

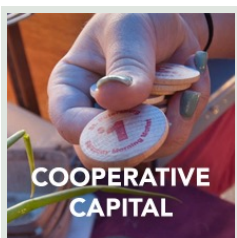
Democratic financing solutions for the great transition

Towards Cooperative Commonwealth: Democratic Financi...



Pat Conaty. Introduction to Module 7: Democratic financing solutions.

<https://www.youtube.com/watch?v=oaPggdOaFPs> (<https://www.youtube.com/watch?v=oaPggdOaFPs>)



Module 7 synopsis

The domain of finance is embedded in every topic we have explored in the course thus far—implicitly in some, explicitly in others. In terms of critique, for example, we have learned about banks cutting credit from marginalized communities, people displaced from housing by speculation-driven gentrification, massive agricultural land grabs, corporate concentration across the food system, the extraction of value from workers by corporate digital platforms, the penetration of private companies into social care services and renewable energy. All are expressions of the destructive financial logic at the heart of neo-liberal capitalism.

Core to this bleak tapestry is how private banks create money as interest-bearing debt, a poorly understood and well-hidden dysfunction embedded in our financial system. On the optimistic side, this module also teaches you to think in new ways about money and debt, as well as solutions to the current crises, and introduces a series of progressive financial alternatives.

Resisting Dispossession

As earlier modules revealed, despite the growth in accumulation by dispossession, diverse democratic financing innovations are evolving with the scope to provide a counter movement aimed at resisting dispossession and advancing transition to social and economic justice and ecological sanity. Below is a recap from earlier modules.

Consider how Terre de Liens in France (Module 2), mobilized social finance to buy and lease land to expand agro-ecological farming and local/regional food security. Remember also the \$110 million deal structured to finance a pioneering CLT housing project in Vancouver Canada through a public social partnership of municipal government, the co-op movement, social investors, non-profits, and a major credit union. Both projects were able to mobilize social finance to achieve a common good.

Recall too the different kinds of finance embedded in food related innovations (Module 3)—community supported agriculture (working capital), the Riverford farm in England (private capital now coming under majority worker ownership), and the tens of millions in member-based equity voluntarily invested in the Seikatsu Cooperative in Japan.

Recollect the equity investment of each worker-owner member in the Denver Green Taxi Cooperative (Module 4) and what it facilitated—a rapid ascendance to 37% market share, a rapid decline in overheads, significant increase in wages and benefits, and fewer working hours.

Bear in mind what extended co-operation can yield when it is organized as a system, as in Italy (Module 5), where assorted financing options supported the transformation of a successful social care pilot project initiated in the 1960s into 15,000 social co-operatives today, and fairly paid worker owners providing high quality care, democratically governed together with local, multi-stakeholder members.

Review how financing is structured where energy democracy (Module 6) is a priority—Scotland, Kauai, Kristianstaad, and Kirklees. Or, contemplate the “Drawdown” solutions we elevated in each module. Despite their promise and practicality, we are not close to moving fast enough. How to finance particular “Drawdown” solutions remains a key question.

Without doubt the dominant political economy of concentrated wealth, income, and power is a major impasse to transition. And underlying it all, we need to examine the debt-based nature of money creation and the global financial system. To help broaden your exposure to these complex topics, we have selected materials that provide a basic introduction set out under three learning objectives.

Objectives for this module

1. To explain key systemic problems embedded in the current money and financial system, in particular how money is created as debt by private banks, and, in contrast, how it has been done differently in the past.
2. To introduce a selection of financing practices and models that seek to meet basic needs in ways that strengthen community and regional resilience and promote systems change.
3. To become familiar with the concept and scope of a Green New Deal and its application to low-cost financing of “Drawdown” solutions and a “Just Transition” pathways that maximize livelihood benefits and basic needs provisioning.

Suggested time allocation: 5 hours total

Review of commentary, required video and reading materials, note-taking	180 minutes
Weekly exercise	75 minutes

[Weekly whole group discussions \(https://learn.canvas.net/courses/2527/discussion_topics/43838\)](https://learn.canvas.net/courses/2527/discussion_topics/43838)

45 minutes

Total

300 minutes

Module 7 discussion forum

As you work your way through this module, be sure to post your ideas and reflections in the [Module 7 discussion forum \(https://learn.canvas.net/courses/2527/discussion_topics/43838\)](https://learn.canvas.net/courses/2527/discussion_topics/43838) and read and reply to the posts of others.