

Q & A with Gar Alperovitz: The new economy movement is crystallising

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Gar Alperovitz is an economist and historian at the forefront of the movement for a new economy. He is a theorist – having written books including *America Beyond Capitalism* – and also a practitioner, helping build the Evergreen workers’ co-operative in Cleveland. To him, shifting to a new economy is the ‘most important set of fights in history’.

There is a growing sense that our current economic system does not work. Have you noticed a shift?

The systems that we have are generating great pain and are not capable of solving the problems we have. Whether it’s unemployment, the environment, or poverty, across the board you see growing pain. Most people take it on existentially and say “I’m a failure” but people are beginning to say, “No, there’s something wrong here”. The traditional model for social democracy – the Democrats, Liberals, Labour party – has played itself out in its capacity to alter trends. The only awareness – and this is a profound change – is that there are no answers. A few years ago people would say that if we elect a Democrat all would be okay. No one believes that anymore. There’s not quite the awareness that we face a systemic problem, but there is awareness that something is wrong with the old system. We are a very rich society. Even given the terrible economy we’re in, if you divided up the US wealth equally into families of four they would each have \$200,000. It would probably be similar in the UK. So we don’t have an economic problem, but what we have is a political problem. We need to manage the richest economy in the world.

So we’re beginning to see the start of a movement to build a new economy?

In the last two years there has been a crystallisation in some parts of the country. Prior to that we had elements, we had projects building up. I’m a historian as well as political economist. When you

get to the place where you crystallise the fact that the movement exists you really cross the threshold. The phrase 'worker co-op' was not used much three years ago, but now it's very common and we're seeing more and more. I've a long-term interest in worker ownership – and helped set up [Evergreen](#) in Cleveland – but worker ownership does not solve all the problems. What do you do about large industry, co-ordinated planning, how do you bring things together? We're just beginning to peek into the financial system – to look at public banks, credit union democratization. That's really at an early stage. In the US, city ownership is starting in [Boulder Colorado](#) where they have moved their utilities from private ownership to municipal ownership. They've won the battle. And [Richmond in California](#) is using eminent domain powers to prevent foreclosures. So we're beginning to see experimentation not only at workplace level but also at the city level. At the neighbourhood level we're seeing more community land trusts. All of this wasn't possible a few years ago.

This is probably the most important period of American history because we've run out of options.

What is the new system you envisage?

If we don't like corporate capitalism or state socialism what is the model? I use the term [pluralist commonwealth](#), which for me means plural forms of common wealth. So if you start with a community, what would the model look like? There would be the Cleveland model of worker co-ops, and small business and high technology enterprises are all part of it. It's about democratisation of the ownership of wealth, whether through worker ownership or municipalisation. Then we need to ask what it takes to stabilise that community in a larger system. I'm not a Transition Town person in that sense as I think it's a limited view. As soon as you enter trade you get the problem of radical dislocation and the market deals with that by throwing away communities. Cleveland went from 900,000 people to a population of 400,000. Where did they go? No one cares. So some stability has to come from a higher level, from planning. If you have market forces undermining the base of that community what is the structure you need to stabilise it? What finance do you need and which industries are larger than one community can do? But it's about only going up to a higher level if necessary.

You also have to deal with growth. Big corporations must go to Wall Street or the bank for capital and to do that they have to grow. If you want to deal with growth you have to deal with the fact that you can't have profit-driven companies, which means they have to be public utilities.

Which businesses do you think should be publicly owned?

It's clear that big airplanes, rail, big energy companies, the financial sector certainly, and industries that are technologically so large. I've been looking for material for this for ten years but it's difficult

to find. We no longer have academic tradition around this question and that's something that's needed. The question to ask is clear. Which ones have to be big? If they don't have to be big then keep them small.



So, how do we start to make this happen?

The most difficult hurdle to cross is to convince people that anything is possible. Most people think nothing is possible, that the pressure is so great you can't do anything. It's overwhelming in most communities. But if you get serious and are willing to work you can do really interesting things.

In my latest book [What Then Must We Do?](#) I tell the story of Youngstown in Ohio. On a single day there

in 1977, 5000 people in the steel industry lost their jobs. The steel workers said, "Why don't we take over the mill and run it as a community ownership model?" They called me in to help them and they'd done great political work, got funding and politicians behind it. They were also very serious about political education and had done a lot of press and TV. After the election the Carter administration pulled the money because the big steel companies and the national union were dead set against it. They lost but it was a big fight and it educated a lot of people. There's been lots of experimentation in worker ownership in Ohio dating back to that fight. The Evergreen project we set up in Cleveland (pictured) draws on that tradition. So failure is not failure if you do it the right way. We need to see ourselves as part of history and educating the next generation. That's the lesson of Youngstown.

And the other thing is that ideas matter. The steel union is now interested in that worker ownership model so there's been a historical shift. We need to see it as a historical process rather than "my project failed". That's really important for activists and that's what we're doing here. We're building tradition and building a different model of historical change, which involves both construction and politics. Politics is not just protests and votes. This is introducing models of historical change as an evolutionary process. I call it evolutionary reconstruction as opposed to revolution.

To move in a positive direction we need to give people something to do rather than someone to blame.

The debate has been polarised between left and right and the market and socialism. How does the new system we are moving towards fit within those polarised ideas?

Rebuilding community from the bottom up is a very American idea. You find conservative people

who think it's a good thing, who find big business a challenge to small. And there was a group of conservative Chicago school economists in the 1930s, which argued that very large corporations could not be regulated, and needed to be **broken up or nationalised**. Indeed a plan was put forward at the height of the Depression for outright ownership of the Federal Reserve Banks and the nationalisation of money creation. Then there are the problems of planning and of how to keep the values generated in local communities – environmental, democratic values – and these are more problems of socialism.

This is ground zero. We can't avoid discussing these things in terms of structural design. I think it's interesting to start from the community but the danger is that people were often frightened to go higher and hierarchy was opposed in the past.

You worked briefly with Martin Luther King before he was assassinated. Do you see parallels with the move towards a new economy and the civil rights movement?

I think this is the most important set of fights to fight. The civil rights movement and feminist movement were very important but they were about getting into the system. They were radical but not systemic changes. The environmental movement until now has been about using the existing system and trying to regulate it, rather than changing the system. I think Martin Luther King understood what the game was, that you're not going to get anywhere unless you raise bigger questions, unless you deal with economics, and environmentalists are now more aware of this too. This is probably the most important period of US history bar none – I include the American Revolution – because we've run out of options. Either we develop a new way forward or fascism is a possibility or we will see growing decay.

People are just peeking around the corner and need to come out of their pessimism. Pessimism has the virtue of believing you don't have to do anything. To move in a positive direction we need to give people something to do rather than someone to blame.

You say that the shift to a new economy need to start with ourselves. What advice would you give to people?

There is enormous literature about what to do. If you are serious about this you need to form a study group and read some of this stuff and find out what people are doing all over the world and work out what's best for your circumstances. If they can do it in many cities why can't we? All of a sudden it changes the responsibility from "nothing can be done" to "what can we do here?" Things always start in small groups. The question is not only about changing systems but how we engage existentially ourselves. It's about looking in the mirror and saying "Am I up to this?" If we're seriously interested in transforming the most powerful corporate capitalist system in the world, if

you want to play this game, then chips are decades of your life. You don't have to play but if you want to play you need to throw a few decades of your life on the table.

Clare Goff



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