Economic Genesis: The Evolution of a Sustainable Economy

Through Values-Based Social Architecture

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Abstract

The purpose of this paper is to raise the broad issue of reframing the social architecture of our economy: why the process is needed, how it has already begun, and how it might be furthered. As we transition to a sustainable economy, much attention is on physical technologies such as renewable energy. Equally important are social technologies, which are about organizational design. In the economic crisis and the global warming crisis, we can read signals that the existing social technologies of our economy have become toxic and capable of spreading

contagion across the planet. We are on the threshold of a cultural passage likely to prove as significant as the advent of agriculture and the dawn of the Industrial Revolution. If this passage is to be a positive one, it will likely require the redesign of core social architectures. These include the primary economic institutions of the corporation and the financial markets, which form the core framework of the living system of the economy, shaping its energy flows. The foundation these institutions stand upon is a broad base of cultural sanction and support. Social systems are self-organized around values. Today those values are self-interest, growth, and free markets. But a new suite of values is beginning to emerge: interdependence, sustainability, and well-being. These can serve as the base for a transformation of the economic order. Yet such an outcome is not foreordained. We stand at a hinge moment when the values we embrace and the actions we take will shape the future for generations to come.

Introduction

"On or about December 1910, human character changed," Virginia Woolf once observed. She was writing in the early 1920s, as a wave of Modernist transformation was sweeping the globe in the wake of World War I and the dashed gentility of the old world it left on the battlefield of Verdun.

One might make a similar observation about our own time, as we see the subprime mortgage crisis becoming our own Verdun, leaving in its wake a new form of dashed gentility. The proud tower of Wall Street was seen sagging on its foundation on September 16, 2008, as the *Wall Street Journal* reported on page one, "Wall Street as we have known it is ceasing to exist." In the days surrounding this pronouncement, the nation's five major investment banking firms were crashing in puffs of dust (one entering bankruptcy, two bought for a pittance, two transforming themselves into regulated banks), like so many dominos falling in the slow-motion explosion of the credit crisis. The collapse of two of these venerable old firms followed by only a few days the nationalization of mortgage giants Fannie Mae and Freddie Mac, as the U.S.

government took on their $5.4 trillion in loans, roughly equal to the entire publicly traded federal debt. With barely a pause for breath, regulators engineered a bailout for the largest insurer in the world, American International Group, and orchestrated a $700 billion bailout to be spent sopping up bad investments worldwide. Amid the chaos, the growing geriatric fragility of what was once the largest corporation in the world, General Motors – at the time hemorrhaging billions – proved barely a footnote.

Yet even when taken as a whole, these outsized Wall Street events amounted to little more than a punctuation mark in a larger sentence about massive change that had begun less than a year earlier with Al Gore's Nobel Prize for his global warming work, unfolded into a long clause about $150-a-barrel oil, and ended with the parenthetical remark of Hurricane Ike hurtling itself upon Galveston, Texas on the unlucky day of September 13. In the background, there were reports about the decade-long drought in Australia, the water shortages in Africa and Asia, the unexpectedly rapid disintegration of Antarctica's vast Wilkins ice shelf, food riots in a dozen nations, and the ongoing die-off of salmon and amphibians and much-beloved birds.

We stand today at a hinge moment. A massive shift is underway in our economy and on our planet. Looking back on our time a decade or two hence, it may not prove hyperbole to observe: On or about September 2008, the character of the modern economy changed.

Signals of Large-Scale Transformation

It is in the language of crisis that transitions announce themselves. As old patterns dissolve and new ones form, turbulence arises. What we are experiencing today is a systemic crisis, heralding the beginning of a large-scale transformation of the deepest structures of cultural organization. In systems thinking, transformation is distinct from adaptation, which is the normal process of incremental adjustments in policies and institutions. Transformations are something else. They are those rare moments in history when dominant institutions become unfit for an unfolding new set of circumstances and change in profound ways.[1]

We're experiencing today a system event operating at the scale of the planet. We are on the threshold of a passage likely to prove as significant as the advent of agriculture and the dawn of the Industrial Revolution.

Such a transformation inevitably wears many faces – geopolitical, cultural, technological – but at the most fundamental level, it involves a transformation in the ecological/economic order. In our industrial-age mindset, we think of ecology and economy as separate realms. But their Greek origins indicate their kinship. Ecology is from *oikos* (house) and *logos* (logic or story), while economy is from *oikos* and *nomos* (law or convention). Together they point to a single phenomenon: the organizational design and operating principles of a household.

The household is the Earth. We as human beings have grown, willy-nilly, into the role of its householders and stewards. That we are massively inept in this role is the message being telegraphed to us from the unfolding ecological and financial chaos, which is emanating from our own flawed operating principles, which are in turn imbedded in flawed institutional designs.

The economic designs we rely upon are out of synch with 21st century reality. We see these outmoded patterns of organization, for example, in investment banks that see credit-default swaps as a safe foundation on which to rest the global economy. We see these patterns in corporate balance sheets that treat rivers and the air as having zero value, while every crate of nuts and bolts is numbered with precise zeal. We see these designs in federal policies fixated on GDP, which treats a dollar spent on toxic cleanup the same as a dollar spent on educating a child.

It is clear that this old system design is inadequate to the times. Our immediate tasks are also clear: to redesign the regulatory framework of finance, and to rebuild our energy infrastructure for sustainability. These are not small tasks. But neither are they patchworks upon a frame that is essentially sound. The larger challenge we face involves the purpose and design of the capitalist economy.

The Evolution of Social Architecture

Do economies exist to create wealth for the financial elite, or to serve broad human well-being? This is the question the current crisis brings to the fore. It is a question of values and norms, and as such it is intertwined with institutional design. Institutions are the most powerful and pervasive elements of modern society and the most important carriers of cultural norms.[2]

Richard Nelson, an economics professor at Columbia University who co-founded the field of evolutionary economics, observes that social systems evolve because of two kinds of innovation: advances in physical technologies (such as new environmental and energy technologies), and advances in social technologies (such as new forms of organization). Much attention today is on physical technologies needed for sustainability. But social technologies are equally as fundamental. The two must co-evolve.[3]

Another term for social technologies is *social architectures*. The most basic of these in our economy are the corporation and the capital markets. They are central to the framework of the economy as a living system, shaping its energy flows. Deep frameworks like these are highly resilient. Up to a point. When they encounter disturbances beyond a critical threshold, they can transition to a qualitatively different state. Tolerable stresses lead to adaptation. Destabilizing stresses lead to transformation.[4]

In living systems, transformation occurs through self-creativity. "Natural systems evolve new structures and new functions; they create themselves in time," writes Ervin Laszlo in *The Systems View of the World.* Beyond the ongoing process of *ontogenesis* – the growth of the young – there is the broader process of *phylogenesis,* the evolution of species. This is "the creative advance of nature into novelty: it is the trailblazing self-transformation of entire species and populations of organisms," Laszlo says. In natural systems, behavior is a result of structure. Thus, transformation involves an evolution in a system's core structures.[5]

As destabilizing stresses mount today, new species of economic designs are at the same time rapidly emerging. We see this in carbon trading schemes, new kinds of stock exchanges with social listing requirements, nonprofit-owned "social enterprises" that operate profitably while pursuing social mission, the burgeoning microfinance industry, community development financial corporations, community-supported agriculture, and emerging hybrids like "for-profit philanthropy."

In experiments large and small around the world, novel structures are dissolving the old boundaries of organizational forms. These new designs represent potential models of social architecture for a sustainable future – models that could prove better adapted to a new era. The field of microcredit, where tiny loans are made to aid the poor, has been largely shielded from the credit crisis, for example. Similarly in the U.S., credit unions – like Self-Help Credit Union, a leader in combating predatory lending – have remained more financially sound than many traditional banks.[6]

Organizations like these are resilient because they are self-organized around serving the needs of life, not around speculative booms that go bust overnight. They offer hints of the design principles we will need in the coming years, as we live out the answers to two questions: *How can we make our economy a living one?* And because economic institutions shape an economy, answering this question will require us to answer a second: *How can we design economic institutions that are life-sustaining?*

Our first inclination is toward mechanisms of hierarchy and control: constraining the abuses of the financial system, controlling carbon emissions. Yet in a broader evolutionary frame, emergence is how deep change happens. Small-scale experiments arise. These become connected through networks, which strengthen into communities of practice. Ultimately, a new system emerges at a greater level of scale.[7]

Scenarios of the Future

We are today in a liminal time, in the doorway of great change but not yet fully entered upon a new social order. As old social architectures break down, the future remains disturbingly unformed. To explore what might lay ahead, in the 1990s my colleagues at the Tellus Institute developed a half-dozen future scenarios. Today many think our options are narrowing. One colleague suggested we face a knife-edge phenomenon. We are poised on the narrow edge of the present and will ultimately tip into one of two likely futures.

One is a kind of Fortress World, a landscape of devastation where the affluent come to live in protected enclaves amid oceans of misery. The other is a world of a Great Transition. Here, we do not succeed in staving off all effects of climate change – droughts, hurricanes, millions of climate change refugees – but these serve to deepen our understanding of interdependence. Our culture begins, in its soul, to grasp that all life on earth is deeply intertwined. With this new sensibility, an unprecedented economic system emerges that is both more humane and better adapted to a new world of limits.[8]

No one can say what the future will hold, not because we lack the foresight to see ahead, but because there's nothing out there to see. The future isn't lying ahead on a line beyond past and present, unscrolling inevitably forward. It literally does not exist. Until we create it, out of the mix of accidents and forces and crises and the way we respond to them. And the dreams we bring to them. And the hope we allow ourselves to harbor, against all practical reason.

The critical difference between a Fortress World and a Great Transition is one of cultural spirit. A spirit of fear. Or a spirit of hope. It is our spirit that will allow us to transform the inevitable crises ahead in positive ways. Which scenario unfolds will depend upon the cultural ethos we both create and inhabit: an ethos that says each of us is out for ourselves, or we're all in this together.[9]

The Central Role of Values

Social systems are value-centric. They self-organize around what people care about: the things we value. The values of *liberty, equality*, and *justice* represent the genetic strands of our political order, the central organizing principles of our governing institutions. Our economy is organized around the values of *individualism, growth,* and *free markets.* Growth in wealth and material goods is perceived as the way to feed individual prosperity. Free markets create the running room in which individuals can pursue their interests.

For many today, these values are beginning to feel illegitimate. Americans left, right, and center share a moral anxiety that selfishness is spiraling out of control.[10] There is a sense that we "live in a world tranquilized by trivia and adrift in drivel," wrote Rabbi Michael Lerner in *The Left Hand of God.* As Lerner found in a series of interviews, many middle Americans say their living energies are being depleted, that life is about going through motions imposed by forces beyond their control. Many hunger for work and lives of greater purpose and meaning.[11]

The unacknowledged spiritual crisis we face has been wrought by the growth of an amoral economy. It is a sign the economy's moral foundation is eroding. When institutional behavior veers far from people's sense of right, it calls institutional legitimacy into question. Previous ethical crises in business have been dismissed as the work of a few rogue executives. Today we have no such luxury. When the inflated price of houses in Phoenix and Miami sends shock waves through banks in Germany and Iceland, the crisis is systemic. It is not about the unethical behavior of errant individuals but about the legal and indeed mandatory profit-seeking behavior endemic to the system itself.

Ethical codes and laws will always remain critical, but most we have created thus far function essentially as picket fences, seeking to surround but not change the value system at the heart of economic institutions. What the financial crisis offers is an opportunity to see how the system's central values lead directly to trouble.

Individualism shorn of responsibility to the whole is the amoral motive at the root of the crisis. As New Deal banking regulations became antiquated, capital markets innovated around them. What arose was a shadow banking system in hedge funds, private equity firms, and investment banks. Because regulations failed to touch the system's primary driving force, the energies in the system simply flowed around the regulations – like water around a boulder.

The core aim was making as much money as fast as possible, and externalizing the consequences onto others. It was there in mortgage brokers intent on collecting commissions, indifferent to the fact that clients were being put into abusive mortgages they couldn't afford. It was there in investment banks that collected enormous fees for repackaging these mortgages into collaterized debt obligations, not asking how sound the lending was. It was there in the institutions that bought these instruments, seeking to protect themselves with credit default swaps, which meant someone else would pay if the debts went bad.

To the capitalist mind, it was utopia: an infinite universe of new financial products to trade, limitless potential gains, and zero downside risk. But what was left out was systemic risk. It is impossible for every individual to offload risk on someone else, because then the risk becomes diffuse, spread throughout the system. It is like each of us throwing our trash away in a neighbor's yard. In an interdependent social system – just as in an ecosystem – there is no "away."

What we are witnessing, writ large, is a demonstration of the fact that individualism, growth, and free markets are a flawed value set around which to organize a global economy. Morality and reality are met in this truth.

An Emerging Suite of Sustainable Values

As the illegitimacy of current economic values stands exposed, a new suite of values is quietly emerging: *interdependence, sustainability,* and *well-being.* We see these in the growth of organic foods, demand for Prius autos, the popularity of books like *In Praise of Slow.* These emerging values do not so much replace the old value system as complement it, bringing to it a greater complexity.

Interdependence is at work in the credit crisis, when the default of poor families deceived into mortgages they can't afford threatens the pyramid of collateralized debt obligations which in turn leads the global credit system to stall. Interdependence is similarly at work ecologically, when U.S. automobile use creates demand for ethanol that drives up the price of grain in Haiti and sends a child to bed hungry.

The economic web is the social counterpart of the ecosystem. It is said that the flapping of butterfly wings in Sao Paulo can lead to a hurricane in Miami. The same is true of a sales commission unfairly earned, or a contract signed under coercion, which can lead to a hurricane in global financial markets.

Interdependence is the nature of life. This is the truth religions have taught for millennia. The Jewish tradition speaks of *tikkun olam,* the duty each of us has to heal and repair the world. The Christian tradition admonishes love of one's neighbor as oneself. In Islam, the Koran says the tribes have been created to know one another. In the Buddhist worldview, the separate, isolated self is an illusion. This is also the systems view, which sees all living systems as sub-systems of the Earth. We are one with each other and with the planet that gives us life. We are constituted by, and help to constitute, the living order around us.

Interdependence does not mean losing the integrity of the self in being of service to the whole. Rather, each of us becomes fully who we are only within the context of relationships, communities, and a healthy social order. At the same time, the whole is valued not simply as an end in itself, but because it creates the conditions that preserve the well-being of each person.[12]

Closely related to interdependence is the drive for sustainability. The goal is not the private benefit of isolated individuals, narrowly defined in monetary terms, but the broader well-being of ourselves and the family of life – a well-being embodied in the good life in all its diverse forms: time with friends and family, time for rest, slow food.

The pursuit of well-being, many studies show, generally leads to greater satisfaction than the relentless pursuit of wealth. Psychologist Tim Kasser offers evidence, for example, that people who focus on materialistic values have lower psychological health than others. He emphasizes that our genuine needs are for security, efficacy, connectedness, autonomy and authenticity. Yet the single-minded pursuit of wealth and status leads away from these satisfactions. When people invest heavily in materialistic pursuits, intimacy and connection elude them. Instead of feeling empathy with others, they feel competitive. Rather than feeling free and autonomous, they feel pressured and anxious. The end result is lower vitality and life satisfaction – and in some cases, greater drug and alcohol abuse, narcissism, and antisocial behavior.[13]

Transitioning to a new economy does not mean having less. It means having more of what really matters, which is happiness.[14]

The Mania of Accelerating Growth

If a new economy built on well-being, sustainability, and interdependence seems impossibly idealistic, we might remind ourselves that the truly impossible vision is of infinitely accelerating growth. It's difficult to grasp how much economic growth has kicked into overdrive in recent decades. But consider: Of all the economic output that has occurred worldwide since the time of Caesar, 70 percent has occurred since 1950. If growth in the next 50 years continues at a 2 percent pace – half the annual average since 1950 – global economic activity could be *four* times what it is today.[15]

That activity will occur on our one planet. Where half the world's forests and wetlands are already gone. Where three out of four marine fisheries are decimated. If the Earth is to survive four times as much economic activity, what kind of economic institutions should be conducting that activity? Should they be guided primarily by profits?

Profit is unmistakably the driving force behind growth. Since the 1980s, that growth has been kicked into high gear by a process called "financialization." We hear often about globalization, but financialization is of equal import. It means that moving money around now claims a larger share of GDP than making things. In terms of profits, the shift is more dramatic. In 2004, manufacturing brought in less than 10 percent of all corporate profits, while the financial sector inhaled a massive 40 percent.[16]

This process of financialization created an enormous financial bubble that came to overshadow the real economy. Financial assets – such as mortgages, loans, stocks, and bonds –

represent claims against real things. Not long ago, these claims, or assets, were roughly equal to global GDP: one dollar of assets for one dollar of income flows. But before the financial meltdown in late 2008, financial assets soared to nearly *four times* global GDP. And financial derivatives – which represent unregulated bets against financial assets – had notional values of more than *ten times* global GDP. It was a house of cards built on top of an asset bubble.

"Think of an inverted pyramid," Charles Morris wrote in *The Trillion Dollar Meltdown*. "The more claims are piled on top of real output, the more wobbly the pyramid becomes. And when large, wobbly objects tumble, they go very fast."[17]

When the air goes out of a financial bubble many times the size of the real economy, it is not like the bursting of, say, the tech stock bubble. The credit bubble encompassed not one industry but the entire global economy. "Credit is the air that financial markets breathe," Morris wrote, "and when the air is poisoned, there's no place to hide."

Just as there is a finite ecosystem that can support only so much economic activity, there is a tangible human economy that can support only so many financial claims. In the mania of financialization, we exceeded the financial carrying capacity of the economy. We are now reaping the consequences.

A New Human Story

Crafting an immediate response to a hurricane takes certain kinds of solutions: food, medicine, rescue efforts. Changing the conditions that give rise to hurricanes requires a larger transformation of the energy system. Similarly, crafting a response to the financial hurricane starts with bailouts and the re-regulation of finance. But ultimate solutions mean a deeper transformation.

We are at a time of coming back to Earth, after a long flight of fantasy about human omnipotence. We are in a time of economic genesis – a time of creating new species of social system design, and a time of writing a new human story of who we are, where we come from, and where we are going. We are in need of a new story about the nature of the good life and the good society, and about the nature of human economic activity.

We have lived long with a worldview that says each of us is out for ourselves. It's not possible to have enough. It's a dog-eat-dog world. We must leave our values at the door when we report for work or search for investments. This is the worldview of fear made incarnate. It is time to ask what an economy based on a worldview of hope might look like.

What cultural shape would the values of interdependence, sustainability, and well-being take, if they were made incarnate in economic institutions? They might take the shape of the cooperative ownership structure of the electricity industry in Denmark, which has helped that nation transition to wind power more quickly than other nations. Or the shape might be like the best of the microfinance industry, where institutions see their aim as helping the poor rather than making a killing off them. It might look like emerging experiments that grant people ownership rights in marine fisheries, which have been shown to halt or reverse catastrophic declines in fish stocks.[18] It might look like a new stock exchange in Brazil, which makes social issues a part of listing requirements.

Institutions like these represent an alternative view of what economic activity can be. And such institutions are not only small and fledgling. Northern Europe has long had a cadre of foundation-owned corporations, such as Novo Nordisk. This pharmaceutical company with 5.6 billion Euro in revenues has a mission of defeating diabetes. Its structure requires company leaders to report annually to the foundation board on progress in ensuring that operations are environmentally sound and socially fair. And its stock is publicly traded.

There are also large and successful employee-owned firms, like the John Lewis Partnership in London. It is the largest department store chain in the UK – with revenues larger than those of Monsanto – and is 100 percent owned by its 60,000 employees. It sees its purpose as serving the happiness of its employee partners.

Similarly in the U.S., we find cooperatives like Organic Valley in Wisconsin, a $433 million company owned by the 1,200 organic family farms that produce its milk, cheese, and eggs. Farmer-owners set their own pay rates. And when the company grows, it means additional acres being cleared of chemical fertilizers, additional watersheds washing clean of Roundup and Lasso, and the advent of financial health for formerly stricken farm families.

A New Organizational Archetype: For-Benefit Design

The emerging body of enterprises described here represents a new organizational archetype. They are not entirely profit-driven like for-profit firms. Nor are they exclusively mission-driven like non-profits. They are a hybrid of the two. They've been dubbed "For-Benefit" enterprises, for their purpose is to benefit life, and they aim to be financially self-sustaining – profitable – as they do so. This dual mission lies at the center of their structural design. It’s in their DNA. It is imbedded in the defining structures that give each enterprise its shape: why it exists, who owns and controls it, how it is governed, how it is capitalized, and how people are compensated.[19]

The scattered experiments mentioned here will not be ready, any time soon, to replace the major corporations of today. But there is much that can be done to support their growth. In addition to restraining the worst of existing practices, public policy can encourage the growth of healthier alternatives. It can fund community development financial institutions that do fair lending. It can support employee owners in taking over firms when owners retire. It can use government equity stakes in troubled banks as an opportunity to restructure firms along for-benefit lines.

In the longer run, how a new system will emerge is impossible to predict. What we can know is that For-Benefit designs have a broader significance than their size would warrant. What they represent is the potential evolution of the capitalist system.

Beneficial economic design is not essentially a technical or legal exercise. It begins with our conceptual picture of *what a company is.* In the dominant paradigm, companies are the *property* of shareholders, devoted to serving their interests. In the emerging paradigm, companies are *living systems.*

This shift works a Copernican revolution, displacing corporations as the center of the universe, making them a sub-system of the larger human and natural order. The needs of this larger living system come first.

When we think of economic institutions as living systems, it allows us to see that this is what they are. They are communities. Central to their design is defining who is a member of the community. There are communities of investors, like traditional firms. Communities of employees, like employee-owned firms. Communities of customers, like credit unions. And multi-stakeholder communities, like some emerging hybrids.

In viewing all economic institutions as the property and playground of wealth, capitalism is shot through with *capital bias,* the notion that persons with wealth have more rights. This is an economic variant of *anthropocentrism*, the notion that human beings have more rights than other species. Both embody the flaw of the old story of Genesis: the idea that human beings have *dominion* over the Earth and its creatures – and some human beings have dominion over others.

Society has encountered this worldview before, in the social architecture of the monarchy. This ancient and global institution came undone in a mere decade. The process was just getting underway "on or about December 1910," when Virginia Woolf penned her famous observation. The Ottoman Empire had been the first domino to fall, in 1908, followed within three years by the toppling of the Ch'ing Dynasty in China. By the end of the Great War in 1918, three European dynasties lay in the dust: the hapless Romanovs in Russia, the Habsburgs in Austria-Hungary, and the Hohenzollerns in Germany. The British throne would stand, but its imperial possessions would break away, its aristocracy decline into disintegration and disarray.[20]

In our era it is investment banks that have been toppling like dominos, and the dust has yet to clear. There is possibly only one certainty we can have: at such a hinge moment, the actions we take will shape the future for generations to come.

Notes

[1] See Paul Raskin, *The Great Transition: The Promise and Lure of the Times Ahead,* Boston: Tellus Institute, SEI Polestar Report No. 10, 2002, www.tellus.org/Documents/Great_Transition.pdf

[2] Heather A. Haveman (Cornell University) and Hayagreeva Rao (Emory University), "Structuring a Theory of Moral Sentiments: Institutional and Organizational Coevolution in the Early Thrift Industry," *The American Journal of Sociology,* Vol. 102, No. 6, May 1997, pp. 1606-1651.

[3] R.R. Nelson, 2003, "Physical and Social Technologies and Their Evolution," Columbia University working paper, available from the author; cited in Eric D. Beinhocker, *The Origin of Wealth,* Boston, Mass.: Harvard Business School Press, 2007, p.15.

[4] For a discussion of a systems approach to large-scale cultural change see Paul Raskin, "World Lines: A Framework for Exploring Global Pathways," *Ecological Economics, Vol.* 65, April 15, 2008. http://www.tellus.org/documents/PDF/ECOLEC3069.pdf

[5] Ervin Laszlo, *The Systems View of the World: A Holistic Vision for Our Time,* Cresskill, NJ: Hampton Press, 1996, p 40.

[6] Jim Wise, "Prudent Lender Prevails Amid Crisis," *Durham (N.C.) News,* Aug. 16, 2008.

[7] Margaret Wheatley and Deborah Frieze, "Using Emergence to Take Social Innovation to Scale," The Berkana Institute, 2008, www.berkana.org.

[8] See *The Great Transition: The Promise and Lure of the Times Ahead,* www.tellus.org/Documents/Great_Transition.pdf. Also available are 16 papers on the dimensions of a Great Transition shift; www.GTInitiative.org.

[9] For a culture of fear vs. a culture of hope, see Michael Lerner, *The Left Hand of God: Healing America's Political and Spiritual Crisis,* San Francisco: HarperCollins, 2006. The notion of "you're on your own" (YOYO) vs. "we're in this together" (WITT) was articulated by Jared Bernstein in *All Together Now: Common Sense for a Fair Economy,* San Francisco: Berrett-Koehler, 2006.

[10] David Callahan, *The Moral Center,* New York: Harcourt, Inc., 2006. p. 5, 9.

[11] Michael Lerner, *The Left Hand of God,* San Francisco: HarperCollins, 2006.

[12] Karyn L. Lai, "Conceptual Foundations for Environmental Ethics: A Daoist Perspective," *Environmental Ethics,* Fall 2003, pp. 247-266.

[13] Tim Kasser, *The High Price of Materialism,* Cambridge: MIT Press, 2002.

[14] John Stutz and Erica Mintzer, "The Affluence Paradox: More Money Is Not Making Us Happier – A Review of Statistical Evidence," Boston: Tellus Institute, June 2006; www.tellus.org/activities/wellbeing.html

[15] This analysis of historical growth draws on the work of Tellus colleague John Stutz and his unpublished working paper, "The Tellus Scenarios in Historical Perspective," 8-21-07 draft, available from the author, JStutz@Tellus.org. Output is real (inflation-adjusted) Gross Domestic Product, measured in purchasing-power-parity-adjusted 1990 dollars. Raw data is from Angus Maddison, *The World Economy: A Millennial Perspective,* Paris, France: Organization for Economic Co-operation and Development (OECD), 2001; and Maddison, *The World Economy: Historical Statistics,* Paris, France: Development Centre of the OECD, 2003.

[16] Kevin Phillips, *American Theocracy: The Peril and Politics of Radical Religion, Oil, and Borrowed Money I the 21st Century,* New York: Viking, 2006, p. 265-267.

[17] Charles R. Morris, *The Trillion Dollar Meltdown Easy Money, High Rollers, and the Great Credit Crash,* New York: Public Affairs, 2008, pp. xii-xiii.

[18] Cornelia Dean, "Privately Owned Fisheries May Help Shore Up Stocks," *New York Times,* Sept. 19, 2008.

[19] See "The Emerging Fourth Sector," working paper by Heerad Sabeti, co-founder of the Fourth Sector Network, www.fourthsector.net. Sabeti coined the term "For-Benefit."

[20] Marjorie Kelly, *The Divine Right of Capital,* San Francisco: Berrett-Koehler Publishers, 2001.

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