

DEMOCRACY
COLLABORATIVE



OPEN MINDS



IGNITE HOPE



INSPIRE ACTION

HOW SYSTEM CHANGE HAPPENS

ANNUAL REPORT 2020 - 2021



FROM THE EXECUTIVE TEAM

THE FUNDAMENTAL CHALLENGE OF OUR AGE

At The Democracy Collaborative, we think of ourselves as a “research and development laboratory for the democratic economy.” Our focus is on the foundational and transformational rather than the incremental and incidental.

Our contention has long been that we are facing a crisis of the system, not just local political or economic difficulties. Several years ago, that was a bold and provocative idea; it is now one that is increasingly widely accepted even in the halls of power, both domestically and internationally. For example, in one of her earliest messages to her departmental staff, Janet Yellen, President Biden’s Treasury secretary, spoke of “four historic crises” facing the United States:

COVID-19 is one. But in addition to the pandemic, the country is also facing a climate crisis, a crisis of systemic racism, and an economic crisis that has been building for 50 years.

The Treasury Secretary is not alone in her use of such language, which can increasingly be found in official U.S. government communiqués and even in the pronouncements of such international institutions as the International Monetary Fund (IMF) and the Organization for Economic Cooperation and Development (OECD). It is a sign of important progress that the profoundly systemic nature of the crisis has finally begun to dawn even on high-ranking officialdom.

Yet our economy remains deeply unequal as it recovers from the impact of the COVID-19 pandemic: the stories of businesses having to add an extra dollar or two an hour to the wages they offer their hourly workers pale in



North Heights Linen Service

The North Heights Linen Service, a company in Amarillo, Texas set up to serve hospitals in the region, held its ribbon-cutting ceremony in June 2021. Mary Emery, a Democracy Collaborative board member, played a key role in launching the business, which aims to replicate the success of the worker-owned Evergreen Cooperatives in Cleveland.



We need a new economic paradigm that can resolve the triple crises of economic inequality, systemic racism, and ecological disaster.

comparison to the outsize financial gains of the executives at the top of the economic pyramid. The extreme right's ability to whip up a furor over "critical race theory" exposes our continuing inability to reckon with how the racism of our past systemically reverberates through our present and threatens to impede our future. Then there is our paralysis in the face of the climate emergency; even though we see the evidence that our consumption of fossil fuels is killing us in the ferocity of wildfires, hurricanes, and droughts plaguing us, the petroleum dealers are always on the corner, ready to feed an addiction that we cannot seem to break.

In our view, a dangerous gulf remains between the magnitude of the systemic challenge and the scope and scale of the responses that are being conceived and proposed. We need a new economic paradigm that can resolve the triple crises of economic inequality, systemic racism, and ecological disaster. This is the fundamental, epochal challenge of our age—and the mission of The Democracy Collaborative going forward.

In such a context, The Democracy Collaborative is now well-positioned to make significant short-, medium-, and long-term interventions in service of a more thoroughgoing and profound analysis of the systemic nature of the crisis and a response that charts the course of the political-economic transformation we need. Our programs promote system-changing solutions—community wealth building, democratic public ownership, non-extractive capital, next system studies, and much more—supported by cutting-edge research, policy advocacy, and communications.

As we enter our third decade, we are even more tightly

focused on building a new system that replaces extractive, racial capitalism with an economy that is democratic, just, reparative, and sustainable. Why? Only when we shift ownership and control of capital so that it is broadly held can we make collective decisions about how to deploy that capital for the common good and correct the inequities that are inherent in a system of extraction and concentration.

Our role is to both lay the intellectual underpinnings of this change—this is what the emerging field of "next system studies" is all about—and demonstrate how this change beneficially alters realities on the ground. As our newly crafted mission statement says, "By making the democratic economy conceivable, visible, and practical, we open minds, ignite hope, and inspire action."

We invite you to join us. ●



Ted Howard
President



Stephanie McHenry
Chief Operating and Financial Officer



Joe Guinan
Vice President, Strategy and Programs



Isaiah J. Poole
Vice President, Communications

THEORY OF CHANGE

FACING THE NEED FOR A NEW SYSTEM



Gar Alperovitz
Co-Founder and Distinguished Fellow



Joe Guinan
Vice President, Strategy and Programs

The Democracy Collaborative was founded in 2000 on a basic premise: that a truly democratic society is not possible unless democracy is suffused into the fabric of the economy. A society cannot really call itself democratic if wealth and power are concentrated in the hands of a few while those who create that wealth are disempowered. It is certainly not democratic if inequalities borne of legacies of racism and discrimination are allowed to persist. Nor is a society democratic if it is being driven to self-destruction by a system that blows past planetary limits, throwing our natural systems into turmoil, in the relentless pursuit of profit.

Recent years have reinforced our core belief: a society half plutocratic and half democratic will not long endure, as one half must—*will*—eventually supersede the other. This has been occurring before our very eyes, as the plutocratic economy consumes our democratic polity. We must reverse this and build the new political-economic system necessary for our survival. We believe such an alternative can be found in the shape of a democratic economy, grounded in racial and environmental justice, broad-based ownership and equality, and broadly shared community wealth.

In 2021, The Democracy Collaborative refined its mission statement, declaring that we exist to “demonstrate in theory and in practice the principles of a democratic economy, offering a vision of what that economy can be, designing models that demonstrate how it operates, and building in coalition with others the pathways to a new reality.”

Fulfilling that mission starts with an unflinching assessment of the current political economy. We do not say that neoliberal capitalism is “broken”; most of its outcomes—such as the global 1 percent holding 40 percent of the world’s wealth while the bottom 50 percent only hold 1 percent of the wealth—are not bugs but features. Its capital bias and emphasis on individual wealth accumulation undermine policies and practices that would foster shared wealth

Our two decades of research and practice have led us to our vision of replacing the neoliberal paradigm with a democratic economic paradigm that prioritizes people, place, and planet.

and collective wellbeing. It also stands in the way of the restorative justice that is necessary to dismantle more than 400 years of systemic racism and undo its ill effects. Finally, in the face of cataclysmic climate change, the prerogatives of our growth-centered and consumption-driven economy are a roadblock to the dramatic actions necessary to make our planet sustainable and livable for future generations.

Thus, talk of “fixing” capitalism will obviously not get at the root causes of economic inequality, racial injustice, plutocracy, and climate change. We need a new system. Our two decades of research and practice have led us to our vision of replacing the neoliberal paradigm with a democratic economic paradigm that prioritizes people, place, and planet.

In our vision, wealth is broadly held—by workers, households, and communities—through a plurality of ownership forms. Local economies prosper

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through practices designed to recirculate wealth within communities. Institutions critical to resilience and wellbeing—from energy and food systems to healthcare and finance—are decommodified, widely accessible, and democratically managed for the public good. Racial equity and reparative justice are deeply and substantively integrated into the democratic economy, and all people are valued within a culture of compassion and solidarity. Crucially, we live in balance with nature, with our energy and economic systems decarbonized, localized, and democratized—owned and operated for public benefit.

The good news is that the essential elements of this transformation are all around us, and The Democracy Collaborative has played a key role in nurturing some of these elements—notably the creation of the Evergreen Cooperatives in Cleveland, Ohio and the larger-scale community wealth building policies enacted in Preston and a growing number of areas in the United Kingdom.


The task ahead is to bring the ideas behind these elements—and the policies and practices that can bring them to scale—together into an inexorable movement

THE DEMOCRACY COLLABORATIVE HAS BEEN INTERROGATING WHAT WORK EXACTLY IS “OURS TO DO.” OUR ROLE IN BRINGING ABOUT TRANSFORMATIVE CHANGE INCLUDES THE FOLLOWING STRATEGIC INTERVENTIONS:

for systemic transformation. This is not the work of any single organization, and we are committed to working in concert with like-minded partners and allies. This movement will demand abandoning the old and replacing it with clearly articulated and tangible alternatives—a new common sense—advanced in ways that convince increasing numbers of people that not only is another world possible, but it is within reach. Our approach of “evolutionary reconstruction” envisions the steady build-up of institution-changing strategies and approaches that go beyond tinkering at the margins and advance toward

radical transformation of the everyday operations of our economic system.

In the midst of today’s convergent and interlocking crises, we offer a rare and priceless commodity: resources of hope—specifically, the hope that the shared expression of power made possible by democratic ownership and community wealth can become the path to widespread economic prosperity, racial liberation, reparative justice, equity, collective self-determination, resilience, and regenerative stewardship of the planet’s resources. ●



Providing cutting-edge ideas and high-quality, accessible research that establish the intellectual and messaging framework for change.

Helping to create and build the models that demonstrate the value, power, and success of democratic ownership and community wealth building approaches.

Advancing policy changes at the local, state, and national levels that will scale a plurality of ownership models in the public and private sectors.

Employing compelling communications strategies that educate, inspire, and mobilize people.

Participating in coalitions in order to build intellectual capacity and provide connective tissue for a foundation for power.

Investing in academic and popular political education and training to grow, develop and equip the democratic economy leaders of tomorrow.

COMMUNITY WEALTH BUILDING

CHANGING THE ECONOMIC DEVELOPMENT PARADIGM

The upending of local economies by the COVID-19 pandemic has encouraged city and community leaders around the world to rethink how economic development is done and how it can be reimagined so that all of the residents of a given community can benefit. Our answer to that challenge—community wealth building—has never been more relevant.

Community wealth building seeks to reconfigure and revitalize local economies based on democratic ownership, participation, and control in order to achieve broadly shared economic prosperity, racial equity, and ecological sustainability. The contours of community wealth building were first shaped in Cleveland, Ohio through our work in helping launch the Evergreen Cooperatives and in forging the network of anchor institutions that the cooperatives serve. But the concept has been sharpened and amplified in the United Kingdom. Starting with the work of Democracy Collaborative fellow Matthew Brown, who as the leader of the city council of the north England town of Preston implemented a community wealth building strategy that earned global recognition for the town's economic rebirth, we have helped inspire several communities to make community wealth building the centerpiece of their revitalization strategy.

Community wealth building seeks to reconfigure and revitalize local economies based on democratic ownership, participation, and control.

Sarah McKinley (third from left), director of community wealth building practice at The Democracy Collaborative, speaks at The World Transformed conference in 2019.



HOW COMMUNITY WEALTH BUILDING IS SPREADING IN THE UK

- North Ayrshire, a district in Scotland, adopted a community wealth building strategy in 2020 that in its first year led to the creation of a £11 million investment fund for “green new deal” projects and agreements with anchor institutions to support locally-rooted businesses.
- First Minister Mark Drakeford in Wales developed a “recovery strategy for Wales post-COVID” that drew upon The Democracy Collaborative’s community wealth building framework. A similar draft strategy was drawn up for the city of Amsterdam in the Netherlands.
- *Democratic by Design: A New Community Wealth Building Vision for the British Economy After COVID-19*, published with *Common Wealth* in October 2020, laid the groundwork for the Scottish government’s commitment to develop a Community Wealth Building Act.
- The Labour Party pledged to adopt community wealth building as the “main approach to local economic development across the UK” with the support of the Communication Workers and other unions.

Just as our work in Cleveland inspired innovation in the UK, the UK work is now helping to fuel bolder community wealth building strategies in the US. Throughout the winter and spring of 2021, The Democracy Collaborative developed a strategy for more substantive community wealth advancement in the US, and brought in Neil McInroy, the former executive director of the UK-based Centre for Local Economic Strategies, as Senior Fellow for the Global Advance of Community Wealth Building, supporting Community Wealth Building Director Sarah McKinley. Together, they have begun engaging with several US cities, most notably Chicago, where Mayor Lori Lightfoot in the fall of 2021 announced a pilot program to “promote local, democratic and shared ownership and control of community assets.” We expect to announce several formal partnerships in early 2022.

We issued reports in conjunction with the Healthcare

Anchor Network that delved deeply into the disparate impact COVID-19 has had on Black and Brown communities and shows how the role the healthcare community can play in enabling local communities to be more economically resilient.

We also updated The Democracy Collaborative’s highly regarded *Community Control of Land and Housing* report, noting that predominant strategies for dealing with the affordable housing crisis that worsened during the pandemic “are demonstrably insufficient, impractical, or inadvisable from the perspective of reducing poverty, reversing racial and economic inequality, preventing displacement, and addressing climate change.” Emergent strategies based on cooperative and democratic ownership models “could form the basis of a land and housing system that is oriented much more towards human needs, social benefit, and genuine democratic governance.” ●



The Laura Flanders Show

Dana Brown, director of health and economy at The Democracy Collaborative, in a scene from an episode of “The Laura Flanders Show” in 2021 on the closing of the Viartis pharmaceutical plant in Morgantown, West Virginia.

PUBLIC HEALTH CARE

ADVANCING HEALTH CARE FOR ALL

In the summer of 2021, The Democracy Collaborative’s Dana Brown was on the front lines of one of the year’s most iconic battles in medicine.

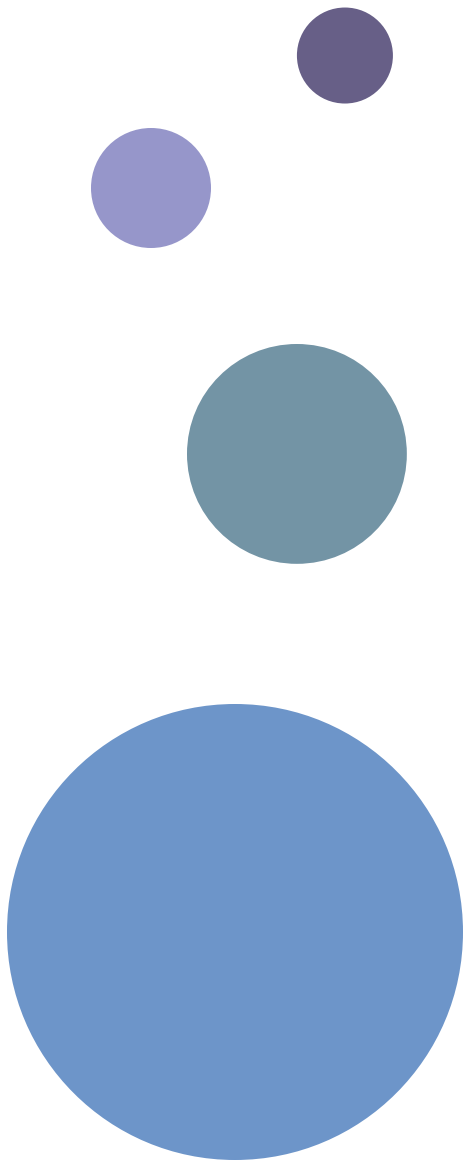
She was in Morgantown, West Virginia at the location of the nation’s largest generic drug manufacturing plant, which was being closed by its corporate owner, Viartis. Despite the consequences that this closing and the loss of 1,500 good-paying jobs would have for the Morgantown economy and on the nation’s pharmaceutical supply chain just as the country was grappling with a global pandemic, this closing seemed as if it would fly under the radar with little notice. That’s when The Democracy Collaborative partnered with “The Laura Flanders Show,” a weekly public affairs program that airs on numerous PBS stations, to call attention to highlight the impact and explain why we need

to press for public ownership in the pharmaceutical sector to preserve our access to low-cost, domestically produced drugs. It became one of the show’s most-watched episodes.

We also collaborated with Our Revolution and the United Steelworkers Local 8-957 on an advocacy campaign that included a letter to President Biden that was covered by the *Associated Press*. We were joined on the letter by the Working Families Party, the Alliance for Retired Americans, the Campaign for America’s Future, Doctors for America and dozens of other local and national organizations.

That campaign was preceded by another research and advocacy effort that also succeeded in bringing together hundreds of organizations and individuals across medicine,

We work with allies in the access to medicines world to secure lasting change in the pharmaceutical industry in the interest of public health and broad-based prosperity.



law, labor, and policy to press for innovative policies that would ensure that every person in the United States would have access to the health care they need.

As the COVID-19 pandemic was accelerating in the United States and around the globe, we collaborated with Social Security Works and legal scholars Christopher Morten and Fran Quigley to put forward “Reclaim Medicine for Public Health,” a policy agenda for transforming the pharmaceutical sector so that affordable medicines are available to all and the nation is better prepared for future health crises. The agenda, at publicmedicines.org, offered a four-step plan designed to shift the pharmaceutical sector from “corporate profiteering, price-gouging, and monopolizing” and bring more of the industry under models of public ownership and securing broad, equitable access to essential medicines.

Dozens of other organizations joined as initial signatories on our open letter, including the Action Center for Race and the Economy, T1International USA, People’s Action, the Center for Popular Democracy, and the Treatment Action Group. So did more than a hundred individuals, mostly doctors, public health experts and academics. In addition to the letter, *In These Times* published an article by Dana Brown and Common Dreams hosted a series of essays on aspects of the agenda.

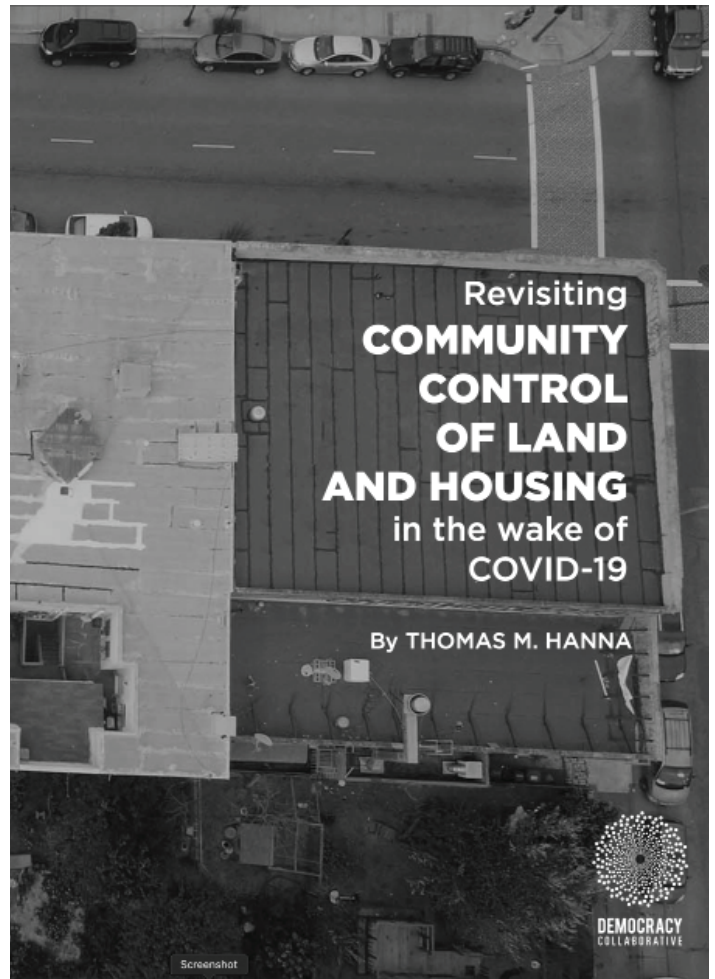
Since the launch of that campaign, we have continued to work with allies in the access to medicines world to further develop policy proposals and build momentum around them in order to secure lasting change in the pharmaceutical industry in the interest of public health and broad-based prosperity.

Brown’s work on public medicine has also been featured at the World Health Organization’s Fair Pricing Forum, in the pages of *The Guardian*, in an interview for a feature-length documentary on the future of healthcare, and at university forums across the nation. ●

Dana Brown participated in an online healthcare panel in 2020 that featured Massachusetts Sen. Elizabeth Warren (bottom left).



The Democracy Collaborative



Two of the reports published by The Democracy Collaborative to support our work on democratic public ownership.

DEMOCRATIC PUBLIC OWNERSHIP TACKLING THE FRONTIERS OF THE 21ST-CENTURY ECONOMY

One of the most important issues of our time involves the power a few giant technology companies—not accountable to anyone other than their billionaire owners and most powerful stockholders and driven by a relentless pursuit of profit—have over our economy and society. Through their stranglehold on key digital infrastructure and platforms, they control the information we see, the views we are able to share, the products and services we purchase, and the relationships we are able to make.

Even those who agree with the decisions by companies like Facebook and Twitter to ban former President Trump from their platforms after the January 6, 2021 insurrection

at the U.S. Capitol face a gnawing question: Should decisions like this be made by profit-motivated executives in closed boardrooms or by a democratic governance structure designed to safeguard the public good by balancing our freedom of speech and the protection of our shared polity?

Questions like these were at the heart of a year-long “Ownership Futures” project, undertaken in conjunction with our United Kingdom partner Common Wealth. Led by Research Director Thomas Hanna and Mat Lawrence, Founder and Director of Common Wealth, the project investigated the frontiers of public ownership in the

Should critical societal decisions be made by profit-motivated executives in closed boardrooms or by a democratic governance structure designed to safeguard the public good?

21st century and offering policy recommendations for policymakers and activists concerned about a range of issues, including digital infrastructure (such as broadband internet, wireless spectrum, and cloud computing), intellectual property and R&D, and data and platforms. The Ownership Futures project included three major reports, introductory and concluding essays, infographics, videos, news coverage, and policy discussion events that together showed that there is a clear, compelling alternative to the concentrated power and extractive practices of today's technology and intellectual property giants.

In 2020 and 2021 our democratic public ownership work also largely focused on public banking as a way to advance community wealth building and unlock significant economic, social, and ecological benefits. In particular, as Los Angeles was moving toward becoming the first major city in the US to establish a public bank, we partnered with

the LA Public Bank Campaign to research a prospective democratic governance structure for the bank. Authored by Research Fellow Michael Brennan, *Constructing the Democratic Public Bank: A governance proposal for Los Angeles* draws from an extensive series of interviews with local stakeholders as well as a review of national and international best practices. Following the report's release, we hosted a webinar for community leaders to discuss ensuring that the city's public bank, once established, has the best public governance.

Another paper, released in 2021, addressed the question of whether recent successes in deprivatizing municipal water services represented a true shift toward regarding clean water as a public good rather than a private profit center. It is the kind of fundamental question that will continue to drive our democratic public ownership work in the year ahead. ●



CONSTRUCTING THE DEMOCRATIC PUBLIC BANK

Learn how we make public banking work for Los Angeles —and for the country

 MICHAEL BRENNAN The Democracy Collaborative	 TRINITY TRAN Public Bank Los Angeles	 THOMAS MAROIS University College London	 NAVEEN AGRAWAL Public Bank Los Angeles	 ROHAN GREY Willamette University	 THOMAS HANNA The Democracy Collaborative
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WEBINAR • July 21, 2021 • 9 a.m. Pacific/Noon Eastern
REGISTER AT is.gd/LAPublicBank
GET THE REPORT: democracycollaborative.org/LAPublicBank



This social media flier was used to promote an online form on The Democracy Collaborative's Los Angeles public bank report.

CLIMATE AND ENERGY

POWERING A MORE JUST, DEMOCRATIC, ANTIRACIST GREEN NEW DEAL

We know that it is not enough to voice support for “a just transition to a green energy future.” How we get there and what that transition is built upon matters. An energy transition that is not established on a foundation of equity, democratic ownership and control, and racial justice will only further promote a system that remains extractive, unjust, and systemically racist.

From community forums to the halls of Congress, our climate and energy program has successfully provided thought leadership to a grassroots movement for a green energy future that centers the communities and groups that have been harmed the most by the fossil fuel economy, face the most peril from climate change, and will be most affected by the transition.

Our climate and energy program manager Carla Santos Skandier has been a leading voice in calling for the nationalization of the oil and gas industry as the most viable path for speeding up a green energy transition and neutralizing the political and economic power of the fossil fuel corporate giants. To advance the case and explore potential pathways for taking over public control of fossil

companies, the team has published in collaboration with Oil Change International the discussion paper “*The Case for Public Ownership of the Fossil Fuel Industry*,” and with People’s Policy Project the report “*Out of Time: The case for nationalizing the fossil fuel industry*.” Our thoughtful leadership and coalition building efforts helped enlarge the pool of advocates for a public ownership of this extractive industry—including the Sunrise Movement, Food and Water Watch, and 350.org co-founder Jamie Henn—as well as discussion of the idea in such media outlets as *The Guardian*, *The New Republic*, *The New Yorker*, *The Week*, *Bloomberg Green*, *HuffPost*, *Popular Science* and *Fast Company*. This growing support has been recorded in the 2020 timeline “*The movement to nationalize the fossil fuel industry*.”

The prolific and groundbreaking work of our climate and energy program will continue to be at the core of The Democracy Collaborative’s advancing of a next system of democratic economy, one in which communities have a leadership voice in shaping a just and sustainable energy future, and shared ownership in the enterprises that will power that future. ●

Public Power NY

New York Rep. Jamaal Bowman speaks at a Yonkers, N.Y. rally organized by Public Power NY in 2021. The Democracy Collaborative worked with grassroots activists to support a public power resolution before the New York state legislature.



SOME OF THE WAYS THE DEMOCRACY COLLABORATIVE HAS ADVANCED A GREEN NEW DEAL BUILT ON DEMOCRATIC ECONOMY PRINCIPLES:

- Releasing in collaboration with the climate+community project “*A New Era of Public Power: A vision for New York Power Authority*,” a report showing how the NYPA is uniquely positioned to carry out New York’s mandates for rapid and just decarbonization of the state’s economy.
- Supporting the development and launch of the People’s Utility Playbook, a comprehensive guide that exposes utility tactics and shares how communities have built power to fight back against private-owned electric utilities.
- Assisting on-the-ground public power campaigns like the Our Power campaign in Maine and the WePower campaign in Washington, D.C. with messaging and strategic input.
- Collaborating with allies such as Climate Justice Alliance, Labor for Sustainability Network and Center for Biological Diversity on the Climate President Action Plan, which offered the Biden administration a set of actions it could take right away and without congressional approval to start tackling the climate crisis within its first 100 days.
- Joining early on in the COVID-19 pandemic a coalition of organizations pressing for utility shutoff moratoriums and the cancelation of utility debts, and working alongside key academics and advisors to the 2020 presidential campaigns of Jay Inslee, Elizabeth Warren, and Bernie Sanders to issue a call for “A Green Stimulus to Rebuild Our Economy,” portions of which have since been approved by Congress.
- Supporting the development and the introduction in the House of the Public Power Resolution, sponsored by Reps. Cori Bush and Jamaal Bowman, the first of its kind in “expressing that the United States must establish electricity as a basic human right and public good, and eradicate the reliance on monopolized, profit-driven utility corporations.”
- Submitting written feedback to the U.S. House Committee on Financial Services regarding the “National Investment Authority Act of 2021,” calling for strengthening the institution’s democratic governance mechanisms, limiting the participation of private capital in infrastructure projects, and supporting broad-based ownership models of energy industries.



The Democracy Collaborative helped produce pamphlets and social media cards like this one to support state and local public power campaigns.

POLICY

NEW IMPACT IN THE HALLS OF POWER

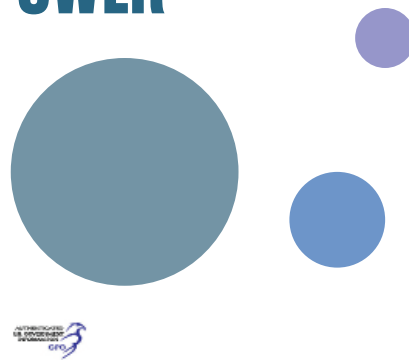
In 2021 The Democracy Collaborative launched a powerful federal policy operation, escalating from occasional ad hoc contacts with a small circle of congressional lawmakers to weekly contacts with dozens of Capitol Hill and executive branch offices. The goal, as our policy director Jason Kowalski puts it, is “to translate TDC’s gold mine of innovative policy ideas into legislative form.”

TDC is now in regular contact with more than 50 congressional staff members and a dozen Biden administration officials. We work with more than 50 partner organizations to amplify each other’s legislative agendas. We have been working with a half dozen congressional offices to write new bills or amendments to existing bills. Once those bills and amendments are written, we are actively involved in recruiting cosponsors.

Our intensified focus in this area has enabled TDC to inject its solutions into the center of major policy debates with tangible results, collaborating with social movement organizations, think tanks, and community development organizations that share our vision of economic transformation.

A key example is an amendment to President Biden’s American Rescue Plan bill that for the first time explicitly allows federal small business funds to be used to support the creation and growth of employee-owned businesses. We started by working with an ideologically aligned champion, Rep. Jamaal Bowman of New York, and then helped build support among more moderate members for a small but nonetheless significant element of our community wealth building agenda.

We have also worked with Rep. Cori Bush of Missouri, who with Bowman sponsored a resolution that declares that access to power should be “a basic human right” and calls for ending our “reliance on monopolized, profit-driven utility corporations.” We worked with Sen. Bernie Sanders on legislation that would expand the Veterans Administration by 50%, enabling the VA to serve millions of people outside the military community in communities that do not have adequate access to medical care, guided



IV

117TH CONGRESS
1ST SESSION

H. RES. 457

Expressing that the United States must establish electricity as a basic human right and public good, and eradicate the reliance on monopolized, profit-driven utility corporations and providers and the flawed regulatory regime that has failed to regulate these utilities in the public interest.

IN THE HOUSE OF REPRESENTATIVES

JUNE 4, 2021

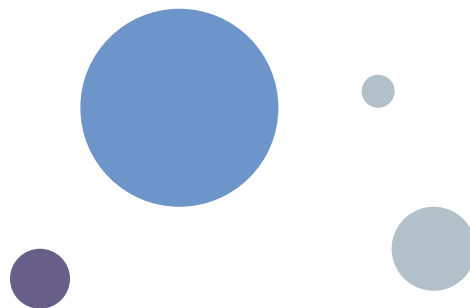
Ms. BUSH (for herself, Mr. BOWMAN, Ms. OCASIO-CORTEZ, Ms. TLAH, Ms. NEWMAN, Mr. JONES, Ms. PRESSLEY, Ms. OMARI, and Mr. GHILALYA) submitted the following resolution, which was referred to the Committee on Energy and Commerce

RESOLUTION

Expressing that the United States must establish electricity as a basic human right and public good, and eradicate the reliance on monopolized, profit-driven utility corporations and providers and the flawed regulatory regime that has failed to regulate these utilities in the public interest.

Whereas scientists globally have determined that the human-caused climate emergency is bringing widespread harms, including deadly heat waves and drought, severe flooding and storm events, threats to public health and safety, limited and inconsistent water and energy access, and rampant biodiversity loss;

This resolution introduced by Rep. Cori Bush of Missouri, supported by research from The Democracy Collaborative, calls for electricity as “a basic human right and public good.”



by TDC research showing how moving toward a “VA-for-all” healthcare model would lower costs and improve access to quality healthcare. We have been collaborating with Rep. Maxine Waters of California, the chair of the Financial Services Committee, on getting written into law additional elements of our community wealth building and democratic public ownership agenda.

TDC is also one of the most visible public banking advocates on Capitol Hill. We supported the introduction of the Public Banking Act in the House, which became the impetus in July 2021 for the first hearing on public banking in over 100 years. TDC regularly convenes national and local public banking advocates and leverages its research work—such as a detailed institutional design for a public bank in Los Angeles—to build alignment in Congress for the type of institutional design we would like to see all over the country.

Meanwhile, the invitation TDC received in 2021 from the federal Economic Development Administration in the Commerce Department to apply for funding for our community wealth building work underscores the importance and the potential of our policy work to promote change from the inside as well as the outside. So does discussions we have begun to have with senior Department of Housing and Urban Development officials about how TDC could contribute to their economic development work and make it more effective,

We aim to make our policy work even more powerful going forward, expanding our web of relationships with allies in Congress and in federal and state agencies, and seizing political moments to convert policy ideas into laws and regulations that make systemic change a reality. ●

TDC has been in regular contact with a dozen Biden administration officials and has been working with a half-dozen congressional offices to write new or amend existing bills.



House Financial Services Committee
Rep. Maxine Waters of California speaks at a July 2021 hearing that featured the first congressional discussion of public banking in recent history.



Ben Manski

The first class of next systems studies at George Mason University, led by assistant professor Ben Manski (third from left).

NEXT SYSTEM STUDIES BRINGING SYSTEMIC CHANGE TO ACADEMIA

After two decades of effort by The Democracy Collaborative and others worldwide, we have compelling evidence that community wealth building approaches and democratic economy models provide powerful and effective solutions to many of the difficult challenges facing our society.

We are now at an inflection point. The challenge is to move this work to scale and system-level impact. To help achieve that, we intend with the leadership of Leslie Harroun, our executive-in-residence, to make next system studies—the intellectual underpinnings of an alternative to neoliberal capitalism—a regular element in university work over the coming decades.

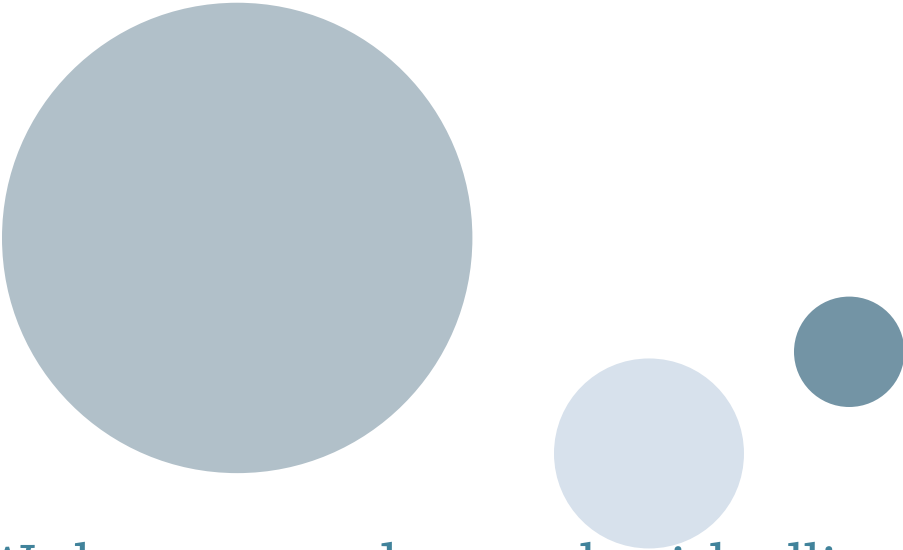
At one point in the not-too-distant past there were no organized Black, feminist or queer studies, or even environmental studies. All were created as necessity, understanding, and movements generated momentum, power, and the need for deeper resources. We expect that

democratic economy and next system studies will proceed along the same path, and we have begun to help lay the academic foundations to build this capacity.

As an initial contribution to the intellectual work of this field, we published in the fall of 2020 [The New Systems Reader](#), edited by James Gustave Speth (who helped us launch our Next System Project) and Kathleen Courrier. By highlighting the thoughtful, substantive, and promising work and ideas of some of the world's key thinkers and system change activists, this book convenes an essential conversation about the future we want.

We also have started to work with allies in the academy to develop a full intellectual program of “system change studies” that can train young scholars and activists in systemic analysis and thinking, leading in turn to further and ongoing advances in public policy.

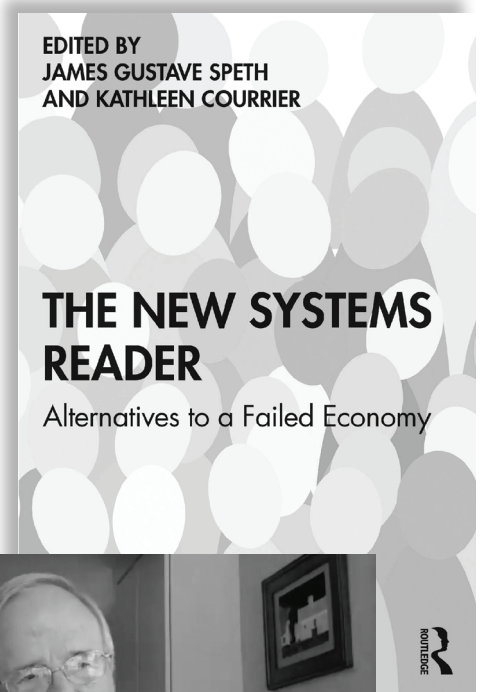
For example, TDC collaborators Ben Manski at George



We have started to work with allies in the academy to develop a full intellectual program of “system change studies” that can train young scholars and activists in systemic analysis and thinking.

Mason University and Thad Williamson at the University of Richmond in Virginia are among the first academics anywhere to offer classes in next system studies, and those classes center on TDC’s work on community wealth building and democratic economy approaches. The course at George Mason uses the New Systems Reader as its primary text. Both courses are structured as a serious intellectual inquiry while also placing particular emphasis on adaptive leadership and practice—what local governments, social movement organizations, and other actors can do now to drive change, but also how we might envision large-scale transformational change taking place over the coming generation. Manski’s April 2021 online launch event, *The Next System and the Academy: Systemic Crises, Movements, and Change in the 2020s*, attracted 271 participants, and among the speakers were Rep. Mark Pocan of Wisconsin, Kali Akuno of Cooperation Jackson, and Democracy Collaborative co-founder Gar Alperovitz.

During the last half of the 20th century, the conservative movement orchestrated an intellectual shift that fueled the dominance of neoliberalism in our political economy and embedded it deeply within the academy and the broader culture. We want next system studies to be the framework for the next paradigm shift that a new generation will use to build a reparative, equitable, and ecologically balanced global economy. ●



The New Systems Reader, published in 2020, is a foundational text for next system studies, co-edited by James Gustave Smith, a Democracy Collaborative fellow.

EMPLOYEE OWNERSHIP AND NON-EXTRACTIVE CAPITAL FROM THE MARGINS TO THE MAINSTREAM

Marjorie Kelly, who is leading The Democracy Collaborative’s Fifty by Fifty project, has for years been focused on a vexing problem: How do we scale up what has been a trickle of employee-owned business startups and conversions into a transformative wave, which could have real impact on local economies and the well-being of masses of workers?

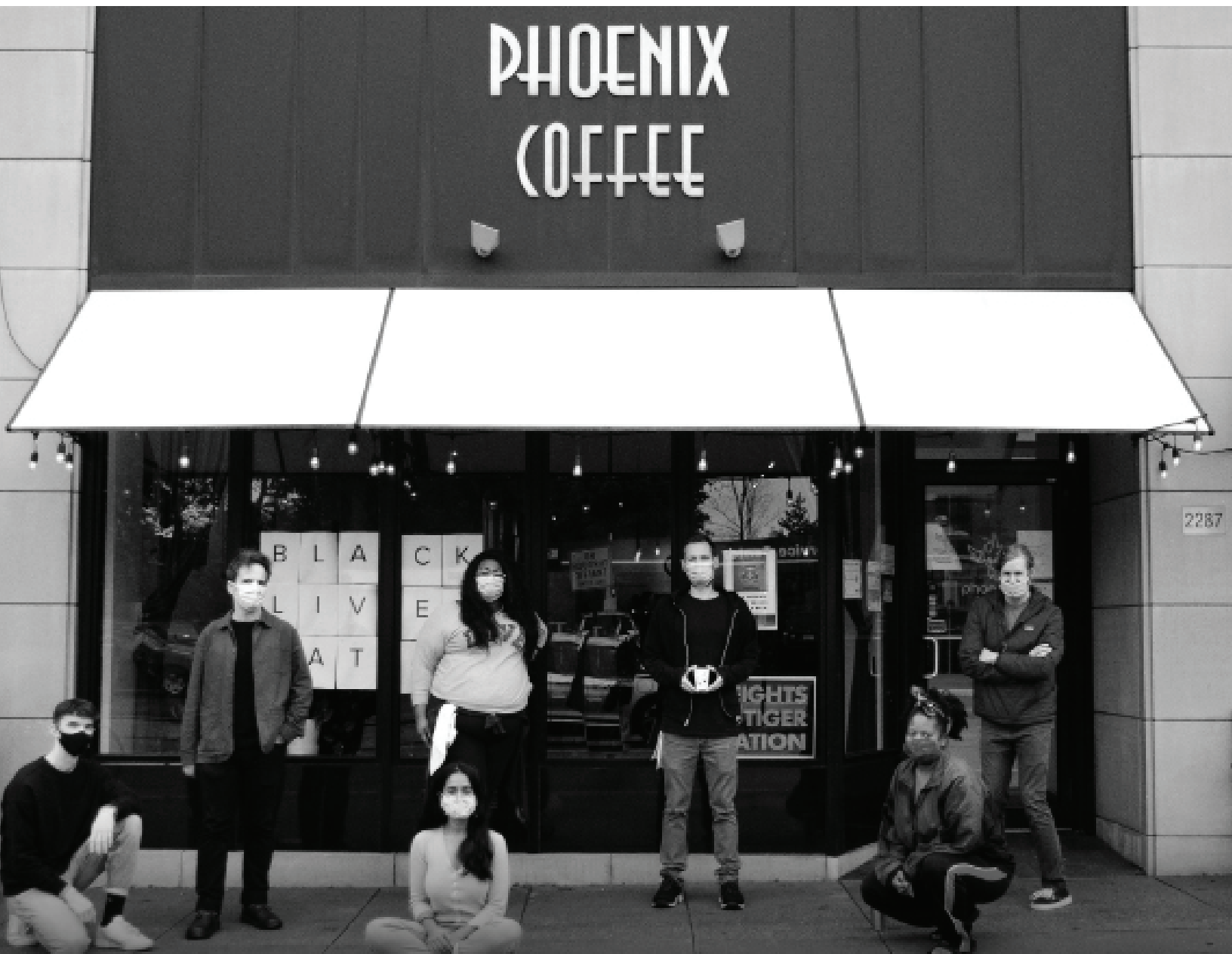
A set of achievements in 2021 helped sharpen the

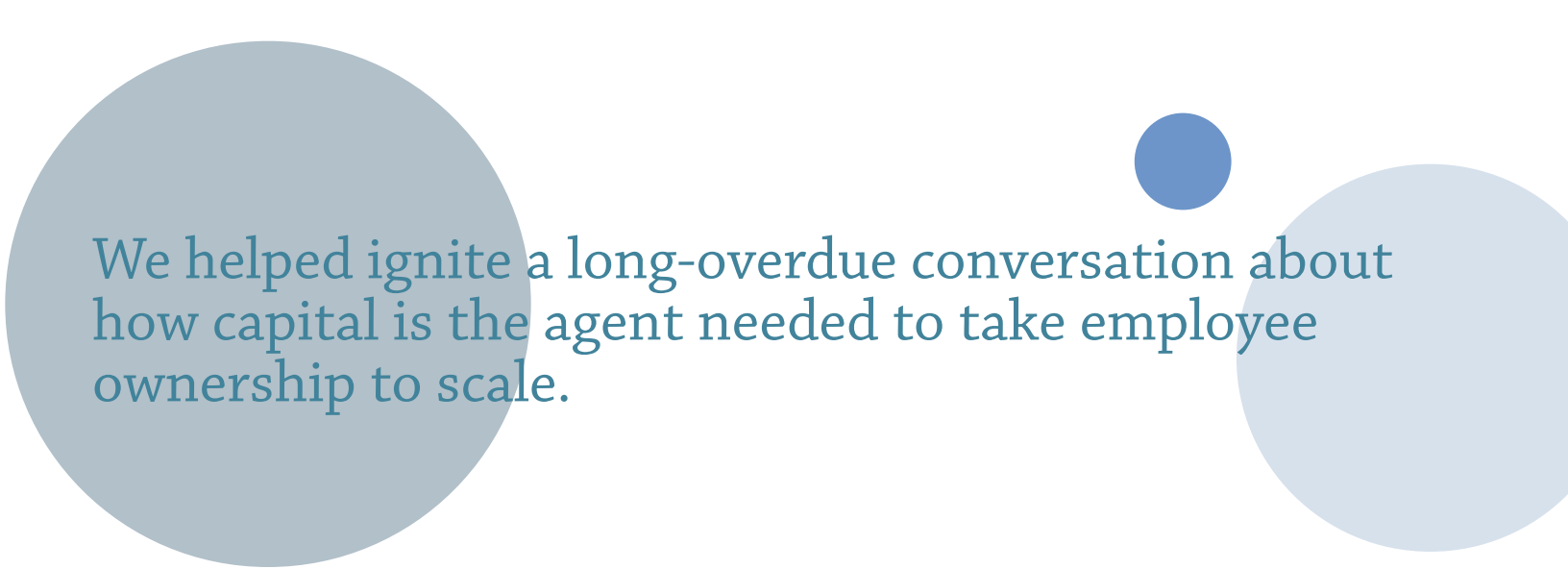
Employees at Phoenix Coffee in Cleveland became employee owners of the business with the help of the kind of impact capital that has been one focus of the work of The Democracy Collaborative’s Marjorie Kelly.

solutions that will help the field meet the goal of 50 million employee-owners by the year 2050.

One key is leveraging the power of impact capital—organized capital devoted to social mission. *Opportunity Knocking*, a groundbreaking report Kelly co-wrote with Jessica Rose and Sarah Stranahan and released at the beginning of 2021, concluded that “impact capital could become the lever used to redirect wealth into the hands

Phoenix Coffee





We helped ignite a long-overdue conversation about how capital is the agent needed to take employee ownership to scale.

of working Americans, creating a more just and equitable economy that is more resilient against future shocks. Investments in employee ownership buyouts could offer attractive midrange returns, while at the same time ensuring worker-owners are set to achieve long-term financial security.”

That report helped ignite a long-overdue conversation about how capital is the agent needed to take employee ownership to scale—capital that is not just bank debt, but *active* capital, knocking upon owners’ doors, simplifying the conversion process for both owners and investors. Impact Alpha, a leading online publication in impact investing, featured an article co-written by Kelly and Diane Ives of the Kendeda Fund on “12 impact funds ... catalyzing transitions to employee ownership.” Fast Company published an article highlighting how employee-owned firms were more resilient during economic downturns and helped employees build more wealth.

That Fast Company article—plus Kelly’s work with the Council of Development Finance Agencies —also called on the Biden administration to take steps to empower federal agencies to do more to support employee ownership. Months later, the administration did take such a step: the U.S. Treasury issued guidance allowing some of the \$10 billion in American Rescue Plan funds funneled through the State Small Business Credit Initiative to be used for employee ownership transitions. One mechanism for channeling such funding was an idea Kelly and The Democracy Collaborative developed as a response to the COVID-19-induced economic downturn: local economy preservation funds. These funds would be specifically designed to support local ownership of Main Street businesses, rather than have them close or be bought out at a discount by large corporate investors. So far, three

communities are creating these funds, and numerous others have expressed interest.

These and other developments related to employee ownership are chronicled each week in *Employee Ownership News*, which offers original reporting, interviews, and resources for the employee ownership field. This free online publication builds on years of work TDC has done, along with others, to provide information and advocacy for employee ownership. Fifty by Fifty has also engaged in seminars, webinars, and behind-the-scenes discussions to move employee ownership forward. For example, Fifty by Fifty led the funder education effort that resulted in a \$24 million philanthropic investment to four organizations—Fund for Employee Ownership, The ICA Group, Nexus Community Partners, and Project Equity—that are using capital to build community wealth through expanding democratic employee ownership.

Undergirding this work is Kelly’s intellectual leadership in identifying a central barrier blocking a democratic economy: what she calls “capital bias,” the prioritization of wealth and those who successfully aggregate it over the well-being of society. Naming it—calling it out as something other than “just the way it is”—is the first step toward delegitimizing it and opening space for non-extractive capital strategies that forge practical paths to a democratic economy. Kelly, whose previous books included *Owning Our Future: The Emerging Ownership Revolution* and *The Divine Right of Capital*, is now working on a book, targeted for completion in 2022 and release in 2023, that explains how capital bias has set the stage for the global crises we currently face and how a new system can be built on the principle of shared wealth and power rooted in communities. ●

FINANCES AT A GLANCE FISCAL YEAR 2020

INCOME

CARRIED FORWARD	\$3,338,296
2020 REVENUE	\$3,163,569
TOTAL	\$6,501,865

EXPENSES

PROGRAM	\$3,975,484	75%
ADMINISTRATION	\$1,226,185	23%
FUNDRAISING	\$74,593	2%
TOTAL	\$5,276,262	100%

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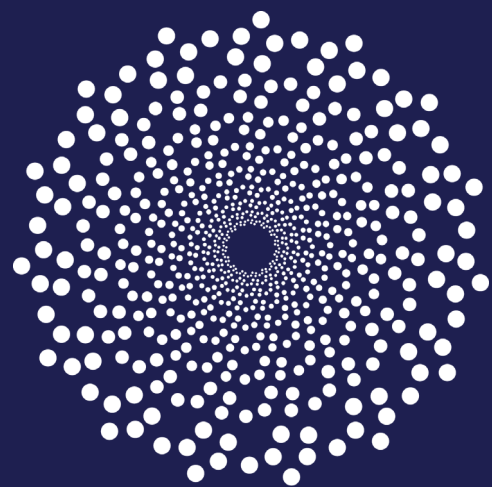
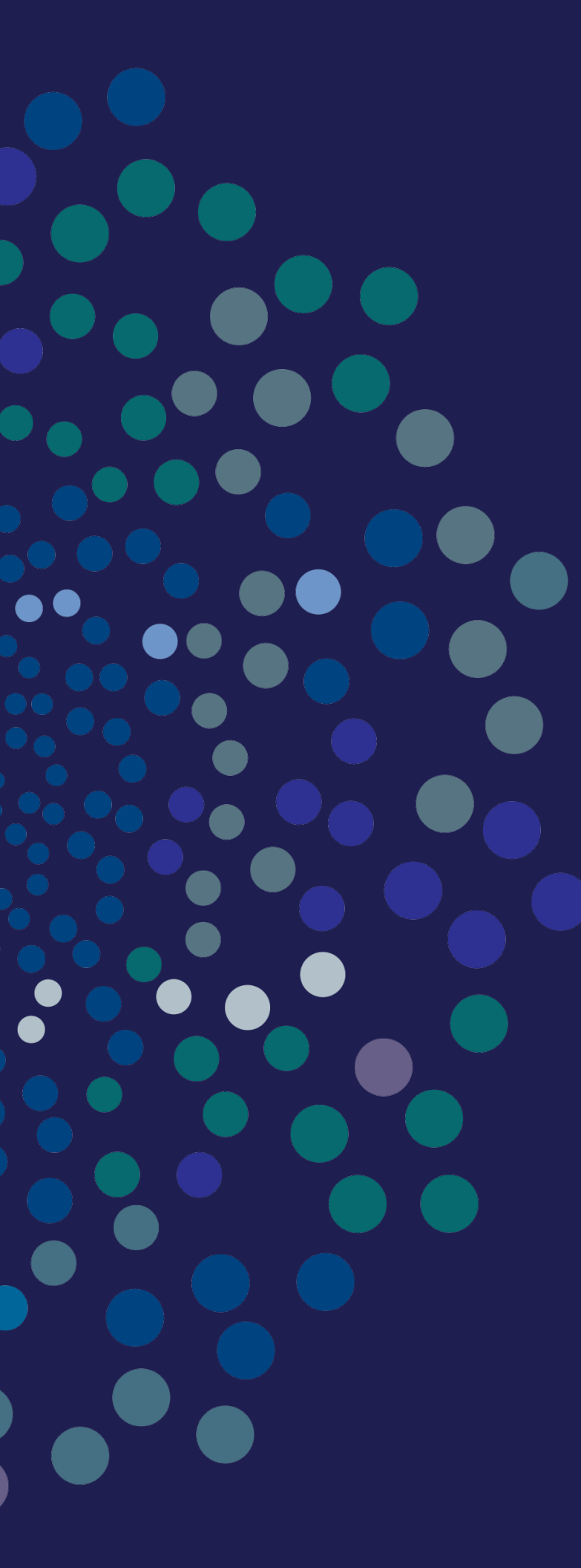
Associate Professor of Leadership Studies, University of Richmond and co-author, *Community Wealth Building and the Reconstruction of American Democracy*

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