



Our Theory of Change

It has been commonplace in the United States and in some other parts of the world to conflate “democracy” and “capitalism,” as if the two are by their nature symbiotic and mutually reinforcing. They are not. It would be more accurate to say that our dominant system of capitalism is actually antithetical to true democracy. It promises broad-based “opportunity” but in practice extracts wealth and power from the many and concentrates it in the hands of the very few, who use their extraordinary accumulation of wealth to distort our democratic systems, further their interests, and entrench their status. Moreover, it does so on an unconscionable foundation of structural racism, white supremacy, and gender and other forms of bias and discrimination.

This racial, predatory, plutocratic system has brought us to the precipice of environmental, economic, and political collapse. If we are to avoid a descent into fascism and ecocide, we need to urgently envision, build, and shift towards a very different political-economic system. Specifically, we must suffuse democracy into our economy, grounding it in racial and environmental justice, broad-based ownership and equality, and community wealth.

The Democracy Collaborative’s mission is 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. By making the democratic economy conceivable, visible, and practical, we open minds, ignite hope, and inspire action.

Advancing the vision, theory, policy, narrative, and practice of the democratic economy are at the heart of our mission. We are well placed to help launch the next phase of radical political-economic change necessary, working with and supporting partners to help propel a process of theory development, policy invention,

institution-building, and active engagement to make the institutions and practices of the democratic economy the next paradigm for how we order society.

Our vision of change: the democratic economy

To bring about political-economic system change, we must first be clear about the scope and nature of the transformation we seek. We start by naming and pulling up the roots of our current intersecting crises, which include:

- White supremacy and systemic racism, which has led to a racial wealth gap in the United States of about \$10 trillion, or roughly half the nation's gross domestic product—the accumulated impact of over 400 years of slavery and racial injustice;
- Inequalities of wealth and power, which has resulted in the top one percent of households globally owning over 40 percent of all personal wealth, while the bottom 50 percent owns only 1 percent;
- Private ownership and “capital bias,” the systemic tilt in favor of individual wealth accumulation and away from policies and practices that prioritize shared wealth and collective wellbeing;
- Neoliberalism's capture of culture and the belief in the supremacy of “free markets,” which constrains the search for solutions even as it becomes clearer that neoliberalism and free-market thinking are not up to the task of solving the crises they have done so much to create;
- Status quo-oriented political institutions, parties, and funders, who are also constrained by a captured culture and dependent upon the plutocrats who are at the source of our problems.

Looming over all of this is the reality that humanity is currently consuming and polluting natural resources at two times the rate that the planet is able to regenerate them. Deep drivers at the heart of neoliberal capitalism—especially its relentless pursuit of profit above all else—make environmental depredation all but inevitable. Bringing humans into balance with Earth's ability to regenerate itself, without damaging essential species, fragile ecosystems, and the climate will inevitably require profound changes in our economic blueprint, including redefining how we “grow” our economies, how we utilize natural resources, and how we measure prosperity and wellbeing.

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. Only through a transformation of our political economy in this way will it be possible to address the deep causal factors behind the multiple intersecting crises of economic inequality, racial injustice, plutocracy, and climate change.

In our vision of the democratic economy:

- Wealth is broadly held—by workers, households, and communities—through a plurality of ownership forms that have become widespread across our political economy.
- Local economies prosper, building and maintaining wealth and value for themselves and society as that wealth and value recirculate.
- Humans live in balance with nature, and our energy and economic systems are decarbonized, localized, and democratized—owned, controlled, and operated for public benefit.
- Racial equity is deeply and substantively integrated into the democratic economy through reparative justice and through antiracist politics and practices that dismantle both individual and structural forms of racism and white supremacy;
- All people are valued within a culture of compassion, mutuality, solidarity, and respect.
- All 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.
- Governance structures operate on these principles on the basis of subsidiarity, decentralization, and participation.

No single organization alone can accomplish this order of change. Rather, we propose to work strategically with many groups and movements to create the conditions in which a transformation can occur and be sustained—a transformation fed by what is already emerging on the ground in communities across the United States and around the world.

The centrality of community

Our vision begins and ends with community. It is through building community wealth that the democratic economy begins. Yet the success of this work requires that a superstructure be built upon this foundation that incorporates subnational, national, and even international institutions. These must come into alignment with this new vision of a democratic economy—and therein lies a central task of the coming decade: to establish irreversible foundations in ideas, policies, and projects such that a longer-term transformation of the political-economic system becomes an inevitable reality, flowing from the core values and institutional principles of a democratic economy.

Thus our work is not simply to promote good ideas and good projects—though we welcome a great proliferation of these in our openness to allies with diverse but converging interests. It is instead to establish core values and principles that give clarity and direction to our theory, research, and systemic design; inform our model policies and legislative initiatives; and govern our relationships to new forms of organizing across community, political, and ecological spheres.

In all of this, the long-term construction of new community institutional power is foundational. Mayors, city economic development leaders, place-based impact investors, locally owned businesses, community foundations, and community organizers are central. They must find their role in grounding the new direction, and also serve as a locus of mobilizing new political-economic institutional power.

Without a healthy foundation in community, nothing of lasting power and meaning can be built. But nor can we limit our sphere of political action to community alone. Countering a global system of ideology and institutions that sap communities of their vitality and keep them subservient to the wiles of capital requires a multitiered system of ideology and institutions from the local to the global, dedicated to a new birth of community.

Catalyzing change

Social and economic change is not linear but complex and dynamic, resulting from the interplay of framework conditions, context, system interactions, feedback loops, and

tipping points. We are at such a tipping point, as neoliberalism is being delegitimized for its role in our current crises and as an increasing number of people are open to new ideas of systemic transformation. Change historically occurs through a plurality of pathways and when a diversity of tactics, actors, and approaches consistently challenge and build alternatives to the status quo. For that reason, we seek to preserve a pluralism of tactics and methods, while disciplining ourselves with an overarching strategy that we continuously revise and update as we test it against results and the evolving context of our work.

There is also a systemic interplay between ideas, interests, and actions. Public pressure can force governments and societies to change policies and attitudes, and the production and availability of credible information and analysis strengthen that democratic public pressure for change.

Economic transformation will require a movement across civil society and public and private institutions that demands abandoning the old for a clearly articulated and visible set of alternatives. At the same time, there must be a widespread and growing sense of the practicality of those alternative possibilities—that another world is not just possible but actually within reach.

Prototyping and testing ideas, models, approaches, and narratives within and across sectors of the economy generate rapid learning and advancement, and successful models that work to improve people’s lives become politically forceful. We have seen this at work historically through the “laboratories of democracy” in which initiatives at local, state, and federal levels can build on what is already working on the ground at lower levels.

Our approach is not one of reform but of “evolutionary reconstruction”—the steady build-up over time of institution-changing strategies and approaches, what André Gorz termed “non-reformist reforms” or “revolutionary reforms,” which go beyond tinkering at the margins to “advance toward a radical transformation of society.” These structural reforms are intended to bring about new patterns of ownership and institutional relationships in the everyday operations of the economic system.

There is also the challenge of finding the most effective mix of “inside” and “outside” strategies. Deep change begins with outriding and radically shifting the horizon of the possible. But at some point influencers and reformers within existing institutions are also required to advocate and build the case for change and the transition from old to new.

Strategies and tactics

We deploy the following strategies to help bring about fundamental political-economic system change:

- Thought leadership: Our cutting-edge ideas and high-quality, accessible research support and power a movement for change;
- Innovation and demonstration: We help create and build the models that demonstrate the value, power, and success of democratic ownership and community wealth building approaches;
- Advocacy: We use our research and proven success to advance policy changes that will scale a plurality of ownership models in the public and private sectors;
- Communication: We employ a broad range of compelling communications strategies to educate and inspire, and to support our advocacy and our allies;
- Movement building: Our participation in coalitions helps build intellectual capacity and provide the connective tissue that builds a foundation for power;
- Education and training: We invest in academic and popular political education and training to grow, develop and equip the democratic economy leaders of tomorrow.

These strategies, in turn, deploy the following tactics:

- Empower policymakers, communities, nonprofits, and academics to create and leverage opportunities to expand democratic ownership;
- Shift the power dynamics of sectors, industries, and companies—e.g. healthcare, energy, technology, etc.—by reforming the ownership of capital, institutions, and governance;
- Revitalize existing publicly owned and cooperative institutions to make them more democratic and accountable to the communities they serve;

- Align the values and operations of governments, sectors, and institutions with democratic economy goals, i.e., equity, justice, environmental sustainability, and community;
- Displace and dismantle policies, institutions, and companies that cause significant and unnecessary social, economic, and environmental harm, such as extractive finance, fossil fuel companies and utilities, and the military-industrial complex.

How we expect change to unfold

No one can predict exactly how deep, transformative change will occur. In *Forging Democracy*, Geoff Eley has written compellingly of such moments, when the elusive prospect of transformative change suddenly heaves into view, and hope and history collide:

Very occasionally, usually in the midst of a wider societal crisis, the apparently unbudgeable structures of normal political life become shaken. The expectations of a slow and unfolding habitual future get unlocked. Still more occasionally, collective agency materializes, sometimes explosively and with violent results... The present begins to move. These are times of extraordinary possibility and hope. New horizons shimmer. History's continuum shatters.

We believe we must be poised to capitalize on the sudden shifts and dramatic unfolding of events that can rapidly accelerate systemic change. But we do not depend upon them. Instead, through our work we look to bring about a set of early and longer-term changes that will move us inexorably in the direction of a democratic economy rooted in community wealth:

Early changes

- More and varying cities begin implementing successful community wealth building practices;
- Growing evidence builds the credibility of broad-based ownership and community wealth building;

- Democratic ownership models begin to be adopted in critical industries, e.g. an inclusive and just Green New Deal begins to transform public infrastructure and generate economic inclusiveness and resilience while massively reducing greenhouse gas emissions, further strengthening democratic ownership approaches and outcomes;
- TDC’s issue framing and policy recommendations find their way into agendas, discussions, legislation, and public discourse;
- More businesses adopt stakeholder ownership models, expanding employee and community wealth and delegitimizing shareholder ownership;
- “Next System Studies” curricula and approaches begin to proliferate in higher education;
- People can envision and place their hope in the possibility of a new system and will begin to press their leaders to move in that direction.

Later changes

- The popular imaginative consciousness embraces alternatives to orthodox capitalism;
- A massive shift in ownership—public, cooperative, community, and commons—begins taking place;
- Democratic ownership becomes central to political-economic change and design;
- Broad-based ownership models and community wealth building begin to become mainstream via policymakers and influencers;
- Democratic institutional power relations replace corporate power;
- Access to capital within the real economy—particularly by historically excluded groups—significantly expands.

In this way, we believe 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, regenerative stewardship of the planet’s resources, and resilience in the face of the multiplying crises of our present decaying and dying political economy.