

Looking at Classical Economics

How many people have taken an course in economics?

1. What are the false assumptions of classical economic theory?

Adam Smith, Professor , Moral Philosophy

David Ricardo

Trade, comparative advantage

slave labor

capital remains domestic

John Stewart Mills

Consumption = Happiness

Resources last forever

Unused land has no value

Capital would not go global

Invisible Hand

Labor would always work at subsistence wages, slaves

Homo Economicus

how valid are they?

Homo Economicus

Lazy, Greedy, selfish

2. What are the realities of the national economy over the past 30 years?

Increasing economic inequality

Benefits of increases in productivity not going to workers

Stagnant wages, returns to K, 1980 -2005, stocks rose 58 x faster

Skyrocketing executive pay, 354 to one

3. What are external costs and what are they doing to our planet and our lives?

Pollution,

war

climate change,

resource depletion

costs to ourselves

cost to nature

4. How does the Extraction Economy work?

Woolly Mammoth Economy

Depletion of resources

Herman Daly

We should use part of return to plan for replacement resource

5. How is our economy failing?

Increasing inequality,
Disregard for externalities
destructions of resources,
& the middle class
Winner takes all

6. Do markets work?

Do not consider externalities
Pollution
Depletion of Resources
Destruction of Natural systems
Money is power
favors concentration of monetary assets

7. What is the problem with using GDP to measure our happiness?

GDP created in the 1940s
national accounting system
analyze parts of global American Empire to be protected.
Council on foreign Relations
Does not deal with Happiness
Does not account for external costs
Use Genuine Progress Indicator instead

8. How do we deal with income and wealth inequality?

Increase Economic Democracy
Co-ops
Worker owned businesses
Divine Right of Capital
Return productivity gains to the workers
Germany

9. How do we deal with dwindling resources?

Make new Economic Assumptions Like

It is vital that our natural systems are maintained

We live on a finite planet

Responsibility

Business schools

Green MBAs

10. How do we deal with reduced labor needs?

Job Sharing

Work less – enjoy life more

Voluntary simplicity

the “new maturity.”

Japan’s youth movement. Less consumption

Economist Juliet Schor

Shorter workweek

Smaller, efficient businesses

11. How do we shift society's focus from material to non-material, community values?

Re-orient our values

Martin Luther King

— racism, extreme materialism and militarism

Ghandi Living simply so that others can simply live

12. How do we get firms to nurture the environment?

We are part of Nature

Right of nature

Triple bottom line:

social, environmental, financial,

people, planet before profit

B corporations

Bien Vivir – Living well

Ecuador

Globalization Devastation & Hope

Indigenous movement, CONAIE

enterprises that benefit society get tax breaks

enterprises that harm society be heavily taxed

13. What factors should be maximized in the new economy?

Cooperation

Reverence for nature

Scale

Community Federalism

Local enterprises collaborate

for economies of scale
& needs for capital

An equitable market

Global oversight of trade and corporate conduct

The Global reserve- watching the ecological limits

Trustees of Global Commons

Global Federation – protecting the commonwealth

Regional Economies

New England

Global court – protecting natural systems

Right relationship –

preserving the integrity, stability and beauty of the biotic community.

Economic efficiency changed to Earth Efficiency

What is good for the planet

Move from trade that promotes economic efficiency

to one that promotes earth efficiency.

Wealth changed to mean - Share of earth's life & the creative force of sunlight

Cost looks at the environmental cost

Money is a license to exert ecological cost or produce toxins

Waste is when a material has no more work it can do

Cradle to Cradle

14. What ownership models would work best in the future?

Worker self management

Mondragón

1256 companies, 85,000 workers

1991 visit

Structural debate – reforming to meet market demands

Or keeping the co-operative spirit

Ruth's questions

Cleveland Evergreen Co-ops

Laundry, energy Solutions, Green City Growers

Built around needs of hospital and Universities

Employees buy in through payroll deductions

\$65,000 equity in 8-9 yrs

Local Foundations

History of Co-ops mid 1800s

Rochedale – England

1. Open membership.

2. Democratic control (one person, one vote).

3. Distribution of surplus in proportion to trade.
4. Payment of limited interest on capital.
5. Political and religious neutrality.
6. Cash trading (no credit extended).
7. Promotion of education.

Populists

Co-ops nurtured the concept of co-operating
people changed their whole approach to society

Co-ops in Fort Bragg & Ukiah

Ukiah Co-op

The Nelson brothers: Finnish-American radicals from the Mendocino co

Mondragon co-ops

US Steelworkers to Mondragón

Meld worker- owned model into collective bargaining

Community land trust

15. What are the advantages of the Social Solidarity economy?

Brings like minded institutions together

Co-ops,

Non-profits,

Worker-owned businesses

Locally owned businesses,

Allied government agencies

Promotes democratic enterprises, cooperation & self management

Healthy products that do not harm society

Solidarity,

democracy,

cooperation,

environmental preservation & human rights

We are like termites

QUEBEC

Recognition & standing in public policy dialogue

Priorities from the bottom up

\$10 million loan fund

\$50,000 per co-op

Chantier Trust - \$52 million fund

proved reliability of enterprises so that other funds opened up to them

Movement financial institutions

\$7 billion Union fund,

\$1 billion Social Economy fund.

Venture capitalists running after them
Brazil 20,000 enterprises operating within this model, according to a [government survey](#).
It shows that 1.8 million people work in the solidarity economy system.

16. Why do we need a restoration economy?

NHUDG work

Need to restore to prime vitality from degraded state

17. What are the problems with growth?

Finite planet

exacerbated by

population growth

growing material expectations

population x consumption

Depletion of resources