that places global well-being and cooperation over “phantom wealth” and greed—an economy that works for all.

This discussion guide will focus on the following articles:

1. David Korten, “The New Economy, and Why this Crisis may be Our Best Chance”
2. James Robertson, “Money from Nothing”

3. Michael Shuman, “How to Put Your Money Where Your Life Is”

4. James Trimarco and Jill Bamburg, “Worker Co-ops” and Georgia Kelly and Shaula Massena, “When Worker-Owners Decide How to Ride Out a Downturn.”

5. Rebecca Adamson, “Age-Old Wisdom for the New Economy”

The New Economy, and Why this Crisis may be Our Best Chance

Though the breakdown of the current economic system is sending many into panic, the failure of the status quo may very well be a blessing in disguise. The economy of the past several decades has proven disastrous for the planet’s health, the well-being of the majority of people, the autonomy of developing nations, and social justice

around the globe. Instead of rebuilding this broken system, Korten asserts, we need to replace it for our own sake and that of generations to come.

- Korten writes, “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.” Do you agree with this statement? If it is true, why do you think people have gone along with it for so long? What might you stand to lose by changing the system? What might you gain?

- In what ways are you currently supporting Wall Street? In what ways are you supporting Main Street? Has the division changed in the last few years?

- Korten says that everyone should be both a worker and an owner. Do you feel a sense of ownership in your work? How does a sense of ownership in one’s work contribute to their quality of life?

- Korten writes that in an ideal world, competition would be for excellence, not dominance. Do you think competition is a “natural” driver of the economy? How might the economy be different if that competition were to be directed at excellence instead of dominance?

Money from Nothing

James Robertson reveals how big banks literally “create” money by disguising it as credit, reaping vast profits for themselves and putting their customers in a bind. He highlights the benefits of government-created money and local currencies, and illustrates how we can use them to restore the control of money creation to the people, where it belongs.

- Were you surprised to find out how banks “make money out of thin air?” How do you feel about this practice?

- Robertson mentions the benefits of handing the money-creation process over to the government. Do you agree with this idea? What drawbacks might it have?

- Robertson mentions local currencies, and the following article, “Dollars with Good Sense,” by Judith D. Schwartz, expands on the subject. If there is a local currency in your area, do you use it? Do you think you’d use a local currency if one existed in your area? What do you think are the benefits and drawbacks?

How to Put Your Money Where Your Life Is

As the reliability of Wall Street investments declines,

an increasing number of Americans are seeking ways to put their money to work in their communities. But, as Michael Shuman points out, this is not always as easy as it seems. There are a number of ways to put your money where your life is in spite of Wall Street red tape, but critical reforms must take place if we are to build a truly just and sane economy.

- Shuman writes that a growing number of Americans want to pull their retirement investments out of global banks and reinvest them in local communities. How do you feel about this issue? Has the economic downturn changed your thoughts on where your investments should go?

- If the SEC restrictions on local investment were lifted, do you think your investment habits would change? Do you trust your local economy with your money? What are the benefits to investing locally?

Cooperative Business

Cooperatively owned businesses have repeatedly appeared as a grassroots response to hard times. The present is no exception. Co-ops offer stability and control, and a share of the profits, to consumers, workers, and producers. They can create or maintain jobs when the business climate is unfavorable for conventional business. As the economy fails, cooperatives—from the smallest food co-ops to giant producer cooperatives like Organic Valley—are doing better than ever.

- Melissa Hoover, executive director of the U.S. Federation of Worker-Owned Cooperatives, observes that “social movement energy has been funneled into nonprofits.” How do you feel about this trend? What can we accomplish through nonprofits that we could not have been able to accomplish before their widespread existence, such as in the Great Depression?

- Producer co-ops pool their products for marketing leverage. Worker co-ops, on the other hand, involve the workers in all phases of managing the business. Do you think that’s practical for large-scale operations, or is it limited to small businesses? Would you have reservations about joining a worker-owned cooperative? If so, what would they be?

- The members of one Mondragón worker cooperative weathered hard times by agreeing to have 20 percent of the workforce, chosen by lottery, laid off at 80 percent of their pay. Do you think this kind of solution would work in the

DISCUSSION GUIDE | ISSUE 50 | THE NEW ECONOMY

United States? If not, what would keep it from working?

- How do you feel about the idea of a decentralized cooperative, such as Ace Hardware or Land O'Lakes? Do you feel that it is important for all the members of a cooperative to participate in direct, face-to-face democracy? Or can a business transcend state, or even national borders, and still maintain its cooperative values?

- Look at the seven principles introduced by the International Co-operative Alliance. Do you agree with them? Is anything important left out?

Age-Old Wisdom for the New Economy

Rebecca Adamson, a Cherokee who is a long-time indigenous rights activist, shares the wisdom of indigenous peoples with YES! Executive Editor, Sarah van Gelder. Adamson explains that indigenous cultures did not suffer many of the economic inequities we confront today because they placed a heavier emphasis on the value of community, nature, and the sacred. She urges us to return to a mindset of abundance, gratitude, and generosity in order

to thrive even in times of apparent financial crisis.

- Adamson says that an economy should exist for the well-being of society—for making dignified livelihoods and for the betterment of the community. Do you agree? If not, what do you disagree with? What is an economy for, in your opinion?

- Adamson comments that we need to let go of the need to “profitize every solution.” Can profit and true social justice go hand in hand? In what ways, if any, are the two at odds?

- What do you think of the indigenous practice of sharing and gift-giving? What problems might there be with a model like this? Do you practice anything similar in your own community? How do you think this would work for a large-scale economy?

- In indigenous cultures, the excessive concentration of wealth was naturally prevented due to the obligation to share one’s surplus. How do you feel about the concentration of wealth? Should it be limited? If so, how should these limits be determined?

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