Eco-nomics for an Ecological Civilization

From Competing to Maximize Personal Financial Returns to Cooperating to Secure the Wellbeing of Life

Dr. David C. Korten
“... when basic needs have been met, human development is primarily about being more, not having more.”
— The Earth Charter

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*Published March 31, 2024*
Conventional economics serves us well only if our purpose is to exploit people and Earth to make money for the already rich. I call it ego-nomics. To secure the wellbeing of all of Earth’s people, we will need a new economics that guides us on a path to an Ecological Civilization in which caring for life takes priority over exploiting life to grow money for the already richest among us. I call it eco-nomics.

As we examine the current environmental and social failures of modern society, we confront a host of self-evident truths that conventional economics ignores. Earth is our common home and the source of our existence and wellbeing. Money has no meaning or utility beyond the human mind. Indeed, most modern money is nothing but invisible electronic traces stored on computer memory chips.

Not only has conventional economics ignored these truths, but it has also led us to create a world in which the vast majority of the world’s people have been reduced to servitude to those who control those electronic bits.

Misled by the flawed promises of standard economics—the ego-nomics promoted by the self-serving who benefit from it—we have allowed money to replace mutual care in mediating our relationships with other people and the living Earth. And we have come to idolize those who suffer from a grandiose sense of superiority and self-entitlement known as narcissistic personality disorder. They engage in a relentless quest for money and compete for positions of extreme power with devastating consequences for people and Earth.

The challenge of our time is to recover our true humanity as we learn to live in beloved communities of mutual caring and service to the natural and human commons. Relevant action includes: Replacing GDP with valid indicators of beneficial economic performance. Embracing biology and ecology as the disciplines most foundational to our efforts to restore and manage the regeneration of the living Earth household in ways that serve the interdependence of life. And confronting and dispelling the illusion that money is wealth and that growing money benefits us all.

We face a series of daunting institutional challenges. We must create a living democracy in which responsibilities for making significant decisions are truly shared. We need to convert predatory corporations with monopolistic powers into worker/community cooperatives devoted to meeting community needs. Reduce our reliance on money as a substitute for caring relationships. Eliminate serious inequality. And replace private banks with a global system of community banks owned by communities they serve.

We are not dealing with a broken system in need of repair. We are dealing with a failed system in need of replacement. We will achieve this transformation to an Ecological Civilization only through a people-powered meta-movement in which the world’s people come together in a unifying commitment to creating a world that works for all life.

EXECUTIVE SUMMARY

Conventional economics serves us well only if our purpose is to exploit people and Earth to make money for the already rich. I call it ego-nomics. To secure the wellbeing of all of Earth’s people, we will need a new economics that guides us on a path to an Ecological Civilization in which caring for life takes priority over exploiting life to grow money for the already richest among us. I call it eco-nomics.

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We are not dealing with a broken system in need of repair. We are dealing with a failed system in need of replacement. We will achieve this transformation to an Ecological Civilization only through a people-powered meta-movement in which the world’s people come together in a unifying commitment to creating a world that works for all life.
The transformation of our economics begins with a defining question. Is the purpose of the economy to secure the wellbeing of the living Earth and all its people? Or is it to exploit the labor of living beings to make money for a privileged few? Our current economic system delivers the latter. The vast majority of the world’s people would benefit from the former. So, what will be required to change the fundamental purpose of the economy? That is the question this paper addresses.

Our relationships with one another and Earth are in crisis because we follow the guidance of an economics that is driven by a false, destructive story. For roughly 60 years, the story of economics has been more “ego” (Latin for “I” and used in English as “self”) than “eco” (from Greek, “oikos” meaning household). That story assures us that money is wealth and that if we each compete to maximize our personal financial return, then the financial wealth created by the winners will trickle down and maximize the wellbeing of all. Call it ego-nomics.

A consequence of that story is that we are disrupting Earth’s ability to sustain life, reducing billions of people to lives of desperation, and fueling deadly conflicts to grow the financial assets of a few already obscenely rich. These effects are so devastating that ever more people are awakening to the reality that our dominant economic story has put humans on a path to self-extinction—an outcome with no winners.

To get the future we envision, we must adopt a new story—a story reflective of our true nature, needs, and purpose. We need a new economics, a true eco-nomics grounded in a valid story that recognizes we are complex beings of many possibilities, including a distinctive capacity to imagine and create alternative futures grounded in alternative stories. Through our stories, we know ourselves, identify sources of our wellbeing, and shape our relationships with Earth and our fellow humans.

Our early ancestors turned to wise elders for their guiding stories. Later we turned to religion and eventually to science. Currently we turn to economics, an academic discipline that presents itself as an objective, values-free science, but is in fact a form of religion devoted to the worship of money. The even deeper cause of our current crisis traces to a 5,000-year imperial history of the exploitation of Earth and its people by predatory rulers. Ego-nomics perpetuates this history.

Imagine the world that it is now within our means to create together. No one has yet been to this world. There are no maps or charts to show us how to get there. We must make our way together, imagining and navigating to a future consistent with our true human nature and sharing lessons of our mutual learning as we move forward.

This paper outlines a big picture conceptual and interdisciplinary framework for a new eco-nomics that recognizes our distinctive human nature and purpose as living beings born of and nurtured by a living Earth. This new eco-nomics is dedicated to the love of life and recognizes that money is only a number with no meaning outside the human mind. It calls us to bring forth a true civilization, an Ecological Civilization, grounded in the principles of the Earth Charter.

Quest for the Big Picture

When I was a student in Stanford’s Graduate School of Business, we were constantly admonished by our professors: “When you confront a problem, it is not enough to just solve the problem. You must identify and address its cause—the systemic source of the failure.” This is also what we taught when I was a member of the Harvard Business School (HBS) faculty. We called it, “the big picture.” The imperative to seek the big picture has guided me throughout my life.

I joined the HBS faculty at the beginning of 1970 before the business culture turned away from the then established belief that the purpose of business is to serve all its stakeholders. I left the HBS faculty in 1975 as it was embracing the “greed is good” motto driving the current global crisis.
THE ULTIMATE HUMAN CONCEIT is the belief that an all-powerful God created the vast cosmos and the finite living Earth for humans to exploit in whatever way might suit their wishes.

Earth is distinctive among all the planets we have observed so far in its ability to sustain life. And we humans are distinctive among Earth’s living beings in our ability to choose and to create our future together. That gives us special privileges. Even more, it gives us special responsibilities.

Our deepening understanding of our true nature suggests that it is far more logical to assume that humans evolved in this vast and wondrous cosmos to serve—rather than to exploit—creation’s continued unfolding of life.

Our most revered spiritual teachers have long taught that we are born to love and care for one another. Scientists who use advanced imaging technology to track the function of the human brain now conclude that healthy human brains are wired to reward caring, cooperation, and service. An act of cooperation and generosity triggers the brain’s pleasure center, releasing the same hormone that is released when we eat chocolate or engage in good sex. In addition to producing a sense of bliss, caring for others benefits our health by boosting our immune system, reducing our heart rate, and preparing us to approach and soothe. Positive emotions such as compassion produce similar benefits.

The culture and institutions favored by our current “ego-nomics” ignore these basic human characteristics and instead direct us to engage in fierce competition for money. The eco-nomics we need will guide us in restructuring our cultures and institutions to align with our human nature and reward us with love and joy for creating and caring for families and communities.

In looking for the principles that underlie such an economics, The Earth Charter provides an appropriate point of departure.
THE EARTH CHARTER: PRINCIPLES FOR AN ECOLOGICAL CIVILIZATION

The Earth Charter is the product of the most participatory and inclusive drafting process ever in the human experience. The final product, which was presented to the world in the year 2000, presents a global human consensus on four elements of the future we seek together:

1. Respect and care for the community of life
2. Ecological integrity
3. Social and economic justice
4. Democracy, nonviolence, and peace

The Charter then spells out guiding principles for each element. Readily available in 65 languages, the Earth Charter is an essential document for everyone committed to creating a future of respect and care for the beloved community of life. Review the Earth Charter here in your language of choice.

The Earth Charter has received formal endorsements from over 2,000 organizations representing millions of people, as well as by many thousands of individuals. It is the best document we have framing a consensus on the future desired by people representing the vast diversity of human cultures, religions, and colors.

Here are the defining words from its preamble:
"We stand at a critical moment in Earth’s history, a time when humanity must choose its future. As the world becomes increasingly interdependent and fragile, the future at once holds great peril and great promise. To move forward we must recognize that in the midst of a magnificent diversity of cultures and life forms we are one human family and one Earth community with a common destiny. We must join together to bring forth a sustainable global society founded on respect for nature, universal human rights, economic justice, and a culture of peace. Towards this end, it is imperative that we, the peoples of Earth, declare our responsibility to one another, to the greater community of life, and to future generations. … We must realize that when basic needs have been met, human development is primarily about being more, not having more."

The Earth Charter does not name the future we seek. When it was drafted, the term Ecological Civilization had not yet come into use. The Charter outlines beautifully, however, the principles of the emerging vision of an Ecological Civilization. And the organization Earth Charter International now recognizes Ecological Civilization as a preferred name for the future envisioned by the Charter.

TWO CONTRASTING STORIES: OUR LOVE OF MONEY VS. OUR LOVE OF LIFE

Underlying much of how we see the world are two starkly contrasting stories. One features and celebrates our love of life, the other our love of money. As we reflect on the choice between these two stories, we encounter these self-evident truths:

Living Earth is our common home, the source of our existence and wellbeing.
Money is a number with no utility or meaning beyond the human mind.
No one can breathe, drink, or eat money.
There will be no winners on a dead Earth.
We will prosper together in the pursuit of life, or we will perish together in the pursuit of money.
The choice is ours.

The human experience is shaped by the caring relationships of family and community. These relationships can involve a great variety of colors and genders, but without the relationships of a caring family or community, the experience of life as a human loses meaning and purpose.

Imagine a world in which every child grows up with the support of a loving family and a caring village. A world without hunger and human violence in which everyone has a home and a meaningful livelihood. Neighbors care for one another and the place where they live. Most people meet their daily needs within walking distance of their home and enjoy safe and attractive free public transit to more distant places while enjoying beautiful parks, lush gardens and farms, and abundant nature. A world with more fun and less stuff.
To achieve such a world, we need to prioritize three actions:

1. **Care for Earth.** Earth is our mother and our home. Her care must be our priority over all others. She creates and maintains the conditions of climate, atmosphere, water, soil, and all else on which life in turn depends. Possessed of uncommon abilities, we humans carry a special responsibility to care for her and facilitate her healing.

2. **Share the Commons.** The natural commons is a collective creation of the living beings that preceded humans and self-organized to ultimately birth the human species. No human had any part in its creation. All living beings have a need for and right of access to it. None of us has a right to privately expropriate and use more than we need.

3. **Create Institutions that Serve Life.** Humans created institutions to shape our relationships with one another and Earth. When our institutions do not currently serve us, we have the right, the means, and the obligation to transform or replace them. Necessary action requires the guidance of a spiritually grounded eco-nomics that draws from the many sources of human understanding to guide us in creating institutions that actualize our full potential as caring, creative, responsible members of Earth’s community of life.

As we developed our capacities for verbal communication, we organized around the stories by which we came to know ourselves and our relationships with one another and Earth. These stories served as a shared lens through which a tribe’s members viewed and responded in coherent ways to the world around them. With time, our capacity to organize around a chosen story grew, and we created ever larger communities, nations, and empires.

From the available evidence, it seems that from our earliest days we have demonstrated our capacity to choose between competition and cooperation. The consequences of those choices have ranged from extremes of violence, cannibalism, slavery, castes, and authoritarian rule to extremes of mutual loving care, collaboration, and self-sacrifice for the good of the whole.

Some 10,000 years ago, our forebearers took an important step toward our current moment of crisis, opportunity, and choice. They began tilling the soil of the place where they lived. From one perspective, we can see them as creating new opportunities for themselves, Earth, and life. From another perspective, we can see this as a step toward control and domination of one another and Earth to pursue ego-driven personal agendas.

Five thousand years after this initial departure from their traditional ways of living, our ancestors began organizing as imperial societies devoted to exploiting one another and Earth for the benefit of powerful rulers. It was a tragic misstep. It has taken us another 5,000 years to recognize and begin to seriously question the domination and exploitation of imperial societies.

We called these brutal societies “civilizations.” Some of their advances in science, philosophy, and the arts were stunning in their beauty and benefits. The dominant consequence, however, was scarcely civilized. Imperial rulers controlled access to land to control access to the basic necessities of life.

As democracy began to challenge authoritarianism, royal rulers turned to the corporate charter as an instrument for maintaining their personal control over colonial territories. Much later, as democracy took hold in the United States, autocrats of consequential wealth turned to the corporate charter as a favored legal instrument for consolidating control of economic assets to exploit people and Earth. Now financial overlords use corporate charters...
to consolidate their power with ever increasing speed, skill, and deception.

We arrived at a significant moment of choice when the decolonization that followed WWII spawned a temporary burst of democracy on a global scale. Aspiring autocrats resisted, turning to corporate charters, debt, and other financial instruments to reassert their authoritarian control of assets that former colonial rulers had been forced to relinquish. The commitment to economic development that became a priority following WWII sparked hope that assets and power would be democratically shared. The actual product was a reconcentration of the imperial powers of ownership and money by which ruling financial elites determined who would have access to a means of living.

The original tokens of monetary exchange were valued shells or metals. Then notes printed on paper. Today, we have mostly electronic traces, stored on tiny chips in computers and moved around the world at light speed on radio waves. The vast majority of the world’s people are now reduced to servitude to those who control the creation and allocation of these electronic tokens through their control of transnational corporations, banks, and financial markets.

It is a simple formulary. Own the land and other sources of a means of living. Control the creation and access to electronic traces called money. Offer a few of these traces in exchange for labor beneficial to the owner. Suppress wages and raise prices. In this way, grow the electronic traces you control and thus your control of your fellow humans.

The electronic traces we call money have replaced love and mutual care as the arbiter of our relationships with one another and Earth’s other living beings. We are at the culmination of an accelerating 5,000-year process, leading us from organizing as extended communities and families joined in relationships of mutual caring to organizing as individuals living in isolated households joined only by our mutual dependence on financial exchange.

Advertising focuses our attention on mindless consumption as a source of satisfaction. Media focuses our attention on growing our income, consumption, and financial assets as our purpose for being. Our love of life gives way to a love of money.

Tragically, seduced by those whose temporary interests are served by this travesty, we have chosen a story that leads us to exploit one another and Earth for short-term
financial gain. We are in desperate need of a new story to unify us in a commitment to loving care for Earth and one another. Our recently created communications technology gives us the capacity to choose a new story by global consensus that is better aligned with our needs and nature. It will require liberating ourselves from the grip of a misguided few.

THE IDOLIZATION OF MENTAL DYSFUNCTION

Some of the leaders of the dysfunction exhibit the symptoms of a mental disorder that afflicts adults whose childhood experience failed to cultivate the qualities of mutual caring essential to responsible adulthood. While these individuals require and deserve proper care, they should never be permitted to hold positions of power over others.

While sharing with and caring for others is a primary source of satisfaction for the vast majority of humans, a small minority are afflicted with various forms of what mental health professionals call narcissistic personality disorder (NPD). Those so afflicted lack the sense of empathy and desire to care for others that is normal for mentally healthy humans. They are characterized by a grandiose self-concept, sense of entitlement, fantasies of superiority, and need for admiration, as well as by behaviors intended to maintain this self-concept in the face of a contrary reality. The most severely afflicted get their pleasure from inflicting harm on those who lack a means of self-defense.

In 1964, social psychologist Erich Fromm coined the term “malignant narcissism” to describe a severe form of narcissistic personality disorder that he characterized as “the quintessence of evil…the most severe pathology and the root of the most vicious destructiveness and inhumanity.” Such individuals get sadistic satisfaction, even joy, from inflicting serious and arbitrary harm on others to demonstrate their own superior authority and power. They may also be described as sociopaths or psychopaths by mental health experts who cite as examples those who abuse their economic power in ways harmful to society. Perhaps those so afflicted were sent to awaken us all to the deep systemic failure from which we must now liberate ourselves.

Individuals so afflicted are often highly motivated to seek positions that offer them opportunities to exercise arbitrary authoritarian power to exploit others for personal gain. They use their influence over media and education to advance a social ethic that celebrates their predatory orientation as beneficial to society. Our current economic system elevates such individuals to positions of arbitrary power.

Fortunately, most people in power are not so afflicted and may feel deep discomfort with what their jobs demand of them. But the behavior of the afflicted is normalized, even idealized by ego-nomics. Hopefully the unafflicted in positions of power will recognize how the system they serve dehumanizes them just as it dehumanizes the exploited and will join in the cause of transformation.

Here we come to the ultimate reason why the teaching of ego-nomics should be banned in respectable educational institutions. It legitimates—even idealizes—mental dysfunction and immoral behavior at odds with our true human nature essential to healthy societal function. A viable human future depends on our learning from those who represent the most advanced of our positive potential for love and caring.

THE QUEST FOR BELOVED COMMUNITY

During the height of the U.S. civil rights movement, Martin Luther King, Jr., in his quest for peace and justice for all people, expressed his deep commitment to what he called the Beloved Community. He aligned in this quest with India’s Mahatma Gandhi and South Africa’s Nelson
Mandela. (See the text box “The Human Potential to Love and Forgive.”)

Together, these three celebrated leaders inspired the world with their recognition that violence and exploitation dehumanize both the perpetrator and the victim. Each challenged their opponents in their respective homelands to recognize and actualize their own humanity. Calling the outcome Beloved Community, King envisioned a world grounded not in competition and exploitation, but in mutual caring for one another in recognition of our shared humanity. King thus framed the community our current institutions deny us.

As the Earth species with a distinctive capacity for self-aware choice, I believe our human purpose is to serve the continued unfolding of creation through our care for the living communities into which we are born—adapting, serving, and learning as we go. This is essentially what our ancestors did before our institutions of government, business, finance, religion, education, science, and media enabled the few to rule the many. What we call democracy often provides merely an opportunity to participate in choosing the rulers of what are essentially authoritarian institutions.

As currently structured, most modern institutions limit the self-rule and mutual care of Beloved Community. They reduce most of us to lives of servitude in meaningless jobs devoted to maximizing profits of transnational corporations that acknowledge no responsibility for our wellbeing or the wellbeing of the community in which we live. It is a modern form of slavery, misdefined as freedom.

The typical contemporary life can be divided into four institutionalized stages shaped in ways at odds with the full realization of our humanity and life satisfaction:

1. **Education.** Institutionalized education conditions children for institutionalized adulthood working in service to those who control big government and big business. Separated from family and community, our children are confined to schools designed to condition them to conform to institutional norms while providing them with skills needed for jobs generating profits for the already wealthy. Those who go on to “higher” education are exposed to course materials responsive to interests of wealthy benefactors. Graduates are left burdened with student debt that is nearly impossible to repay during their lifetime and thus are reduced to perpetual servitude to financial institutions.

2. **Employment.** The most attractive employment opportunities are provided by corporate employers that provide handsome salaries for their most favored employees, while providing most employees with insecure, poorly compensated, and meaning-

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**The Human Potential to Love and Forgive**

In January 1992, during South Africa’s apartheid transition from white to black leadership, I was invited to teach in a course for those who had been imprisoned along with Nelson Mandela and were preparing to assume leadership of the new government.

These black leaders had endured years of extreme, violent, and degrading imprisonment. I was stunned when they spoke with compassion of their white jailers, and how their imprisonment had dehumanized their jailors much as it had dehumanized themselves.

It was the most profound expression of a human capacity for compassion that I have ever experienced. An equivalent of Jesus forgiving his executioners as they nailed him to the cross. “For they know not what they do.”

It gives me hope that we humans have the potential to find our way to the viable future of an Ecological Civilization grounded in Beloved Community and the principles of the Earth Charter.
less jobs doing work that undermines the wellbeing of family and community to generate profits for billionaires.

3. **Retirement.** The promise of retirement for those lucky enough to survive with some savings and/or a pension provides an enticement to endure the working years, accumulating modest savings to spend down during retirement on medical and packaged travel experiences.

4. **End of Life.** As mind and body deteriorate, survivors of the first three segments likely find themselves alone and dependent on corporatized services they cannot trust or afford that preclude their passing any remaining savings to their children.

There is little about the typical institutionalized life cycle experience that is fulfilling for most of the individuals who experience it. The primary beneficiaries are the already obscenely rich, whose experiences as exploiters of the typical life cycle are equally unfulfilling and dehumanizing.

We are experiencing extreme institutional failure. Correcting the failure requires more than simply changing failed institutions. The more foundational goal is to significantly deinstitutionalize ourselves as we learn to fulfill our responsibilities as members and caretakers of self-organizing communities.

This goal must not to be confused with laissez-faire individualism. Fulfilling one’s responsibilities as a member of a self-organizing community requires deep and caring personal commitment within the strong and well-developed ethical framework reflective of the ancient African ubuntu principle, which recognizes that “I am because you are.” Therefore, “my wellbeing depends on your wellbeing.” We are called to localize and distribute decision-making to create a truly civil life-centric civilization that supports us in life cycles of continuing learning and fulfilling service to the beloved community that birthed and nurtures us.

Conservatives long for family and community. Liberals long for public institutions supportive of family and community. We are far closer to a shared vision of what we want than we might realize.

Our common wellbeing depends on bridging the conservative/liberal divide and learning to organize as a global beloved community in which our lives play out in a meaningful, satisfying, and unbroken flow of learning, adapting, and serving the unfolding of life. From birth to death, we can live as contributing members of diversely varied loving families and communities. As such, our lives will differ dramatically from those devoted to preparing for and then serving global corporations and financiers in the hope of storing away sufficient money to experience a leisurely retirement.

Do we have children merely to fill future jobs to generate profits for billionaires while hoping that our children will care for us in our old age? Or is raising mentally healthy children as members of thriving diverse communities an essential part of learning about ourselves and fulfilling our own life purpose?

The questions go far beyond simply building new institutions. We are called to ask, “Given the choices now to be made, how do we want to live? What gives our lives meaning?”

The Earth Charter says that once our basic needs are met, we are called to be more rather than to have more. What does that call us to do? For what purpose do we live? In our contemporary world, most of us find ourselves so stressed that merely meeting daily needs leaves us little time to ask, let alone to ponder, such basic questions.

If life is a purpose of creation, then contributing to life’s flow and cycles is a defining purpose of our existence. Guiding children, whether our own or others, in their development and pursuit of their life purpose is foundational to fulfilling our own purpose.

Every child needs both a family and a village. And every village needs its children. We are creating a world of isolated households and birthing children deprived of essential loving care. The further that process unfolds, the more difficult it becomes to reverse. This is our time to rethink and restructure how we live, recognizing that every life has a sacred purpose.
MANAGING THE LIVING EARTH HOUSEHOLD

Securing the wellbeing of humans and Earth is the economy’s only legitimate purpose. This requires a shared commitment of Earth’s people to an economy that assures the health of Earth’s regenerative systems and meets the essential needs of all people in spiritually fulfilling ways through peaceful collaborative decision processes.

Instead, our current economy is destroying Earth’s capacity to sustain life and driving inequality and violence to grow the financial assets of the already richest among us. The violence and environmental devastation are documented daily in headline news. Statistics on inequality receive much less attention yet those data are quite stunning and readily summarized.

For the first half of 2023, the world’s 500 richest people averaged a US$ 14 million growth in their individual assets each day. Meanwhile, according to the World Bank, nearly half of the world’s population lived on an income of less than US$ 6.85 per day.

Financial predators have gained control of our economic and political institutions to further empower and enrich themselves with devastating consequences for the living Earth and all its people. It is a system in which we all—including the rich—ultimately lose.

The new system on which a viable human future depends can be achieved only by We the People—rich and poor of all colors, religions, genders, and nations—acting with a unified commitment to ending the predation as we actualize a shared vision of a world that works for living Earth and all its beings.

Contrary to the promise of money-centric ego-nomics, money is not wealth. It is a token we agree to accept in exchange for things we want to sell. Creating new money does not in itself increase the availability of food, water, lodging, and other essentials of our wellbeing. Maximiz-
Maximizing financial returns to the already obscenely rich only grows their claims to what the rest of us depend on for our means of living.

Valid indicators of how our economy is performing need to track the wellbeing of life rather than growth in the monetization of human relationships.

Currently, our primary economic performance indicators measure growth in consumption of purchased goods (GDP) and growth in the financial assets of those fortunate enough to have them (daily stock indexes). These indicators tell us nothing about whether basic needs are being met and take no account of inequality. Flagrant self-indulgence fuels growth in GDP and financial assets with devastating consequences for the actual wellbeing of most people and the health of the planet.

We have long known the truth about such indicators. U.S. Senator and former U.S. Attorney General Robert Kennedy spelled it out brilliantly in a 1968 presentation at the University of Kansas:

“Gross National Product counts air pollution and cigarette advertising, and ambulances to clear our highways of carnage. It counts special locks for our doors and the jails for the people who break them. It counts the destruction of the redwoods and the loss of our natural wonder in chaotic sprawl. It counts napalm and counts nuclear warheads and armored cars for the police to fight the riots in our cities. It counts Whitman’s rifle and Speck’s knife, and the television programs which glorify violence in order to sell toys to our children.

Yet the Gross National Product does not allow for the health of our children, the quality of their education or the joy of their play. It does not include the beauty of our poetry or the strength of our marriages, the intelligence of our public debate or the integrity of our public officials. It measures neither our wit nor our courage, neither our wisdom nor our learning, neither our compassion nor our devotion to our country, it measures everything in short, except that which makes life worthwhile.”

This is the Senator Kennedy who may well have become president if he has not been assassinated. We are left to wonder what role his threat to those whose interests are served by growth in GDP and financial assets may have played in the commitment of that vile act.

Corporate financial interests are well served by growth indicators that encourage wasteful consumption without regard for environmental and social consequences. As their assets grow, financial interests acquire ever greater power to shape the media and the public debate to promote their own interests, while ignoring devastating consequences for people and Earth.

The United Nations Sustainable Development Goals (UN SDGs) represent the most significant official effort to frame and promote alternative indicators. Unfortunately, they set shamefully inadequate goals while deflecting attention away from contemporary institutional failure and they call for perpetual growth in consumption. The goals avoid any mention of why environmental devastation, inequality, and war continue to advance at alarming rates despite decades of serious international development funding. There is no mention of the role of corporate power in driving these failures. This makes one suspect that corporate interests intervened in shaping the UN goals to preclude UN action that might advance meaningful system change.

For most of the human experience, people lived from the land and their own labor with no need for exchange of money. GDP was thus zero. Most economists refer to this as absolute poverty. Yet for all their hardship, most people of that earlier time enjoyed greater security and happiness during their generally shorter lives than do today’s refugees and other homeless, the imprisoned, sweatshop workers, and itinerant agricultural workers living on pittance compensation separated from family and neighbors.

There is an inherent flaw in any effort to reduce human wellbeing to a single indicator. Managing the economy to maximize GDP is like flying an airplane with only an airspeed indicator and a goal to maximize speed. You need not be an experienced pilot to anticipate the result.
Kate Raworth, the author of *Doughnut Economics*, proposes panels of indicators that set performance boundaries to define the area (the doughnut) within which humanity can live justly and safely. Her indicators are mostly non-financial.

The doughnut’s ecological ceiling indicators measure the limits to Earth’s regenerative systems. No matter what else we do, we must secure and maintain Earth’s health on which our existence depends. The doughnut’s social foundation indicators represent the needs of people. Economic growth may sometimes serve these social foundation indicators. Too often, however, it erodes them.

Overall, monitoring GDP is a distraction and is best simply treated as irrelevant. Our priority goal is an economy that simultaneously secures Earth’s health and meets our human needs.

There is much work yet to be done framing, building public support for, and implementing appropriate indicators for the inner and outer boundaries of the doughnut. And specifics may differ by locality. Thanks to Kate Raworth, we now have a basic framework for economic performance indicators. Taking it a step further, the Doughnut Economics Action Lab (DEAL) is “turning Doughnut Economics from a radical idea into transformative action” by reframing the economics narrative, influencing strategic policy, and promoting collaborative innovation. These indicators and actions fit well with the principles of the Earth Charter and are appropriate to an Ecological Civilization.

**ALIGNING WITH LIFE’S DEEP INTERDEPENDENCE**

All of Earth’s living beings are constantly making choices to create and maintain the conditions of their own existence. Science has only recently acknowledged that these processes are not mechanistic. They involve—indeed depend on—intelligent choice-making by holarchies of living beings.

Biology and ecology are discovering and documenting the true wonder and beauty of life’s continued learning and evolutionary unfolding. Scientists refer to this self-organization of living beings as *Autopoiesis*.

My body is my most intimate encounter with an autopoietic living holarchy. It consists of trillions of individual decision-making living cells that self-organize to create and maintain my body’s organs—my heart, liver, blood vessels, brain, skin, and so much more. These organs in

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Life thrives as a holarchy of interdependence.
turn continuously self-organize and regenerate to create and maintain the body that is the vessel of my consciousness and the instrument of my agency. If any critical player fails, I die.

The extraordinary complexity of the body’s self-organizing, interdependent processes plays out beyond the awareness of my conscious mind. Each of Earth’s countless species of animals, plants, and microorganisms exhibits how this miracle occurs in wondrously diverse ways.

As with every other living organism, I cannot survive alone. We all depend on our family and community relationships working together to create and maintain the conditions essential to our individual and collective existence. We are all in turn dependent on the breathtaking diversity of relationships of the vast self-organizing holon we know as the cosmos.

The distinctive nature of Earth is especially noteworthy. There are many scientific articles speculating on the possibility of life elsewhere. Yet, among the trillions of planets that science now estimates exist in the known cosmos, Earth is the only planet for which science has found conclusive evidence that it has—or has ever had—life. Earth remains very special.

While our ancient African ancestors recognized the basic interdependence of life that some knew as ubuntu — “I am because you are” — they lacked the instruments required to observe the intricacy of that interdependence that most scientists have recognized and acknowledged only over the past 30 years.

This understanding of our deep interdependence

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**My Introduction to the Revolutionary New Biology**

At a May 1997 conference of the International Development Society in Santiago de Compostela, Spain, Dr. Mae-Wan Ho, a leading molecular biologist, introduced herself to me with this intriguing observation: “I know your work on the dysfunctions of the global economy and believe my work on living cells as a new biologist may be relevant.” She proceeded to awaken me to the simple truth that life is conscious and intelligent far beyond the frame of the scientific understanding of that time.

She noted:

“A conventional biologist grinds up a living cell, studies its chemical composition, and thinks they have learned something about life. I study living cells and their continuing exchange of nutrients, water, energy, and information. Each human body is comprised of tens of trillions of living cells, half of them microorganisms.”

I was immediately stunned by the extraordinary implications. With no mechanism of central control, these organisms together self-organize to create and maintain the vessel of my consciousness and the instrument of my agency. Dr. Ho went on to explain that the living Earth is a far larger and more complex organism, an even more breathtaking example of life’s wonderous collaboration.

At this point in my life, I had a PhD in organization theory from the Stanford Business School and had served for eight years on the faculty of Harvard University, including three years on the faculty of the Harvard School of Public Health. This was the first I had heard mention of these obvious truths about life’s extraordinary ability to self-organize.

Dr. Ho and I sat together on the flight from Santiago de Compostela to Dr. Ho’s then home base in London. By the time I arrived at my home in New York City, I had outlined what would eventually become my third best-selling book, *The Post-Corporate World: Life After Capitalism*.

After I connected with Dr. Ho, I quickly connected with Elisabet Sahtouris, Janine Benyus, and the work of Lynn Margulis—all remarkable biologists pushing the frontiers of human understanding of life.
Exploring options and defining preferred approaches will be an important challenge for the eco-nomics of an Ecological Civilization. Addressing that challenge requires that we draw on the wisdom of indigenous peoples, the world’s great religions, and the leading edges of science.

presents a challenge to the economic assumption that we are financial beings whose wellbeing depends on growing financial assets. We are in fact living beings. The foundational disciplines of a valid economics are biology and ecology—disciplines that most economists have long ignored. To serve life, economics must align with and learn from the life sciences. Essential to this update is recognition that the Earth commons is a heritage of all life to be shared and cared for by all living beings.

We must learn to share the gifts of Earth’s commons to secure the wellbeing of all of Earth’s people.

CARING FOR THE COMMONS

Our own and Earth’s wellbeing depend on our care for and allocation of common heritage resources that fall into two broad categories.

1. The living Earth commons—the water, land, air, forests, fisheries, and all else that nature provides to meet the essential needs of life. Earth’s living beings created and learned to maintain these natural systems long before humans came onto the scene. Humans contributed nothing to this process on which our existence and wellbeing now depend. No one has a right to claim proprietary ownership.

2. The distinctively human commons that consists of the products of human experience and learning—the body of knowledge, technology, and institutions that billions of humans together created over many millennia of mutual, often painful, learning. Many among us have made individual contributions. Each contribution builds on what came before—including the natural commons and the work of our ancestors, teachers, and caretakers. Recognition and modest reward for individual contributions may sometimes be appropriate. But we must always recognize that whatever our personal contribution may be, it is never exclusively our own. And its product ultimately belongs to us all.

These two types of commons form the foundation of the real wealth of contemporary society. Both are legacies to be respected, shared, and given loving care. None among us has a right to abuse, exploit, or claim exclusive possession of more of either than is essential to meet our basic needs in ways consistent with continued regeneration and learning.

Both types of commons are currently under tremendous strain as a few seek to dominate them and human population and consumption continue to grow. Any right to use a resource of the commons carries a corresponding moral obligation to act as its steward on behalf of all, including countless generations yet to come. The privatization and monopolization of essential common heritage resources is an unacceptable systemic dysfunction in need of decisive correction—an extraordinary challenge.

We have scarcely begun to ask how we might better assign rights to and responsibilities for the two commons. Exploring options and defining preferred approaches will be an important challenge for the eco-nomics of an Ecological Civilization. Addressing that challenge requires that we draw on the wisdom of indigenous peoples, the world’s great religions, and the leading edges of science. To live, we must have access to commons resources. In turn, the commons need our care. If we continue to overexploit the two commons, we will perish. Conventional ownership rights cannot apply.

We each need some private space and businesses must have some control of their assets. But how much control? For how long? And what responsibilities come with those rights? When do nature’s rights to the natural commons supersede our human rights? How do established access rights change if the human population continues to grow? Who decides and how? The challenge of properly managing human population while allocating use rights and
management responsibilities for land and water resources and intellectual property rights is breathtaking.

Rather than providing answers, the initial task for eco-nomics is to help us clarify the questions.

Many of the issues are related to local self-reliance. An Ecological Civilization calls for each locality to live within the means of its local natural commons and to justly share its surplus with neighbors through fair trade. Yet there are places where the local resources, no matter how equitably distributed, will not support the existing local population. Do we look to more prosperous areas to subsidize places with inadequate resources? Or do we reallocate population? How do we deal with populations in overstressed areas that refuse to limit growth in their numbers and consumption? Who makes such decisions and how?

Much of the failure of our current global economy stems from trade policies crafted by corporate interests that enable corporations to shift environmental burdens from rich to poor while transferring control of usable resources from poor to rich. This must end. Yet, there will still be needs for international, regional, and subregional trade in an Ecological Civilization to enhance the overall wellbeing of the people of the localities involved. What policies would be appropriate?

When we organize based on environmentally self-reliant communities of place, the linkages between rural and urban areas become essential. The rural is the source of the food and water on which the urban depends. The urban provides cultural and technological services essential to the quality of rural life. Neither can exist without the other. They are inseparably linked, and both depend on the wellbeing of the larger Earth community.

Many of our political divisions center on the current urban-rural divide. Urban liberals look to big government to hold big business accountable to the public interest, reducing its harms and cleaning up its messes. Rural conservatives have a deep distrust of urban government born of the long history of urban exploitation of rural resources. Putting control and ownership where it belongs—in the hands of local people who care for the health of themselves and their neighbors, the land on which they live, and the future of their children will help to make this
interdependence and common interest in local control more evident.

Eco-nomics will remind conservatives that a true market economy depends on equitably distributed local ownership. It will remind liberals that democracy and markets are about self-rule by people dedicated to securing the wellbeing of one another and their neighbors.

**TRANSITIONING TO A REGENERATIVE HUMAN ECONOMY**

Regeneration is the current watchword among those engaged in restoring a healthy relationship between humans and nature. It recognizes that nature is diverse, and its processes are nearly always circular—rarely linear. Thus, regenerative initiatives seek to restore natural diversity and nature's ability to continuously recycle and regenerate in response to local conditions.

We need to create a human economy that aligns with and supports nature's economy rather than disrupting it. Think of Earth as a living organism and its living systems as Earth's natural, self-managing, constantly renewing regenerative economy engaged in the constant complex circular exchanges of nutrients, water, energy, and information. Among Earth's countless and endlessly varied organisms, the wastes of one organism becomes food for another. The overall system is constantly active and features rich diversity and recycling in which nothing is wasted. Indeed, we might think of it as the ultimate recycling system.

Those of us committed to eliminating the economy's abuse of nature used to speak of sustainability. Conventional economists co-opted the term sustainability and interpreted it to mean sustained GDP growth.

Regeneration is not only the new term of choice for those with a serious commitment to a viable human future. It also recognizes that the work requires far more than eliminating use of dangerous chemicals. The work features a vast range of initiatives by a great many innovators, many engaged in serious applications on a significant scale under a variety of labels.

1. **Regenerative agriculture.** Organic agriculture eliminates the use of chemicals. Regenerative agriculture shifts the focus to restoring soil health in ways consistent with local environmental conditions.

2. **Regenerative ocean farming.** Grows mixes of seaweeds and shellfish without requiring special inputs, while sequestering carbon and rebuilding reef ecosystems.

3. **Regenerative forestry.** Restoration of diverse natural forestlands and healthy soils that support a variety of human uses, including recreation and selective harvesting with little need for regular maintenance.

4. **Regenerative parks.** Parks planted with diverse native species that survive and flourish with no dependence on chemical agents.

5. **Regenerative cities.** Urban areas built on an environmentally enhancing, restorative relationship with the natural systems from which the city draws resources for its sustenance.

Conventional sustainability initiatives focus on limiting the damage. Regeneration initiatives seek deep healing to restore fundamental environmental health. The most advanced practitioners speak of a transition from the one-way linear metabolism characteristic of most human economic systems to the circular metabolic systems found in nature in which all wastes become organic nutrients feeding new growth. The key is finding outputs conventionally regarded as waste and converting them to resource inputs in local and regional production systems.

**CONFRONTING THE WEALTH ILLUSION**

We have long referred to people with money as wealthy. The greater their financial assets, the greater their wealth and the greater their stature, influence, and power. There have always been those who acquired their wealth through inheritance. The self-made generally acquired their fortunes by producing actual goods and services. Although the latter sometimes skirted the law and their products may have produced harm, most got rich by producing something real.

Over the past 30 years, however, finance has changed so
dramatically that many of the wealthy now get rich without producing anything but money. Our economy now creates vast financial assets from nothing. An example is the money made by traders capturing tiny differences in the value of official currencies exchanged in microseconds. In mid-2023, daily financial transactions in Forex (foreign exchange) markets were running an estimated US$7.5 trillion per day, or US$2,737 trillion per year, 27 times the financial value of the total transactions in the “real” economy, most of which involved no foreign exchange transactions.

Yet the money made from Forex trades barely scratches the surface of current funny money financial games. Financial speculators have created a bewildering variety of derivatives, which are financial assets created from nothing, structured to match the price of some real asset. Crypto currencies are another example of financial assets created from nothing and serving no beneficial purpose.

In mid-2023, various sources estimated that fabricated financial assets were worth over US$1 quadrillion. These assets now total more than 10 times the total world GDP. Not all goods and services included in GDP are beneficial, but most at least relate to something real.

Particularly alarming examples of predatory financial games come from private equity fund managers engaged in the purchase, sale, and merger of businesses to strip them of their assets at the expense of employees, customers, former investors, and the public interest to generate short-term profits for predatory investors. They then sell the plundered firms at handsome profits to buyers impressed by their reported financial performance.

Aggregate acquisition of corporate assets by private equity firms were US$1.3 trillion in 2022. This theft of the common good is exposed in books like *These Are the Plunderers: How Private Equity Runs—and Wrecks—America* by Gretchen Morgenson and Joshua Rosner.

The profits that come from these financial games increase the power of those who already possess far more than they need. The predators then demand that the rest of us provide them with our labor for minimal compensation in return for access to resources essential to our basic needs. Meanwhile, these desperate souls are further burdened by repaying student, medical, and consumer debts—the latter at especially exorbitant interest rates. This reduces the global majority to legalized slavery.

Once we become dependent on money to obtain our means of living, we easily forget that money has no intrinsic value. It is only a claim on what others offer for sale.

We cloud our own minds when we refer to money as wealth and end up allowing predators to make the growth of money our defining human priority. The result is a global financial economy devoted to using private financial assets to create more private financial assets—money creating money to buy, own, and exploit life.

In her book *Wealth Supremacy*, Marjorie Kelly observes that in the 1950s financial assets in the United States were roughly equal to GDP. Today, by Kelly’s estimate, U.S. financial assets are five times the U.S. GDP.

The implications become clear when we note that in mid-2023 the richest 0.1% of the U.S. population owned 12.8% of these assets. The poorest 50% owned only 2.5%. While some inequality is natural and inevitable, this disparity is beyond obscene.

Kelly points out that we are currently captive to two basic fallacies.

1. **Wealth Supremacy**: The fallacy that persons with significant financial assets are “worth” more and have contributed more than others.

2. **Capital Bias**: The fallacy that profit (financial return to money) is inherently good and therefore should grow. Labor costs, however, are an expense that should be minimized.
Beneficial labor is essential to life and the wellbeing of both people and Earth. Those who provide it should be rewarded with a just and adequate means of living. Those responsible for beneficial breakthroughs in knowledge and technology may merit some extra reward, but we must always recognize that all beneficial advances depend on what has come before.

Part of the systemic dysfunction traces to the simple fact that when a bank makes a loan, it creates from nothing most of the money that the borrower must then repay with interest. Borrowers, whose jobs barely cover survival, have no means to repay consumer, medical, and student debt funded by bank lending. Meanwhile financial predators borrow still more money to create and grow fictitious financial assets unrelated to the creation of anything of value.

Such public pillage should be illegal. Ego-nomics celebrates it. Eco-nomics will expose and seek to eliminate it.

The ambiguities of references to wealth and capital so clouds the public mind that most of us fail to notice how the system drives class warfare and environmental devastation. The growing hardship of the many amid the growing financial excess of the few creates intense and understandable public anger.

The predators deflect that anger from themselves by encouraging the impoverished to blame their suffering on the government or on people whose skin color, gender, and religion differs from their own. For a viable future, our goal must be a system that produces no losers irrespective of color, gender, religion, or place of residence among those willing to serve in ways consistent with their abilities.

We cannot relive the past, resurrect its victims, or recover squandered real wealth. What we can do is create a future that works for all and does not repeat the injustices of our past.

Much of the financial leadership driving the global system failure originates in the United States. It is from here that leadership for institutional transformation must now come.
We turn to the institutions of business, government, science, education, religion, and others that serve to formalize how we relate to one another. Their only legitimate purpose is to advance our wellbeing. If they do not serve that purpose, they are ours to change.

It is only in the past 100 years that we have begun to create global institutions that reflect and shape our values and relationships as a now globally interdependent species. So far, we have approached this challenge by building on the inherited centralized, hierarchical, institutional values and structures of the imperial era. The result is a globalized, money-centric economy devoted to relentless growth in material consumption by the few. We reached and exceeded living Earth’s planetary limits in the early 1970s.

We are now awakening to the reality that a viable human future—an Ecological Civilization—requires transitioning to institutions that facilitate our bottom-up self-organization as a living democracy, spawn businesses in service to community, and structure our financial operations to serve our wellbeing while reducing our dependence on money.

Creating a Living Democracy

By its nature, life self-organizes from the bottom up through deeply participatory processes. We must learn to do the same. Call it living democracy, a term defined and popularized by Frances Moore Lappé in her book Democracy’s Edge. She calls us to look beyond democracy as a structure of government involving periodic elections to determine which among competing political parties will be given temporary control of governmental levers of power.

A living democracy, as described by Lappé, is a way of life that supports shared learning, celebration of cultur-
The transition to Ecological Civilization requires localizing and distributing power to address the needs of living beings. Market economies are local. They involve people who know and care for one another trading with one another to make their living together.

Yet most of life routinely organizes from the bottom up. Most humans did it for hundreds of thousands of years. These living processes are subject to many disruptions from disease and other forms of mental and physical malfunction. Yet life is impressive in its persistence and capacity for self-correction.

Surely it is within our means as modern humans, now equipped with extraordinary communications technology, to overcome and ultimately correct our current human errors. We have only begun to ask the necessary questions.

BUILDING BUSINESSES TO SERVE COMMUNITY

We currently debate a choice between socialism (an economy ruled by politicians and public officials) and capitalism (an economy ruled by private financiers). Many of us are fearful of the potential melding of the two into fascism. What is rarely mentioned is that the important choice at hand is between predatory transnational capitalism on the one hand and ethical community markets on the other.

The transition to Ecological Civilization requires localizing and distributing power to address the needs of living beings. Market economies are local. They involve people who know and care for one another trading with one another to make their living together. Capitalism transfers property rights to giant monopolistic corporations and financial institutions focused on maximizing profits and accountable only to their largest owners.

As previously observed, the only legitimate purpose of any human institution is to secure the wellbeing of the living Earth and its people. A properly functioning business is a community institution that facilitates the local exchange of goods and services. A modest profit is essential to survival, but profit should never be the main purpose of any business.

By this standard, the profit-maximizing, limited liabil-
ity, transnational corporation is an illegitimate institution. Much of the law facilitating the development of such corporations was crafted centuries ago when the then ruling kings and emperors first faced democracy as a threat to their absolute rule. They developed the corporate charter to facilitate their control and exploitation of assets beyond oversight by emerging democratic forces.

At the time that the United States gained its independence from the British crown, corporate charters were rare in the U.S. and issued only for a designated period to fulfill a specified public purpose like constructing a canal or dam. U.S. political leaders of the time assumed that oversight by state governments would be close and strict. Aspiring plutocrats, however, have long resisted these restrictions and over time successfully reshaped the law to achieve corporate rule far beyond the worst fears of our country’s founders. The laws they advocated and enacted favor the interests of global financiers who may have no connection to the communities in which the corporation does business or in which the corporation’s workers live.

Every community needs local family businesses. Many communities also need larger businesses that can produce economies of scale beneficial to the community. This brings us to worker/community cooperative ownership, the proper purpose of which is to mobilize labor in the service of community wellbeing. Government will have an essential role to assure the business commitment to community service. Appropriate action will include taxing excess profits, limiting executive compensation, and acquiring and restructuring businesses that are not fulfilling a beneficial public purpose.

One of the world’s most advanced models of worker/community ownership is in the Basque region of Spain, which includes the worker-owned Mondragon Corporation and its subsidiary worker cooperatives employing 70,000 people engaged in finance, industry, retail, and knowledge. With a population of some 2.2 million people, the region exemplifies three characteristics of an Ecological Civilization:

1. **Peaceful Resolution of Conflict:** The people of the region resolved a major armed conflict and achieved disarmament and reconciliation through negotiation.

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**What My Dad Taught Me About Business**

I grew up in a prosperous small town in the Northwest United States. We had beautiful parks, excellent schools, unionized lumber, paper, and aluminum factories with good family wage jobs, and a thriving downtown with locally-owned retail businesses meeting most of our community’s daily needs. My dad owned and managed the local music and appliance store. We had repair teams with skills and parts to repair every musical instrument, home appliance, radio, and TV that we sold. Our store offered private lessons for people who played the musical instruments that we carried. As the oldest son, I grew up learning the trade with the expectation that I would one day own and manage the business.

The store prospered and my dad loved making money. But his real love was the community our business served. Expecting me to follow in the family tradition, he constantly reminded me, “If you are not in business to serve your customers [our community], you have no business being in business.”

He meant it. I remember the night he got a call during dinner after the store had closed. A guitar player needed a 5-cent guitar pick for a local gig that night. Dad left his dinner to drive to the store, got his customer a pick, and returned to finish his then cold dinner.

I grew up believing that serving the community is the purpose of business. I later chose a very different course for my life than running the family business. Yet this basic lesson remains foundational to most every aspect of the future to which my adult life has been dedicated.

Beloved spiritual guide Audrey Kitagawa and her video crew made a video titled *For the Love of Life*, which examines the course of my life in our dramatically changed world and affirms the continuing relevance of what my dad taught me.
A great starting place for serious philanthropists dedicated to creating a world that works for all is to convert the corporations in which they have a significant ownership stake to worker/community ownership.

2. Equitable Distribution of Assets: Mondragon and related businesses eliminated poverty and achieved significant equality free of disruptive concentrations of wealth and power.

3. Environmental Health: The region maintains a healthy environment and is a leader in environmental care.

In the Mondragon cooperatives, each worker—including those with management responsibilities—owns just one share and each share comes with one vote. That share can only be sold back to the cooperatively-owned corporation for purchase by a new worker-owner. Every owner thus shares in the corporation’s costs and benefits. Because shares are not available for public sale, control is rooted in the Basque community. There is no risk of takeover by private equity predators.

We need far more worker and community owned businesses for which Mondragon offers an attractive model.

Many of the world’s richest business leaders are currently directing billions of dollars to charities devoted to treating the devastating social and environmental consequences of a failed economic system accountable to absentee owners. According to Forbes magazine, the 25 most generous U.S. billionaires have given away $169 billion during their lifetimes. At the same time, just during 2022, they grew their personal financial assets by some $150 billion. Those 25 people are now worth a collective $1.1 trillion. Seventeen of these 25 have signed The Giving Pledge, promising to donate at least half of their fortune to charity over their lifetime or upon their death.

While conventional philanthropy addresses the consequences of capitalism’s damage, it gives little attention to identifying and correcting the cause of the devastation—a concentration of ownership in corporations devoted to a purpose that doesn’t serve the common good.

A great starting place for serious philanthropists dedicated to creating a world that works for all is to convert the corporations in which they have a significant ownership stake to worker/community ownership. There are inspiring examples of such transitions, but we need vastly more.

These business leaders cannot alone make these major changes at the scale required. Success will require action on many fronts, including from labor unions, employee retirement funds, and many other allies. We have an especially urgent need for successful models of the conversion of monopolistic, profit-maximizing transnational corporations to cooperative worker and community owned businesses devoted to the wellbeing of the communities in which they do business. There will be an important role for students of eco-nomics to question the status quo and identify, study, draw lessons from, and encourage alternatives.

This brings us to the challenge of reclaiming our humanity by restructuring our financial institutions.

**RESTRUCTURING OUR FINANCIAL SYSTEM**

No one can breathe, drink, or eat money. Our early ancestors lived for hundreds of thousands of years without it. The human experience is shaped by the caring relationships of family and community. These relationships can take many varied and distinctive forms, but without a family and a community, human experience loses meaning and purpose.

We find ourselves in a world in which relationships once based on love and mutual care have been reduced to financial exchange. Money has become a weapon of mass exploitation, a dehumanizing and potentially fatal distraction from the relationships and spiritual fulfillment that make life worth living. To redress this situation, we must reduce our reliance on money, eliminate financial extremes, and prioritize community banking.

**Reduce Our Reliance on Money**

Restoring our love of life means centering our collective and individual attention on relationships based on mutual caring while significantly reducing our dependence on money. Developing community gardens, co-housing with
shared facilities, car-free city spaces where daily needs can be met by walking, biking, and public transit. Public education that engages students and community in lifelong intergenerational learning from lived experience with no educational debt. Public, single payer health care that keeps us healthy with no need for billing and no medical debt. Charities that depend more on donations of time than of money.

As we reduce our reliance on money, global GDP and financial assets will necessarily shrink, a consequence that must be recognized as serving the transition to an Ecological Civilization.

**Eliminate Financial Extremes**

Extremes of wealth and poverty are disruptive of loving relationships. Eliminating such wealth accumulation merits special priority. One corrective measure is to tax capital gains as ordinary income and impose a serious graduated income tax with rates up to 100% on income far beyond any individual need.

A small financial transactions tax on the purchase and sale of financial instruments such as stocks, bonds, foreign currencies, futures contracts, derivatives, and cryptocurrencies will eliminate most speculative trades without hindering mutually beneficial investment. Additional measures include a surtax on trading financial derivatives and cryptocurrencies and on profits on financial assets held for less than a year.

**Prioritize Community Banking**

A bank creates money when it issues a loan. Most of the money that finances contemporary exchange between people comes from the lending operations of commercial (private for-profit) banks. Small banks and credit unions serve small, local, lower-income clients. This can reduce inequality, as those clients prosper. Large banks give priority to large national and transnational high-income clients, and their success increases inequality. In the United States a major driver of economic dysfunction is the growth in the size of banks. They are getting larger because existing banks are merging faster than new small local banks are being formed.

Ecological Civilization will strongly favor small, cooperative, community-owned financial institutions that use the national currency to meet local needs, such as for local market transactions and for investments in local businesses and housing. When everyone has an adequate means of living and we have quality public education and health care, there will be little need for consumer lending, student loans, or medical debt.

Bank demand deposits will be secured with a 100% reserve requirement to limit reckless lending. Lending will only be from savings accounts and other funds that give the holding bank the option of delaying payment if necessary. Banks will be prohibited from loaning funds to finance purely speculative investments. They require a modest profit to remain viable, but profit will not be their purpose. There will be no billionaires.

Responsible banks will welcome regulatory protection by democratically accountable national governments to preclude abuse and intrusion by financial predators. They will look to the national government to create and manage the national money supply—using taxation and budgeted expenditures to keep funds flowing in an amount consistent with community needs while avoiding both inflation and deflation. They will manage taxes to maintain equitable distribution and preclude speculation.

The national government will manage trade relations to maintain a balance of imports and exports and assure that trade contributes to the wellbeing of the communities involved. They will give preference to local over foreign investment and generally exclude foreign corporations from establishing a consequential local presence. They will join with other national governments to break up and convert transnational corporations, including big banks, into local worker cooperatives. The challenges involved in making these institutional changes are breathtaking. Success requires joining in common cause to apply the best of our individual and collective intelligence to the wellbeing of all.

When everyone has an adequate means of living and we have quality public education and healthcare, there will be little need for consumer lending, student loans, or medical debt.
WE CANNOT ACHIEVE environmental health, economic equality, or peace as separate goals. All are a consequence of institutions that centralize and concentrate power in the hands of a small minority dedicated to growing their personal financial assets and thereby their personal financial power. A viable human future depends on institutional transformations to localize and distribute power consistent with our human nature and our real needs and responsibilities.

We cannot look to those who abuse their power to take responsibility for the failures of the system they have created. Leadership for the transformation must come from a self-organizing meta-movement that joins in common cause the billions of people, rich and poor, committed to deep transformation.

That meta-movement has begun to form. We see it in countless individual initiatives and micro-movements. Successful action depends on these initiatives joining in unified support of one another in a meta-movement dedicated to peace, equality, and environmental care.

Movement leadership can come from many sources. From elders whose lives give them a deep understanding of the needs and possibilities at hand, some of whom have retirement resources that give them distinctive freedom to act. From youngers who recognize their future depends on transformation and who do not yet bear the responsibilities of providing for a family. From the in-betweens who bear special responsibilities as family and community caretakers and unifiers.

Leadership can also come from the emotionally healthy ultra-rich of all ages who recognize we are currently on a path to a future with no winners. And from the poor whose traumatic experiences with the system’s failures contribute distinctive insights into the causes of system failure and essential solutions.
Transformation to the viable human future many of us now call an Ecological Civilization requires the guidance of an eco-nomics grounded in our rapidly advancing human understanding of the nature of life and its place in the unfolding of creation. We are not dealing with a broken system in need of repair. We are dealing with a failed system in desperate need of replacement.

The needed life-centric eco-nomics will feature three priorities:

1. Restoring the health of living Earth’s regenerative systems.
2. Caring for and equitably sharing the resources of the natural and human commons to meet the essential needs of all people.
3. Creating institutions that support the collaborative, bottom-up, self-organization required to achieve and sustain the first two outcomes through peaceful means.

This paper is my effort to outline the needed eco-nomics drawing from the collective insights of many thoughtful colleagues. It is inevitably partial and imperfect. What is clear is that such an eco-nomics bears little resemblance to the familiar ego-nomics that now threatens our human future.

We have arrived at a moment of choice. We will prosper together through caring and sharing using money as a tool rather than a weapon. Or we will perish together in a competitive pursuit of money without meaning. Building public awareness of the failure of ego-nomics is an essential step in awakening public consciousness to the nature and seriousness of the current system failure. That, however, must be followed by the development of a new eco-nomics to guide us to the future we now seek together.

The path ahead to an Ecological Civilization is uncharted territory. In the words of Myles Horton and Paulo Freire, two of the 20th century’s most prominent social change leaders, “We make the road by walking.” Together, we will create the future we seek, learning as we go.
ABOUT THE PRIMARY AUTHOR

David C. Korten is an American writer, lecturer, engaged citizen, student of behavioral systems, a prominent critic of corporate globalization, and an advocate of Ecological Civilization. He is founder and president of the Living Economies Forum, an active member of the Club of Rome, a member of the Advisory Council of the International Academy for Multicultural Cooperation, an Ambassador of the Wellbeing Economy Alliance, and a member of the Alliance for Ecological Civilization.

He worked for thirty years in international development in Africa, Asia, and Latin America, including as assistant dean of the College of Business of Haile Selassie I University in Addis Ababa, Ethiopia; Harvard advisor and dean of the MBA program at the Central American Management Institute in Managua, Nicaragua; and visiting professor at the Asian Institute of Management in Manila Philippines. He was a founding board member of the Business Alliance for Local Living Economies, a founding member of the International Forum on Globalization, and co-founder and board chair of YES! Magazine (now YES! Media). He earned his MBA and PhD degrees from the Stanford Graduate School of Business, served on the faculties of the Harvard Business School and the Harvard School of Public Health, was an Institute Associate of the Harvard Institute for International Development, and was a Ford Foundation Project Specialist. Find David on Facebook, YouTube, and his website, davidkorten.org.

This paper builds from his previous white paper “Ecological Civilization: From Emergency to Emergence” and the books he has written or co-authored framing the human pathway to the future now known as an Ecological Civilization. These books include Getting to the 21st Century: Voluntary Action and the Global Agenda; When Corporations Rule the World; Globalizing Civil Society: Reclaiming Our Right to Power; The Post-Corporate World: Life After Capitalism; Alternatives to Economic Globalization: A Better World is Possible; Agenda for a New Economy: From Phantom Wealth to Real Wealth; and Change the Story, Change the Future: A Living Economy for a Living Earth.

Nothing in this paper is proprietary. It draws freely from the work of others. Others are free to draw from it with or without attribution. It can be freely shared, reproduced, and reposted in whole or in part for so long as no use restricts further free distribution. My sole agenda is to advance conversation regarding the human transition to an Ecological Civilization and the actions required to achieve it.
BACKGROUND

This paper is a follow-on to my white paper “Ecological Civilization: From Emergency to Emergence.” It too is directed to those who can imagine the future most of us envision and yearn for. It provides a foundational frame for a true eco-nomics dedicated to a future that secures the wellbeing of all of Earth’s people and other living beings.

This paper continues weaving together threads of ongoing conversations with global colleagues in which I am privileged to participate. These conversations build on the simple, self-evident insight that life exists only in communities of living organisms that self-organize to create and maintain the conditions essential to their individual and mutual existence. Humans are currently in crisis because we have chosen to accept a deeply flawed system of economics more accurately called ego-nomics that fails to support life on our planet.

The conversations, work, and insights of a great many colleagues and acquaintances have contributed to my thinking over time, the most recent of which is reflected in this paper. A few of those who have made the most recent contributions are named here. This paper benefits from the extraordinary editorial assistance of Fran Korten, my wife of 62 years, the editorial and production support of Kat Gjovik, who organizes every aspect of my professional life, and Tracy Matsue Loeffelholz, who provides dedicated professional editorial and design support.

Credit is shared. Responsibility for shortcomings is mine. Apologies to the many who contributed but remain unnamed.
Acknowledgements


In memory of four of the great thinkers of our time who deeply impacted my life and thought: Thomas Berry; Willis Harman; Mae Wan Ho, Donnella Meadows.