What is a “system”?

Gar Alperovitz: A place to begin. Why in the world does anyone wonder about "Is there an America beyond capitalism?" The person who created Davos—the gathering of the most powerful corporate capitalist structures in the entire world—this year opened the conference saying he thought capitalism may well be over. Same message as Occupy. What is it, in the time of a great society, that people can actually ask that question and mean it not rhetorically?

And then ask two questions: If you don’t like capitalism and you don’t like state socialism, what do you want? Is there an alternative? Is there a system that might achieve democracy, equality, liberty, community, ecological sustainability and not destroy the planet with climate change problems? And what in the world is a system? So, how do you unpack those questions so that the real questions rather than the rhetorical or abstract or radical slogans... And I think unless we can do that, we can’t actually think about where we want to go. And if you don’t know where you want to go, you probably are on the wrong road in terms of your politics as well. So one question, "What do you want, really?" And a second question, if we actually could clarify some of that: Is there any reason to believe—this is the hard one for most people because people start at the end— it really isn’t possible to have radical, fundamental systemic change. But maybe it is. And that’s what we’re going to talk about in the second part.

So, what in the world do we mean when we say there’s a “systemic crisis” or a “system”? What is it? By and large, you can tell, you get a sense of what a systemic crisis is when the long, long trends simply do not change in response to politics or reform, or action. So for instance, the top 1% of the income distribution, the top 1% of the population has increased its share of income over the last thirty years steadily. Steadily from 10% to 12, up to 22% and then bouncing around because of the recession in the 18 to 22% range, which means that the bottom 99% lost that income. But the trends haven’t changed in response to political reform. They are integral to the system. Something deeper is generating the trends. That’s one sign both of the system at work and a systemic crisis that doesn’t respond. Doesn’t respond to politics even though politics goes down, the long trends continue. That’s one way to look at it. Environmental trends on virtually every measure have also exhibited that long, decaying trend. There are a few exceptions. But by and large, they’re going south, and not shifting in response to politics.

The question of liberty comes up. Most people take the word liberty as an abstraction. I take it very seriously. There’s an obvious measure: How many people do we deprive of liberty? How many do we put in jail or prison? That figure has gone steadily up for the last
three decades. We are now seven times as many people per capita in prison than any other advanced nation, largely black people. And the trends do not change. They are deeply embedded into something called ‘the system’, whatever we mean by that. And thirty-five years ago if you asked people, do they believe in democracy? Is this a democratic country? Two-thirds, three-quarters in most surveys, would say, "Yes of course, our political leaders do what the people want." And that trend too has gone down. So if you ask now they say, about 3:1, “Washington is controlled by bureaucrats, money and politicians. They don’t care what we do. Why should I bother?” Signals at every level – from the opener at Davos to Occupy, to the long, deep, profound trends – tell you something deeper is at work. That’s what we mean, at least in the first stage, by a systemic crisis, that the system is not changing.

So how do we define a system? What are the core ideas? Most scholars and most social scientists, most historians, zero in first and foremost on the most obvious place to start. Who owns the property? Who has got the wealth? Who has got the money? Usually that's a good signal of where the power also lies. Not always, but it's a good starting point. So for instance, classic definitions of systems: The feudal system – land was the main form of wealth and it was highly concentrated, and it gave the lords and the kings great power over the vassals and the feudal structures. And power went with land and wealth. In classic competitive capitalism, the kind that maybe existed in some parts of the United States in the nineteenth century, in that kind of capitalism it was highly dispersed. Mostly small businessmen but mostly, above all, farmers who had their own land. And classic populism in the nineteenth century was a classic free-market capitalist system and it exhibited some sorts of freedom and populism that went with that form of ownership and property. In the Soviet Union and in Eastern Europe, concentrated ownership in the state produced a structure called socialism – but certainly nothing like the vision of socialism that the great founders of socialism wanted – and power was highly concentrated in the state.

**The Decline of Labor**

Broad, broad generalities. In modern corporate capitalism, where we are, it's concentrated heavily in the ownership of corporations. Large corporations, above all. Let me give you a signal of who owns the corporations. A feudal signal, a medieval signal, and I'm not using rhetoric. The top 400 people – 400 individual American people – now own more wealth than the bottom 185 million taken together. That is the concentration of wealth power at the center of the system in which you and I live. We haven't done so well with that system. The way we thought about it – and we were not wrong to think about it and perhaps many people here think about it this way – is that yes, we are living in a system in which concentrated wealth is concentrated in the hands of corporations, true, but there is a reform possibility. We can build a politics that can regulate the corporations, that can tax, that can redistribute. That can achieve income equality? No, but greater equality and manage the economy. We can do that with reform politics. That's called liberalism, or progressive politics in the United States and it is a variant on corporate capitalism as a system. And that system is dying before your eyes.
At the core of that system was the power of labor. To the degree labor is powerful, you can have a strong, liberal progressive or quote "Social Democratic" reform movement in corporate capitalism as a system. But as labor declines, that systemic design – that’s a design for how to run a system – allows corporate capitalism and reforms it with reform politics allied to labor movements as the institutional muscle behind that politics. The American Labor Movement was never a strong labor movement compared with Europe. The Scandinavian Labor Movements, the Swedish, hit at its peak 85% of the labor force in unions. At our peak, 1954, we were at 35, just a little under 35%. That was the peak. It’s gone down steadily since the 1950’s. It is now 11.8% total, less than 7% in the private sector and declining steadily. So now you got a problem. The balancing structure of that particular institutional design, corporate capitalism balanced by union power and politics around that, is in decay and not likely to be rebuilt in that form. Nasty stuff.

The trends are likely to continue. We may see them wobble, we may see some burst of reaction, but highly unlikely that you will get trend reversal rather than a minor reform here and there. Now, I’m not a pessimist or an optimist. I’m interested in analyzing is there a way out of this box. This is the wealthiest country in the history of the world. United States economy now, even in recession, produces $192,000 for every family of four currently. If we were at full employment, it would be over $200,000. This is the most productive economy in history. So there isn’t any economics that’s stopping us. What’s stopping us is our political structure and institutional power. Now you get back to the dilemma. Where do you want to go, since the systems we know about didn’t do so well? There either is an alternative, or Margaret Thatcher is right in her famous line, “There is no alternative.” You better get used to it. That was the line. And we have not answered that question. And my suggestion to you is that it’s possible to actually unpack these questions, begin to think about this intelligently, begin to build and maybe, just possibly, we may be able to build forward.

So how do you start? Let me first mention a couple of variants that you don’t want to start with. Corporate capitalism comes in other flavors. The nastiest one is called fascism. That is corporate capitalism allied to an authoritarian structure. It uses violence, repression, prisons and torture, and does in fact manage the system. Those Nazi trains worked on time, and so did the Italian ones. That’s one way to manage corporate capitalism, that’s a variant. The Chinese have another variant. Largely capitalist, but also many state industries, and they can make the trains run on time through an authoritarian form. There is a variation that can make these systems work, sort of.

**An American Tradition: Cooperatives and Worker-Owned Companies**

The challenge becomes, is there a variation that is democratic? Equitable? Interested in liberty? Interested in ecological sustainability? Interested in the climate crisis? Is that possible?
Well, turns out that the American tradition has some examples and it turns out there are a lot of interesting things bubbling up that suggest ways to begin to think about that. For instance, there are a 130 million Americans today who are members of cooperatives or credit unions structured as one person, one vote cooperatives. Interesting form: ownership of wealth in a form that is one person, one vote. Who knows what to do with that? There, it exists. You probably didn’t know that there are 10 million Americans who are members of worker-owned companies. There are something like 2,000 public owned municipal utilities. Some very large ones, including the Tennessee Valley Authority as well. Twenty-five percent of American electricity today is produced by socialist institutions in the United States of America – municipal institutions and coops. There are 4 or 5 thousand neighborhood corporations that do housing and economic development to benefit the neighborhood. Notice what’s happening here: Coops are member based, one person, one vote. That’s one way to do it. Worker owned companies are worker owned – not membership, worker owned. Neighborhood corporations are geographically democratized. Municipal ownership is geographically democratized as well. Plural forms of democratizing ownership in the United States of America today and many of them, we’ll come back to that, are growing. And they’re growing, we will come back to this, they’re growing because the pain is growing and nothing else is working.

Twenty-seven states right now own the means of production through ownership of business shares in start up corporations, some of them very large and successful venture capitalist operations. In Alaska, the oil revenues now go by law, indeed as a matter of legal right, are distributed to every citizen as a matter of right in the United States today. There are many, many elements that give you a suggestion of different ways to transform the ownership of wealth. At the local level, at the state level, and many cities by the way, are now building hotels and owning them and making money on them. Four hundred and fifty cities currently have set up businesses that are municipally owned to capture the methane from garbage and turn it into electricity, turn it into revenues and turn it into jobs. Mini-socialism at methane and ecologically green. That’s another direction that’s going on in many parts of the country. Most of the major New Deal programs, the large ones, were simply extensions of the principles that had been developed at the grassroots level in the so-called ‘laboratories of democracy’ and then became applied at the national level when the moment was right.

So there’s this bubbling up going on, to say nothing of the cultural changes that are going on. Many, many people doing interesting things with food and agriculture; many, many experiments with new coops that are happening. Young people are doing this all over the country. One question is might they grow? Another question is might they become the kinds of, and under what circumstance, ideas that might suggest what could be done at a larger level, at the right moment? Might these kinds of down home, ordinary, day to day, mundane American, very practical American and, importantly, American traditions... Might they introduce into everyday experience practical ideas about changing the ownership of wealth in a way that benefits the community, and democratizes it?
In my experience, the answer is ‘yes’ and I’ll tell you a little bit why. We’ve been doing work and surveying work in many communities where some very interesting experiments are taking place, and where we find that people who so-call themselves ‘conservatives’ and call themselves ‘radicals’ and call themselves ‘liberals’ and call themselves, sometimes, ‘anarchists’ in younger people – find ways in the practicality to see a common direction, including at the local level. I’m not talking about the ideologues on Fox News. I’m not talking about the rhetorical conservatives. I’m talking about serious people who care about what’s going on. Small business people, in many communities, find ways in their community to see that this kind of thing makes sense. Under what circumstances might we expect these kinds of things to expand and build and grow over time, so that they become real experiments and real experiences in everyday life? And I want to suggest to you that we are entering an extremely unusual period of American history and global history. We haven’t thought it through. We haven’t come to terms with this odd period we are entering and what it might mean. So let me tell what I mean by that.

In 1929, before the great depression, the floor under the economy – the government floor – was 11% of the economy. It was a little floor, couldn’t hold up much. We are now at 35%, even with Republican governments. There may be a deepening crisis, but it is highly unlikely that the kind of crisis that produced a big shift called the New Deal will occur, in my opinion.

**Responding to Decay: The Cleveland Model**

Now think about that. A system that doesn't reform and a system that doesn't collapse; a system that is in stalemate, stagnation and decay. Stalemate: you can’t make any real decisions in Washington and, in any case, the trends go south even when you do make decisions, by and large. Stagnation: the economy may be, if you counted in any serious way, may be 20 to 22% of people without jobs. Social and economic decay, but not collapse. I think that’s where we are and I think that’s where we’re going to be for a long time. Stalemate, stagnation and decay – very great deal of pain, very great deal of unhappiness.

That’s the context forcing people to do things differently at the local level. Why? Because there is no alternative. And that’s a context in which people sometimes learn. Big change, revolution, nobody is learning much: power changes. But actually, a citizenry that learns out of pain and invention because there is no alternative has a positive side. It allows the recreation of people who actually, in their own lives, learn and do of necessity. So that’s a possibility at the local level, and we’re seeing it in development in many parts of the country. Let me give you an example. In Ohio, they have had their stalemate, stagnation and decay for 35 years. They have massive unemployment, long-term unemployment. The steel industry went down, the auto industry went down, the rust belt is a rust belt because it is rusting. States like Ohio can tell you something about the United States: they’ve been doing it for a long time.
I happened to be involved with the steel workers and a religious ecumenical coalition in 1977 in Youngstown, Ohio. 1977 – a long time ago. A big, big steel mill. Five thousand people lost their jobs on one day. That was gigantic news in 1977. Young steel workers in that town said, "Hey, our families are going to go. What are we going to do?" Some of them went to the garage and killed themselves. They did, indeed. But some of them said, “let's take over this mill and make it our own, and run it and develop it.” Now, a steel mill is not easy to develop, particularly an old one. So, they said, “To do it, we're going to have to organize.” And they got the religious groups and did a huge, very sophisticated organizing job and they forced the Carter administration and the Republican governor of Ohio, and every other politician in Ohio, and the entire national religious coalitions ecumenically who were sponsoring, to say, “Hey, give them some money to do a plan!” They gave them a couple hundred thousand dollars. I was the architect who helped them design this. And then they promised 200 million dollars in loan guarantees if you got a good plan. The best specialists in the country were hired – they came up with a very good plan. And then somehow the money went away.

These folks knew that would happen, or might happen. They were not stupid, they were hip. They understood that the kind of changes we’re talking about, you're going to lose some. They said, “Is there any way, in advance...” – this is a lesson, folks – “...in advance, that we can at least get something positive out of this?” So they began doing a whole educational campaign all over the country, and in the state of Ohio, about, “Why don’t we all do worker-owned companies? You could do it here... If we fail, maybe we can do it there!” So they began building up in anticipation that, no matter what happens, maybe they could build something for the future. There are probably now more worker-owned companies in Ohio per capita than in any other place in the country. Why? Because out of the inspiration and the example, and the ideas and the hard work, some people began getting ideas, some activists began organizing, students got involved. So you find, all over Ohio, worker owned companies. Nobody knows about them but there they are, thirty years later.

If you think I’m suggesting stalemate, stagnation and decay can actually be a context of building, if you do it and are serious – maybe. Yeah, I’m suggesting maybe. Because in Ohio today, the most advanced and sophisticated model of this kind has built on this history, and let me tell you what's happening in the city of Cleveland, Ohio. Cleveland, if anybody knows, Cleveland was 900,000 – it's now 400,000. The companies came in and got their credits and tax credits, and then they left. Cleveland was devastated. But in one of the worst neighborhoods in Cleveland... Black community, roughly 40,000 people and average income of $18,500, poor community, unemployment rate at 40%. In that community today, you will find a sophisticated group of worker owned coops drawing on this history, and drawing on some of the people. There is a very large scale, industrial scale new laundry owned by the workers. The greenest laundry in that part of Ohio uses about a third of the water and a third of the heat, it's a gold LEED building.

There’s another company that is a solar installation company – worker owned – about to put in more solar installation than already exists in the entire state of Ohio. Not your little
corner coop. Shortly, this spring and this summer, they will open a 3.25 acre hydroponic greenhouse. Worker owned and capable of producing 3 million heads of lettuce a year, and other greens as well, and they’re online to put together one, two or three companies a year building out from this. Very sophisticated, much standing on the shoulders of this developmental path over time. Even more interesting for those of you who are interested in designing the next system, in designing self consciously, intelligently, with thought.

These companies are not simply worker owned companies. They are linked together by a legal structure that is a community structure. You can’t just sell these off. You are part of a legal structure, part of your profits go back to the community, part go back to a revolving fund to build more such entities in a way that is community benefitting – not simply the workers in this particular firm, who might or might not make a lot of money out of it. Interesting design, and you can go to the heart of Cleveland, Ohio and you can see it. And, moreover, for those of you who worry about the market as I do – it has problems – in that city and in any city, there are institutions like big hospitals and big universities. Technical term is the “anchor institutions,” that’s the term of art these days. They are anchored, they can’t get up and go like the corporations that come in for a tax break and move on. They’re part of the system, they’re part of the city. They don’t go away. They also have a lot of public money: Medicare, Medicaid and educational support from the citizens. They are quasi-public institutions, even the profit ones – but the non-profit ones, particularly.

So, light bulb went on in Cleveland. Why not get these institutions to commit to buying some part of what they do from these kinds of institutions? Worker owned companies, building a community structure in their area. Why not get them to actually buy and help stabilize the market and stabilize the companies? Why not? That’s an interesting design. That’s a socialist design for some people. Their planning system, planned market, partially. Worker owned companies, community wide structure, collective ownership of the means of production and, in fact, those hospitals and universities in that community buy $3 billion in goods and services every year, plus salaries, plus construction. So, beginning to shift that procurement – largely tax payer financed – in a way that begins to stabilize and rebuild, and also change and democratize the ownership of wealth. Why not?

Turns out you can do that, turns out the small business community likes it. Helps the market, we get more customers. Turns out local folks want to see the community built. Good idea, these are hard working people. Why shouldn’t they get a piece of the action? In fact, it makes sense – very interesting design. Think about if you projected that little design: Suppose we got to the place where we made our own mass transit, our own rail system and our own high-speed rail. We have virtually no industrial capacity in the United States to do that at all. Zero – we assemble a little bit of foreign stuff. But supposing we said, “Why don’t we? Hey, this is America, why can’t we do that?” All taxpayer money and commuter money, and take that little model and why not project some of that back over time? Like the New Deal, the same principle applied nationally and begin stabilizing jobs through community worker owned and public companies. And to do that with tax payer money is simply a projection of the idea. An illustration of what might one day happen. That isn’t happening yet. What is happening is Cleveland, that model. But what is
happening elsewhere is necessity, pain, no alternative. Atlanta, Georgia says, “Hey, what you are doing in Cleveland, why can’t we do that?” And they are doing that. Pittsburgh – same thing, different form – pretty much the same model. Two or three are going to happen in the Washington D.C. area, another one in Amarillo, Texas of all places. Why? Because nothing else is working, it is a systemic crisis. And you either invent and innovate and transform, or it doesn’t happen and we’re beginning to see that process.

The International Steel Workers just announced that they are sponsoring a big program for union worker coops around the country. Now that’s an interesting process.

**Evolutionary Reconstruction**

We’re talking about changing institutions, not just politics around the edges of corporations. And we’re talking about building and democratizing wealth, and beginning to change the paradigm in a new way that begins to deal with the fundamental crisis, that is an odd crisis. My suggestion to you, and I think this is right but we’ll see, I think we’re going to see a lot more of this. And I think we’re going to see a lot of it building out of the problems that aren’t being solved around the country, and around the United States, in ways that deal with the pain and the difficulty. They come down to the principle, in one form or another, of radically decentralized, community based, building from the bottom up, democratizing the ownership. We can give a name to this by the way: it’s not reform. That means you let the capital and the wealth stay where it was and you work around the edges. It’s not revolution: that does change institutions, but violently. We need a new language. You change the institutions, but they’re evolutionary. Kind of an evolutionary reconstruction, an evolving change, but it’s institutional – changing capital ownership.

There’s a different process at work also at democratizing. I’ll give you two of them that I think are highly likely, and a third that I think is a maybe. The first one is this: Anybody who is studying the financial system with any degree of care knows two things for sure. You cannot regulate the big banks. There are so many loopholes in the law and there are so many lawyers up there finding additional loopholes. And you know people on the inside of this who study it carefully, left right and center experts, know that we are going to have another financial crisis. Not ‘whether?’ It’s ‘how soon?’ and ‘how big?’ Because you can’t regulate them, they’re too powerful. So that’s in the cards. That’s not evolutionary reconstruction, that’s crisis in a sector – different pattern. So when the next big crisis happens, maybe the anger – including the tea party anger, more angry at the banks than many other people – break them up, is the next stage. They're too big to fail. “Break them up!” That’s what everybody is calling for and maybe we will, either the next time around or the time after that. I’m a historian and a political economist. When they are broken up, if they are broken up, they will regroup and the big fish will eat the little fish, and we will be right back where we started. Take a look at the oil industry, take a look at AT&T. And that was in the days when there was a strong liberal opposition to try to keep the reform down.
So that industry, in my view, is likely to go through a very odd trajectory, almost certainly. Crisis, maybe break them up, maybe regroup. But ultimately, the viewpoint of the Chief Economist of City Corp, who said publicly before he took his job, “If the public is bailing them out and paying the price, they ought to be public utilities.” I think that’s inevitable. Think through the logic of this – and think of it as logic, rather than abstract rhetoric – if you can’t regulate them because the power structure is too powerful, can’t do it, and if you can’t break them up and make it stick and they get right back up, the only option left that you have is public ownership. By the way, that analysis is not mine. That is the analysis of Milton Friedman’s teacher, the founder of the Chicago School of Economics, Henry C. Simon. Many of those serious intellectual conservative economists who wanted a free enterprise economy knew the big guys were going to destroy that and you couldn’t regulate them. They’d capture the regulation and, they argued in some cases, the only option was to socialize them. Coming from Milton Freedman’s most important teachers – they were honest men. The logic of the situation left you no other choice. We might, over these next two decades of stagnation, stalemate, decay, pain, we might move in and take some of those big banks. We already own the biggest banking insurance company in the world. AIG is a public institution: publicly owned because we bailed it out. We gave the voting stock to Wall Street, though. Yeah, the proxies were taken by the New York Fed who appointed the guys, and they make the votes. Strange thing, but the next time around, and maybe at some point, there are different possibilities.

**The Canary in the Coalmine: The Healthcare System**

So let me give you another possibility in the period of stalemate, stagnation and decay that might open a different way to think about systemic change. We’re breaking it down as you may have noticed, rather than doing it abstractly. So my suggestion to you, if you want to think about these things, break it down and think it through. Get rid of the rhetoric and come back to the rhetoric later if you’ve actually thought it through. So let me give you another one. Anybody who has studied the healthcare industry knows for sure that that industry is about to create very great pain. The last time around what they did as the cost structure got up, they’d throw people out of the hospitals onto the streets, literally. And people lost their lives, their savings, went bankrupt and people committed suicide. A couple years ago, some guy actually committed robbery so he could go to jail, so that he would be in jail in order to get an operation. So we’re going to see a lot more of that stuff. We’re going to see a lot more pain and a lot more costs. And we’re also going to see, because we’re already seeing it, the big corporations in international competition also having to pay a lot of costs. Their competitors don’t because there is socialized healthcare abroad. They’re not so happy with the insurance industry. There are divisions and dividing and conquering, and the pharmaceutical guys have another thing. They’re not the same as the hospitals... there’s a lot of divisions there.

My own suggestion to you, and I think many people who study this realize at some point, that system is very fragile. It will probably tatter and shake away state by state. See, there are 20 states now considering single-payer legislation. Connecticut almost, but Vermont
already. They got it passed under Schwarzenegger in California, single-payer. But the pressures are building up quite apart from ideology, quite apart from everything, pressures in that sector are building up. And the only way out is some kind of single-payer because the cost structure of Medicare is very different than the cost structure of these insurance systems.

So now, stand back a minute. A lot of little things, building up locally. Maybe some of the big banking systems... Oh, by the way, if you want to play this game, the chips are decades of your life. This is long term. My heroes – and a way to think about evolutionary reconstruction in a period of stalemate, stagnation and decay... You want to play this game? You’re serious about it? You want to do system change? This is not just about the next election. My heroes are the civil rights workers in the 1930’s and 40’s who knew what had to be done at the hard point and laid the groundwork for what came later. And the women’s movement in the 1860’s, 1870’s and 1880’s who, state by state by state, laid the groundwork until only 25 years later they got the vote. That’s long-term stuff in a period of stalemate, stagnation and decay. Those civil rights workers knew they also might be hung after they were tortured for what they were doing, so system change is not for the people who don’t want to play in a serious way. But it is long-term and developmental. It’s not like tomorrow we can do a march and it will all be done. It has a demand.

Thirty-five years ago, when I got involved with this, you wanted to do a worker owned company, who could you call? How do you do it? Now there are hundreds of people you can call who actually know something. That’s a great achievement, historically, of a society when you build that kind of knowledge in people. So one process of that kind. Another process may be in the financial sector, maybe at the big banks. A crisis related process, different. And maybe another process in the healthcare sector, over time. ...Twenty percent of the economy, big banks, local communities. And by the way, did you notice? We nationalized two big auto companies. We did do that and when the profits came in, we gave them back instead of keeping them. Maybe sometime down the line there will be ways to turn those into worker owned, public enterprises once people have a different idea in their heads about what the system looks like, maybe.

So, I’m beginning to suggest to you that we may well be, maybe, in the ‘prehistory’ – I didn’t say the history – the prehistory of the possible transformation of the most powerful corporate capitalist system in the history of the world, and that that is not rhetoric. That’s the possibility, because of the stalemate, because of the failure, because of the decay, because of the oddity. And interestingly, I’ve been talking to a lot of British people and Europeans playing around with similar ideas. Interestingly, paradoxically, precisely because we can’t solve some of the problems, we may move faster down this track than some of the countries that are able to hold it together better. Oddity. And also, and I say this to fellow citizens of the United States of America, we have this kind of decentralized vision, a kind of a pragmatic vision, a kind of an inventive vision... A kind of “roll up your sleeves” vision that’s a little different from some of the cultural attitudes in other countries. And we don’t take it quite as serious as we ought to. Some of my good friends who are genuine conservatives, the kids I went to school with in Wisconsin, they’re kind of hip to,
“Hey! We could do what you're talking about!” My friend Chomsky, he sees it from an anarchist syndicalist point of view, “Hey, get out there and learn how to do and be a citizen. Not just protest.” There's a lot of protest, there's a lot of fighting that's going to have to be done, don't misunderstand. But also rolling up and saying, “Hey, we're going to make this ours. We're the citizens.” It's an attitude that is kind of American. It taps into a cultural theme that we actually have.

The New Activism

Now, a few other things. It is possible – this is the logic of what we're talking about – that nothing can be done other than tokens. Rome did decay. That's one option. It's possible that the pain will end in violence, and violence will generate repression and we will get a repressive corporate fascist state. That's another logical option. It's possible, and there's a lot of craziness in the world, that we will see nuclear war. That's no longer impossible. I spend a lot of time working on nuclear war questions. It's also possible that, if we are clear, that we may actually have the opportunity to lay down the foundations in ideas, in practice, in politics, in attitudes, for the next great transformation.

I just came from a conference on the “new economy”, that's the language. Just a new organization, a new economics institute. Put up a sign, “We're going to have a conference” on all of this kind of stuff. Sold out two months in advance, people rushing to go there. Same on the worker ownership stuff... Why do they want to go to these conferences? Same on land trusts, same on community coops. There is something bubbling, and this is with Occupy and beyond – not just Occupy. Something is going on that the press doesn't cover at all. I gave a talk at this worker owned conference in Vermont and then I had to go over to upstate New York to Bard College. Somebody volunteered to drive me because, you know I couldn't drive very far, I was tired. So a young guy, an Occupy guy, was the designated hitter. He drove me over and we talked a lot about what was going on. So, as you know, there's been a lot of protest of the big banks, and there's been a lot of move your money to credit unions – a lot of that is going on.

And then the light bulb went on. Out of our own history are these coops and credit unions. One hundred-thirty million Americans involved. And credit unions have a lot of money and they are one person to one vote, democratic organizations. And they are, many of them, stodgy, stagnant, being run by some guy who is making $400,000 bucks and doesn't want to hear about anything else, and invests in the most boring things because they've lost their culture. And the kids in Burlington said, “Hey, we should invest in coops and build a community somewhere, and we need some capital. Why don't we just join the coop and join the credit union? Nobody ever goes to the annual meetings.” They got one guy elected to the board this year and they're going back for a lot more next year. I suspect you're going to see that kind of inventiveness, drawing on what's already there, drawing on things like this Cleveland development in very poor black communities, drawing on the kind of land trust and environmental things. It's hard for us, we're not supposed to be idealists, right? But there is something in American culture that allows for this kind of activity. I'm
seeing it with the young kids all over the country, I’m seeing it with older people, I’m seeing it with people who come up to me and say, “Hey, I’m a 60’s guy from the 60’s, and I’m 60 and we’re going to do something too.” And there’s a spirit coming out of that.

I am a cautious, cool, careful academic. I don’t get too excited about too many things. I’m a theorist and a historian. But I think it is possible, maybe – if we are serious and actually want to talk about systemic change in real terms rather than rhetoric, and actually draw on the traditions of this country and our own imaginations – just possibly we can establish the foundations of the next system that takes us beyond traditional corporate capitalism, traditional state socialism and that builds a new vision that isn’t like any of the other ones, but that is really a democratic society. And just possibly, if we do it the right way, we can stabilize these markets and undercut the pressures that are driving us to excess growth, that are driving climate change, that are throwing away cities, great carbon costs, capital costs and just possibly we can rebuild if we do that. And by the way, it’s all pretty good stuff to do no matter what. So, let’s get at it. Thank you very much.

[End]