Can we build a democratic, post-capitalist, political–economic system? We can, but doing so requires deep, step-by-step social, economic, and ecological change. “This reconstitution of community—both in building radically new political–economic structures and a new political power base from the bottom up and while developing a new culture of larger community that ‘we are all in it together’—is the central challenge of the emerging era,” asserts the Democracy Collaborative’s Gar Alperovitz.

For a time, after the collapse of communism in the Soviet Union and the retreat of social democracy at the hands of neoliberalism in the West, it was proclaimed that unencumbered corporate capitalism—with all its inequality and environmental costs—was the only game in town, the last system left standing.

Especially since the Great Recession, this judgment has begun to change. We see hints of this in the rise of Senator Bernie Sanders as a serious candidate for president and the prominence of Representative Alexandria Ocasio-Cortez in Congress.

At the same time, there has been an explosion of on-the-ground experimentation and new institutional development that includes worker cooperatives (and public support for their development), community land trusts, and rising activism around a range of proposals that would expand the scope of the public sector, such as Medicare for All and public banking.

But what would it take to go from proposals to a new economic system?

Let’s start with three assumptions: (1) There must be a long-term vision whose values and goals serve as guides for democratic institutional designs; (2) there must be a design for how local democratic economic forms such as worker co-ops can link up with larger regional, national, and even global structures; and (3) there must be political and cultural movement supportive of these values that affirms ecological and other limits.

Starting at the Local Level
But how do we get there? Key to what I call a “Pluralist Commonwealth” model is the principle of community.¹ An instructive starting place is John Stuart Mill’s insistence that direct experience with local governance is essential to “the peculiar training of a citizen, the practical part of the political education of a free people.”² His elaboration was straightforward: “We do not learn to read or write, to ride or swim, by being merely told how to do it, but by doing it, so it is only by practicing popular government on a limited scale, that the people will ever learn how to exercise it on a larger.”³ Alexis de Tocqueville similarly stressed that “... local assemblies of citizens constitute the strength of free nations. Town-meetings are to liberty what primary schools are to science; they bring it within the people’s reach, they teach men how to use and how to enjoy it.”⁴

The same judgments—both about local government and about economic institutions—help define critical points of departure for other core values, including ecological sustainability, equality, liberty, and, indeed, the foundational concept of community itself. Put in the negative: if the communities and economic institutions in which Americans work and live out their lives are undemocratically managed, lack a culture of citizen initiative, and accept or condone ecologically destructive practices, great inequality, denials of liberty, and practices and attitudes that undermine a sense of community (that “we are all in it together”), then it is difficult to see how the nation as a whole might ever achieve such values.

Put positively, the first critical system question is: How, specifically, might new
local institutions nurture and support values of importance to the system as a whole?

We may have certain goals: for example, economic well-being and stability, racial equity, and democratic accountability. But if development at the level of the community fails to nurture these key values, it is unreasonable to expect transformative change at higher levels of the state, region, and nation. In the language of Martin Buber, “A nation is a community to the degree that it is a community of communities.”

Four Critical Challenges
In addition to the central issue of democracy, four other critical challenges require systemic answers that both begin at the level of community and help generate value premises and potential structural directions at higher levels of integration. All are highly charged but also potentially capable of opening radically new possibilities. They include the following:

1. Overarching questions of structural racism, changing gender roles, the implications of demographic change, and the economic distress, anger, and alienation of many working-class communities;
2. Ecologically sustainable long-term development, especially involving climate crisis but also understood in terms of challenges presented by the likely expansion of the U.S. population and our economy’s continued dependence on growth;
3. The impact of ongoing technological change;
4. The limitations of the design of the United States’s more than two-hundred-year-old Constitution, elements of which are increasingly obviously dysfunctional, are an additional challenge of the U.S. system beyond its unusual scale and racial history.

The judgments implicit in the arguments of Mill, Tocqueville, and Buber point to the necessity of (1) not only building democracy on new local footings from the bottom up, but also (2) developing new institutional forms and practices that nurture other critical values—again, from the bottom up—*in everyday life*, and (3) developing overarching system-wide capacities that both provide economic and institutional support to maintain local community stability and deal with system-wide economic, ecological, and other planning.

This is not to exclude proposals, at many levels, of illuminating larger strategies like those, for instance, of the Green New Deal or Medicare for All. It is rather to suggest that a system-changing model capable of achieving the larger foundational directions implicit in such proposals (and furthered by them) will ultimately require deeper democratic reconstruction of institutions and political processes at many levels.

Four Tenets for a Plural, Democratic Economic System
The foundational democratic theory of the Pluralist Commonwealth model includes four critical principles: (1) democratization of wealth; (2) community, both locally and in general, as a guiding theme; (3) decentralization in general (including regional scale devolution of many national institutional capacities); and (4) substantial (though not complete) forms of democratic planning in support of community and to achieve longer-term economic, democracy-building, and ecological goals.

*Clarity about the foundational concept of community is critical.* Unless new cooperative, neighborhood, municipal, and other community-structured forms of democratic ownership are established at the local level, there cannot be a democratic economy. Changing ownership is a necessary, but not sufficient, condition of establishing the institutional foundations for systemic movement toward genuine equality.

A community-inclusive systemic approach is critical to the nurturing of economic and institutional power relationships that help rationalize environmental choices. When ownership of the enterprise is anchored in the community of not only the city but also the state, region, or nation—*and the impact of its noxious output* again harms the same (larger-scale) community—democratic consideration of the dangers, costs, and benefits are rationalized. Finally, a flourishing and meaningful community, if developed with care and concern for social relationships and the necessary economic and institutional foundations of such relationships, can reduce the pressures that drive wasteful and unsustainable growth and cultures of envy, competition, and unnecessary consumption.

Democratizing Wealth
At the level of the local community, economic institutions increasingly involve small-scale worker-owned firms, cooperatives, and other forms of democratized ownership. These include: credit unions (which boast more than 114 million members in the United States); worker cooperatives—firms owned and democratically operated by their employees—of which hundreds currently operate in the United States; and a modest proportion of employee stock ownership plan (ESOP) companies, enterprises that are democratically owned by workers through a particular form of retirement trust.

Important (illustrative) examples of existing public and political support for various democratized economic institutions are now widespread. In New York, the city council has supported a
Worker Cooperative Business Development Initiative. Other cities, such as Madison, Wisconsin; Berkeley, California; Rochester, New York; Richmond, Virginia; and Jackson, Mississippi, have also taken steps in a similar direction. In many of these cities, too, efforts have been made to assist emerging community-based economic firms to secure contracts from large anchor institutions, especially those dependent in significant part, directly or indirectly, on public funds (such as nonprofit hospitals and universities). For example, in Cleveland, Ohio, the Evergreen Cooperatives consist of a neighborhood network of worker-owned businesses (including an industrial-scale laundry, an urban greenhouse, and a contractor specializing in energy efficiency) that provide some 250 jobs for local residents. When profitable, the cooperatives also contribute funds to a neighborhood-wide nonprofit that operates a revolving loan fund to start additional cooperatives.

In the United Kingdom, Preston, a city of about 140,000 in northern England, has partnered with other local public institutions to direct spending toward cooperatives and other local businesses. Spending by anchor institutions in Preston has gone from £38 million to £111 million, while increasing in the broader Lancashire area from £292 million to £486 million. In 2018, Preston was named the most improved city out of 42 studied by Demos and PricewaterhouseCoopers along a range of economic, social, and environmental measures.

Additional examples of economic democracy advances are:

1. **Publicly owned enterprises and utilities at the municipal and regional level**. In Boulder, Colorado, residents are creating a publicly owned utility to free themselves from the private provider Xcel Energy. The city aims to produce 100 percent renewable electricity by 2030, and to reduce carbon emissions by 80 percent by 2050. All told, there have been some 692 documented cases of re-municipalization occurring worldwide since 2000, including many in the United States, especially in the water sector.

2. **Municipal Internet**. Over 500 communities have established full or partial public telecommunications networks—for example, cable or fiberoptic lines operated through public utilities or by local governments. More than 230 communities in 33 states even provide ultrafast, one-gigabyte services.

3. **City- and state-owned banks**. A national movement has emerged that is pursuing a model of public banks pioneered in North Dakota in 1919.

4. **Community land trusts (CLTs)**. These nonprofits, which provide permanently affordable housing, have proliferated. A leading example is the Champlain Housing Trust in Vermont, which houses over 6,000 members.

5. **Community ownership and management of methane collection and energy generation**. The Point Loma Wastewater Treatment Plant near San Diego, for example, captures methane—a potent greenhouse gas—from wastewater and turns it into electricity, saving the city more than $3 million annually in some years. The same approach applies to landfills, roughly 274 of which are publicly owned and capture methane for energy production in the United States.

6. **Community development corporations (CDCs)**. There are some 4,000 of these community-owned enterprises around the country, many of which help to both revitalize neighborhoods and provide affordable housing.

7. **Community development financial institutions (CDFIs)**. There are now over one thousand credit unions, community banks, loan funds, and other financial intermediaries that are certified as CDFIs. Illustrative is the Latino Community Credit Union, a community development credit union started after attacks on immigrants in Durham, North Carolina. The credit union manages financial services and loans for more than 784,000 members, 81 percent of whom were previously unbanked, 65 percent of whom are low-income, and 4,676 of whom have bought their first home through the bank.

8. **Nonprofit social enterprises**. These are additional examples of broader community-building economic institutional approaches. For instance, Coastal Community Action, in Washington State, has a 6-megawatt, 29-acre wind farm that sells wind power back to its local public utility and is projected to raise $8 million over 20 years for housing, food security, energy assistance, and elderly assistance programs.

Such concrete examples illustrate the practicality, diversity, and developing trajectories of increasingly democratic, local economic elements of a larger model. In addition, a comprehensive approach would necessarily include such widely understood elements as:

- small-scale private entrepreneurial firms and high-tech innovators;
- nonprofit institutions in general (now roughly 10 percent of the private sector workforce); and
- local elements of regional or national public enterprises structured as joint ventures with local worker,
neighborhood, or community-wide participation.

Important strategic areas of concern for larger-scale public forms of enterprise include healthcare (minimally, single payer—i.e., the equivalent of a public insurance company), national- and international-scale banking, and military production. Beyond these, Greenpeace researcher Charlie Cray has noted a broad range of areas where public ownership would be beneficial, especially in connection to energy, where, at present, investor-owned fossil-fuel companies are a major impediment to a globally essential transition to non-fossil-fuel energy production.29

In connection with larger public companies, joint national (ultimately devolved to regional) community-worker ownership points toward responsive approaches to a number of critical challenges.

First, publicly accountable enterprises provide a viable answer to destabilizing corporate dislocation of local communities—a practice that undermines local democratic and community practice and culture, the foundational requirement of any serious democratic reconstruction over time.30

Second, publicly owned enterprises do not face the same Wall Street–driven imperatives that private corporations face to externalize or minimize costs (such as pollution).

Third, and critically, such firms do not face Wall Street imperatives to grow or die—a foundational requirement of the era we are entering.

Fourth, the financial practices and accounts of publicly owned enterprises can be made transparent—open to public scrutiny.

Finally, and perhaps most important, unlike large private corporations, whose lobbying and political contributions distort democracy, the direct political role of large (public) enterprises can be radically reduced.

**Democratic Planning**

Establishing the necessary institutional preconditions and the beginning points for the development of a pluralist model of ownership, democracy, and equality from the bottom up—from community to state to region and beyond—also requires addressing the matter of democratic planning. The question, however, is not whether to plan, but who will plan, in whose interests, and with what level of transparency and accountability. In fact, overt and covert economic planning is now common throughout the current political–economic system. The Pentagon, to name one example, is principally a planning agency. So is the Federal Reserve.

Initial steps in the direction of decentralized, democratic planning can be found in the explorations of participatory budgeting—a process by which constituents propose, discuss, and vote on budget allocations, a practice that has been introduced in some seventeen hundred cities around the world, including many U.S. cities, such as New York, Chicago, St. Louis, Boston, and San Francisco.31 Building on these various procedures and experiences, new forms of national planning would likely build up priorities from the community, state, and regional level—to be integrated at the national level into coherent options for democratic choice.

**Building Economic Democracy for the Long Haul**

Although less commonly discussed, critical to a healthy civil society is economic security, free time, and recognition within a community of equals. A preliminary step is a job guarantee, which
provides the security commonly required to express independence. A related idea—basic income—is now widely discussed (and being tested in Finland, Holland, Kenya, Spain, Canada, and the United States).32 The Alaska Permanent Fund also offers suggestive possibilities: it invests revenue from extractive industries in the state and pays out annual dividends to residents as a matter of right. As technology advances, shortened workweeks and increasing free time offer further opportunities to expand the substance of liberty if we democratically manage the economy to distribute some of the gains in the form of leisure time.

These and other possibilities both allow for, but also depend upon, systemic reconstruction that generates institutions that can sustain and nurture far greater degrees of equality, common direction, and community. In particular, a serious longer-term strategy must build converging political–economic institutional forms and support in Black, Latinx, and working-class white (urban and rural) communities—and a steadily developing sense of the longer-term possibilities.

The unusual demand placed on long-term strategy is not simply (as many hold) to develop institutions that are participatory and democratize ownership in the existing economy, but to do the following:

1. Alter power relationships that can change the current economy in the direction of greater equity and ecological sustainability.
2. Stabilize the foundations of urban as well as rural communities.
3. Build cross-community political alliances based on common needs and common class concerns.
4. Create a reconstructed culture of community capable of nurturing a new politics, and of dealing with traumatic racial and other realities (including reparative processes).
5. Foster a culture of community capable of nurturing a more powerful ecological, gender-equality-based, and cooperative ethic and politics.
6. Pave the way for longer-term regional, political–economic devolution of the continental system.31
7. Construct a culture capable of nurturing and managing the realities of a transition to an era of technological abundance.

Addressing the truly pressing climate emergency will involve many of these elements, including planning for the future, addressing unequal institutional power relationships, and stabilizing communities. Given the short window of opportunity to transition beyond fossil fuels, the U.S. government could use one of two methods to acquire and retire the top twenty-five U.S. extractive corporations, remove them as political obstacles to important decarbonizing policies, and transition their operations into producing green twenty-first-century infrastructure:

1. It could simply buy these enterprises and shut them down. Purchasing, dismantling, and reorienting the major corporate players (say the top twenty-five oil, gas, and coal producers) toward producing green infrastructure would likely be cheaper than the average annual costs of the wars in Iraq and Afghanistan.34
2. Modern Monetary Theory also opens up policy possibilities to realize such developments, with even less cost to the taxpayer. Specifically, such a takeover could be financed by the same quantitative easing practices that have been used to boost the U.S. economy—but this time mobilized to ensure a just transition to a sustainable future.35

Our Central Challenge
This reconstitution of community—both in building radically new political–economic structures and a new political power base from the bottom up and while developing a new culture of larger community that “we are all in it together”—is the central challenge of the emerging era.

Establishing such a culture will not be easy. Political theorist Wendy Brown has described the many ways in which neoliberal ideology has eroded or undermined many foundations of our collective democratic existence as previously political elements of our social life have been “recast in an economic idiom.”36 “These elements,” Brown stresses, “include vocabularies, principles of justice, political cultures, habits of citizenship, practices of rule, and above all, democratic imaginaries.”37

Against such ongoing tendencies, establishing new venues in which a culture of community is nurtured from the bottom up becomes a paramount concern.

Ultimately, building new political and institutional power and a culture from the ground up—community by community, region by region—must also confront two of our nation’s great moral failings. The first of these involves the cross-cutting challenges that genocide and slavery, and subsequent public policy and institutional racism, have brought to the particular history and ongoing reality of the United States. Any serious path toward a new democratic community must deal not only with current discrimination but also with some form of reparations—both material and symbolic.38

Reparations are required to address the legacy of genocide, slavery, Jim Crow, and the theft of Native American lands and livelihoods, in addition to the ongoing reality of systemic racism. A nation founded on white supremacy must
face its past squarely if it has any hope of creating a meaningful community.

So, too, must questions of America’s role around the world—and of overt and covert interference in other nations—be addressed. U.S. actions have toppled governments and regularly installed brutal regimes in the nineteenth and throughout the twentieth and early twenty-first centuries—from Cuba and the Philippines in 1898 to Iran in 1953 and beyond. Wars fought without explicit constitutionally required congressional declarations of war include the Korean War (“police action”), the Vietnam undeclared war (based on the dubious Gulf of Tonkin Resolution), and the undeclared wars in Iraq and Afghanistan.39

The reconstruction of the nation’s underlying political economy—away from corporate domination and toward democracy and community rebuilt from the bottom up—is itself an important condition of a fundamental change in the nation’s global stance.

Concluding Thoughts: The Need for a Transformative Model

A transformative systemic model is commonly viewed as being either utopian or revolutionary. An evolutionary reconstructive building of a new system, however, involves the development of ideas, institutional practices, and political power from the ground up to inform an ongoing reconstructive transformation of real-world experience.

In the decades preceding the New Deal—including the Red Scare of 1917–1920 and three of the most conservative presidencies of the twentieth century (Warren Harding, Calvin Coolidge, and Herbert Hoover)—experimentation at the state and local levels, in the so-called “laboratories of democracy,” laid down institutional precedents and experience for many of the larger system-wide programs that ultimately became the basis of the New Deal. Over the last several decades—even today—there has been and continues to be a flow of positive institutional development building from the bottom up at the local and state level.

The system question is not simply one of ultimate design. It is that; but it is also, how, specifically, to conceive and then build—to and through the difficulties—sustainable and democratic elements that are both practical and worth fighting for by virtue of the values they affirm and the institutions that they develop.

The goal is not a “final system,” but rather nonreversible ongoing systemic transformation of individual and community practice, power, and institutional development—upon which even deeper patterns of ecologically sustainable democracy, community, and liberty can be built.

Nor, finally, should the role of ideas—and a clarification both of longer-term vision and a viable organizing and political way—be ignored. Both add common clarity and empowerment to the foundational work of building for the long haul.

Notes
5. Martin Buber, Paths in Utopia (Boston:
15. Satoko Kishimoto and Olivier Petitjean, eds., Reclaiming Public Services: How cities and citizens are turning back privatization (Amsterdam: Transnational Institute, 2017), 8.
18. Ibid.
32. Kate McFarland, “Overview of Current

33. Serious exploration of such directions occurred among leading political scientists during the 1930s. For a brief overview, see Gar Alperovitz, America Beyond Capitalism: Reclaiming Our Wealth, Our Liberty, & Our Democracy (Takoma Park, MD: Democracy Collaborative Press, 2011), 65.


35. For a discussion of quantitative easing and other modern monetary strategies commonly used by central banks around the world and by the Federal Reserve Board in the United States, see L. Randall Wray, Modern Money Theory: A Primer on Macroeconomics for Sovereign Monetary Systems, 2nd ed. (New York: Palgrave Macmillan, 2015); and Stephanie Kelton, “How We Think About the Deficit Is Mostly Wrong,” New York Times, October 5, 2017, nytimes.com/2017/10/05/opinion/deficit-tax-cuts-trump.html. In recent years, financing well over $2 trillion has been developed in support of banking and other needs. See Marc Labonte and Gail E. Makinen, Monetary Policy and the Federal Reserve: Current Policy and Conditions (Washington, DC: Congressional Research Service, Library of Congress, 2018). For specific ways in which such strategies can be used to finance a buyout of corporations that add to climate change dangers, see Alperovitz, Guinan, and Hanna, “The Policy Weapon Climate Activists Need.”


37. Ibid., 17.


39. For further information on U.S. interventions in support of corporate interests on the one hand and antidemocratic forces on the other, see Stephen Kinzer, Overthrow: America’s Century of Regime Change from Hawaii to Iraq (New York: Times Books, 2006).

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