

Gar Alperovitz

Gar Alperovitz—writer, historian, political economist, think tank founder, and one of the visionaries behind the Evergreen Cooperatives—talks about his life's work helping to prepare the ground for the systemic institutional and policy changes that will be required to broaden the ownership of capital in America and transform our throwaway cities into stable, sustainable economies.



What drives Gar?

If you are not a fan of either socialism or corporate capitalism, what are your alternatives and how do you get there? Gar has been on a quest for the answers since his undergraduate days at the University of Wisconsin.

The World According to Gar...

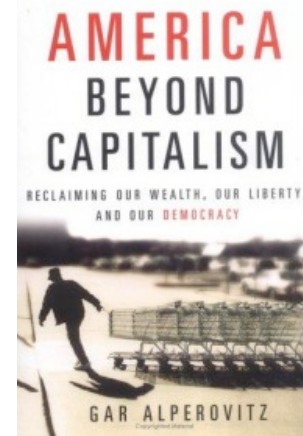
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Gar Alperovitz' Storyline

Gar Alperovitz grew up in America’s heartland in Racine, Wisconsin, in the 1940s, at a time when the city was one of the country’s most vibrant industrial hubs. His father owned a small specialty manufacturing company employing about 30 people. “I knew what the inside of a factory looked like,” he recalls. “It was not an abstraction for me as it must be now for most young people growing up in America.” He counts among his early and most profound influences the revisionist historian and communitarian socialist William Appleman Williams with whom he studied as an undergraduate at the University of Wisconsin. It was there that he first began to explore (and later to doubt) that there was a way to realize the values embodied in traditional liberalism within the existing economic paradigms--in his view, neither socialism nor corporate capitalism held the answers.



Books By

Gar Alperovitz

Unjust Deserts (2008)

America Beyond Capitalism (2005)

Making a Place for Community
(2002)

Gar went on to do graduate work in political economy at the University of Cambridge where he became keenly interested in the broad societal implications of globalization. His PhD thesis, focusing on the relationship between World War II planning and US domination of global financial and trade policy, was published by Simon & Schuster and became the book that opened the debate on America's use of the atomic bomb as a policy tool: *Atomic Diplomacy: Hiroshima and Potsdam: The Use of the Atomic Bomb and the American Confrontation with Soviet Power*.

Gar counts a visit to an Israeli kibbutz in the mid 1950s as another seminal influence. That initial visit led, 25 years later, to deeper research into the kibbutz structure and into how community ownership and the infusion of social values into a business operation can yield positive impacts on efficiency and productivity.

After graduate school Gar became legislative director for Senator Gaylord Nelson, an early conservationist and the founder of Earth Day. As a pre-baby boomer armed with a PhD from Cambridge, the opportunities in academia were wide open to him, but instead he chose a more expansive path—participating in, starting up, and running a series of think tanks: as a founding fellow of Harvard's Institute of Politics in 1966, cofounding with Harvard

sociologist Christopher Jencks the Cambridge Institute in 1968; serving as President of the Center for Community Economic Development, and, with Jeff Faux, founding in 1977 The National Center for Economic Alternatives, where a framework for the role that worker-owned cooperatives could play in economic and societal transformation was developed.

Gar's Road Map

Born and raised in Racine, Wisconsin
PhD from University of Cambridge
Fellow of King's College
Legislative director in both the House and Senate
Special assistant in the Department of State
Founder and cofounder of numerous cutting edge think tanks, most recently the Democracy Collaborative, the incubator of the Evergreen Cooperative model.

In 2000 Gar and sociologist Ted Howard co-founded the Democracy Collaborative, the thought incubator for Cleveland's Evergreen Cooperatives.

Our Conversation with Gar

The Evergreen Cooperative Corporation was created to be the keeper of the community building vision and to make it virtually impossible for coops within the corporation to demutualize. What is the power in this highly robust structure of the worker co-op?

We need not only to democratize ownership but also build community. Most co-ops attempt to do the first but they are not necessarily trying to build a larger community vision, and very few have as their goal to stabilize a community. Co-ops in general are good but the crises we are facing are far deeper.

What makes the Evergreen Cooperative model unique is it is not just about worker ownership, it is also about reconstituting a larger community. That is a critical principle as far as I am concerned.

Because community building is embedded in its structure, the individual cooperatives under the ECC umbrella have the leverage to ask for special purchasing and other procurement support from the surrounding anchor institutions, governments, and philanthropists. Traditional co-ops, although important and useful, don't have that larger community benefiting implication inherent in their structure, so they don't have that claim to make.

Can you talk a bit about how Evergreen came into being?

We at the Democracy Collaborative take the view that the various forms of decentralized ownership—ESOPs, co-ops, land trusts, etc.—all share the principle that the ownership of wealth should benefit larger numbers in some way. This is an

important principle. It is our belief that the leaders of these organizations need to recognize that they share this principle and together should support larger applications of it.

In 2006 we got the Aspen Institute interested in this idea and together we brought the national heads of all these silos together for a meeting with the goal of creating some sort of advocacy group or, minimally, an information-sharing group. But after the meeting everyone went back into his or her silos.

So then we thought maybe something like this could happen at the local level in some community where the linkages might be more apparent and easier to develop. And the question was where?

We initially tried to develop a model using an anchor and a community-owned structure at the University of Maryland where the Democracy Collaborative is housed but did not succeed in getting a sufficiently high level of interest from the administration. So I had contacts in Ohio and called John Logue, who was at the time head of the Ohio Employee Ownership Center, and the rest is history.

A great deal of the credit has to go to the extraordinary capacity of Ted Howard who made Evergreen happen. We had the theories and ideas and the advocacy but with the help of the Cleveland Foundation Ted took it all and made it real.

What challenges does Evergreen face?

Startups are hard to do and you have to develop good solid business planning and

Five Books That Influenced Gar Alperovitz

Martin Buber, *Paths in Utopia*

Paul and Percival Goodman, *Communitas*

Karl Mannheim, *Ideology and Utopia: Introduction to the Sociology of Knowledge*

Joan Robinson, *Exercises in Economic Analysis*

William Appleman Williams, *The Tragedy of American Diplomacy*

management. I also think it will be very important to continue to develop allies for Evergreen, the future direction will depend on both political and business allies. In Cleveland you already have support from the business community, from local bankers.

And what's interesting is the support is coming from both liberals and conservatives, because it is perceived as a practical local solution. Political categories dissolve at the local level when you have something practical rather than ideological to talk about. That has been the heart of the whole effort—to get a project going that makes sense, to make it concrete.

There are reasons for the small business community to be supportive of Evergreen but it will be a big job to build to the next stage of support. And of course you always worry that, say, some large solar corporation will start smelling a market and undercut Ohio Cooperative Solar and grab the market and then start boosting prices. That is a danger and another reason why support is necessary.

You say that the Evergreen model is powerful but cannot address many of the bigger systemic issues.

We want to develop and refine Evergreen but as a piece of a larger puzzle. You can't build policy one case at a time. If you are really interested in democracy or dealing with climate change you have to deal with systemic issues and community is only one of them, although it is a very important one.

We have to address what do you do about bigger industry, how do you project a real debate and a sophisticated understanding of where we want to go in this context? So while a lot of what we are doing at the Democracy Collaborative is to help iterate Evergreen-type models we are also interested in large systemic issues, larger-scale theory and discussions and models, and in introducing them into the dialog in America.



You make very clear distinctions between large- versus smaller-scale companies when you talk about how the corporate form needs to be rehailed in an increasingly resource-constrained world.

There is a great difference between large-scale multinationals and small- and medium-size enterprises. My father owned a small manufacturing company in the Midwest. I come out of that tradition. Those small companies are not the problem.

The first problem with the big multinationals is they are beholden to Wall Street. If they stop expanding and their revenues don't go up they get killed by the Street. But that does not work for a society that has to reduce resource throughput and limit consumption. Second, they accumulate political power and are able to manage the system because they can lobby. Third, and this is something few people want to discuss, they are disruptive of community because they move wherever they can get cheaper labor. So objectively I don't think they can achieve the goals that people genuinely care about as they are currently structured and as they currently operate.

I agree with E.F. Schumacher that for certain industry sectors there is no way around some sort of public participation. Consider what might have happened if the government and the UAW had used the stock they owned in General Motors because

of the bailout to reorganize the company along full or joint worker-ownership lines—and if the new General Motors product line were linked to a plan to develop the nation's mass transit and rail system? Since mass transit is a sector that is certain to expand, there is every reason to plan its taxpayer-financed growth and integrate it with new, community-stabilizing ownership strategies.

We may ultimately have to face long-term public ownership in certain industries and in other cases they have to be broken up. Now which industries, from a technological standpoint, have to remain big is a question for researchers that has not been answered. For now we are saying decentralize as much as you can and then with what is left we have to figure out what we can do about it.

You take the view that our country will have to decentralize decision-making within this century if we are to preserve our democracy. Can you explain why?

The US Census Bureau estimates that the population of this country could reach 1.1 billion people by the end of the century. If you want participatory democracy with 1.1 billion people (or even 700 million!) you are going to have to move to more regional, decentralized decision-making. The federal government will simply not be able to manage things as time goes on. Within a smaller country you can manage economic policy in different ways than you can in a huge country like our own. You can drop Germany into Montana. When I was working in the Senate I drafted legislation that became law in the mid-1960s to establish regional commissions for regional planning.

Can you talk more about why it is critical for us to stabilize “throwaway” cities like Cleveland if we are to nurture democracy and address climate change in a meaningful way?

If we are interested in democracy with a big "D" we know the units below it have to

operate democratically. And you can't have democracy at the lower levels if you undermine community.

Right now we treat our cities as disposable. Big companies come in, cut a deal, then move out and leave cities behind and take the jobs with them. They leave behind houses, roads, schools, everything a community needs is left and decay sets in. Then you have to build it all up somewhere else.

This cycle is destabilizing and is extremely carbon costly in the first layer of reality. You also can't do serious planning for reducing a carbon footprint unless there is stability in a community. You can't get the right density and transportation planning and do the recycling if there is too much instability.

No one is talking about this; it is the elephant in the room. People talk about sustainable communities but they forget that communities are undermined every day by these economic forces. You need major economic policy changes and institutional changes to reverse this trend and the environmental movement has not thought about it seriously.

In microcosm the Evergreen model establishes principles that are important in this regard. It creates a significantly stable market through anchor institutions. That principle of substantially stabilizing parts of the market is one key way to do it.

Do you think it is possible for policymakers to enable these kinds of huge structural changes?

Not at the moment. At the current time I think public officials can be of a lot of help in supporting efforts like the Evergreen model. There are pockets of Federal money that could be mined now for these smaller experiments. People inside government like the model and there is bipartisan interest in it. But they are not yet prepared to tackle the big policy issues required for the major structural changes. The whole idea is we are

into a 20- or 30-year period of change and what is interesting is the groundwork is being laid for economic and societal transformation in these experiments like Evergreen. There is a parallel here to the progressive era before the New Deal where new principles were being explored on the state and national level.

How optimistic are you that these systemic changes will eventually take place?

We are in an interesting time economically—we are not in collapse but we are in the midst of a kind of slow decay where we can develop experiments and innovate—Evergreen is an example of that. People know that there is something wrong and they are saying it out loud and meaning it. And there is even something in the Tea Party that is instructive, although it takes a libertarian form, that there is a problem on how decisions are made by big government and big corporations.

So, yes, I am moderately optimistic. I went to the University of Wisconsin during the Joe McCarthy era when they shot anything that moved politically. If you would have asked if any real change was possible in Wisconsin in the late 1950s I would have said no, but then the '60s exploded. The Arab Spring and the feminism movement were also unexpected but these discontinuities are historically regular.

But we will see. I don't predict, but I am aware that unexpected things can happen. The point is to keep developing forward so that we have a genuinely clear and well thought out set of ideas about the right thing to do.

—Susan Arterian Chang is Director of Content Development for Capital Institute.

To find out more about Gar Alperovitz visit www.garalperovitz.com and [The Democracy Collaborative](#).