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Learning to See the Invisible: The Unsung Ownership Revolution

In a new blog series, "The Generative Economy," Kelly shares her stories and lessons learned about emerging ownership models. This is the first post in the series.

Submitted by: **Marjorie Kelly**
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By Marjorie Kelly

There's a curious disconnect these days, between mainstream news on the economy and the flourishing yet largely invisible news of the emerging new economy movement. Consider, for example, these stories:

Good Banks, Not Banksters

We read about the scandal at Barclays Bank in England over rate-fixing, or the scandal at Bank of America over traders losing billions, but much less about how the state-owned Bank of North Dakota proved impressively resilient during recent crises, or about how credit unions and community banks in general avoided the misbehavior seen at the big banks.

Maine Lobster Industry Success

We read about the depletion of fisheries worldwide, while many people remain unaware of the enormous success of the [Maine lobster industry](#), where a robust framework of rules – both democratic and ecologically sound – allows lobsters and coastal communities to thrive. That success is due in part to ownership rules that prohibit corporate-owned boats from operating in sensitive in-shore waters, and that permit only small, owner-operated boats to catch lobster there.

Evergreen Cooperatives

We hear about widespread unemployment and low wages, and may miss the story about the [Evergreen Cooperatives that began in Cleveland](#) and are now spreading across the country. In the rapidly growing Evergreen laundry, solar company, and other enterprises, steady contracts with anchor clients like hospitals and universities combine with employee ownership to create hundreds of stable jobs that are rooted in place and will not flee the community, as corporate jobs did.

Generative Ownership vs. Extractive Ownership

There's something all these new economy examples have in common: ownership.

It's a different kind of ownership than the one we take for granted today. Since the dawn of the industrial age, we've lived increasingly with a single form of ownership: the publicly traded corporation, where ownership shares trade in public stock markets.

But emerging and flourishing today, in largely unsung experiments all over the globe, is an alternative kind of ownership. It's a new archetype yet to be recognized as a single phenomenon with a single name. We can call these ownership designs *generative*, because their aim is to generate the conditions for our common life to flourish. They're fundamentally different from the dominant ownership archetype of our day, which can be called *extractive*, for its aim is extracting maximum amounts of financial wealth.

Beneficial Ownership Design

The reason we tend to miss these different models is that they seem small and unimportant, and that they don't fit our traditional conceptual frames. These solutions aren't, for the most part, about adding layers of government regulation. And they're not about adding a few corporate social responsibility programs onto the side of traditional profit-maximizing companies.

They're about something entirely different, which is *design*.

They're about economic architectures that, from the inside out, are aimed at serving the common good, and at being financially self-sustaining in the process. They tend to deliver beneficial rather than harmful outcomes, because of their ownership design.

Companies Creating the Ownership Revolution

In my new book, *Owning Our Future: The Emerging Ownership Revolution*, I travel across the U.S. and Europe to visit these emerging ownership alternatives and discover what makes them work.

OWNING OUR FUTURE



The Emerging
Ownership Revolution
Journeys to
a Generative Economy

Marjorie Kelly
Author of *The Obsolescence of Capital*
Foreword by David Kolbert
Author of *Agenda for a New Economy*

I visit the [John Lewis Partnership](#), the largest department store chain in the U.K. – with revenue larger than Monsanto – which is 100 percent owned by its employees and has a stated purpose of serving employee happiness. The company distributes 40 percent or more of profits every year to employees.

I visit [Novo Nordisk](#), a publicly traded pharmaceutical firm in Denmark, which is controlled by a foundation with a mission of defeating diabetes. Every year, executives at this corporation must report to the foundation board not only on their financial performance, but also on how well they've done at reaching social and environmental goals.

I also visit [Organic Valley](#), a farmer-owned dairy cooperative with some \$700 million in sales, which is “nationally local.” Ownership of its 1,700 individual organic family farms is locally rooted in rural communities across the nation, yet they benefit from the common national brand that they own. While most companies aim to pay farmers as little as possible for their products, this company aims to pay them as *much* as possible. The reason is farmers own the company.

The Generative Economy

Taken together, these various generative ownership designs point toward a different kind of economy. We might call it a *generative economy*. It's one that, in its *normal functioning*, tends to create fair and just outcomes, benefits the many rather than the few, and enables an enduring human presence on a flourishing earth.

Many kinds of changes – technological, cultural, political – will be needed to get us to this kind of economy on a large scale. But alternative ownership designs could prove fundamental to it, for what they provide is its foundation.

As [David Korten](#) writes in the Foreword to my book:

"It is the design of ownership that creates the essential framework for the capitalist economy that is beginning to break down – and for a potentially new generative economy we can bring into being."

Generative ownership designs are about what the butcher, the baker, and the candlestick maker have always been about – serving the community as a way to make a living. It's the profit-maximizing corporation that has been a detour in the evolution of ownership design, and a relatively recent one, historically.

Amid the cacophony of bad news in our economy today – bank scandals, stubborn unemployment, ecological crises – emerging alternative designs help us see a single coherent narrative taking shape.

As the extractive economy hits limits and begins to falter, a new economy is at the same time emerging. We as a society would be wise to nourish emerging models and help them to grow in some systematic way.

But before we can do so, first we have to see them. Once you learn to look, I suspect that you, like me, will find the evidence overwhelming: They're sprouting everywhere.

About the Author:

Marjorie Kelly is a fellow with Tellus Institute in Boston and director of ownership strategy with Cutting Edge Capital consulting firm. She is the author of *Owning Our Future: The Emerging Ownership Revolution*, just released by Berrett-Koehler. Read a 30-page excerpt at www.OwningOurFuture.com.

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