

Below are the contents of Chapter 15 of “Reinventing Capitalism – How we broke money and how we fix it, from inside and out”. The book describes our attitudes towards money, the systems that we have created arising from those attitudes and beliefs and the history that he led us to our perceived points of potential criticality. The proposals are made against the background of these understandings.

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That said, I hope that you will be inspired by the vision that they represent, and motivated to lend your support - in whatever form your passion expresses itself in.

Jon Freeman

Goals for a new capitalism

We are not all guilty but we are responsible

Lawrence Bloom

Inner goals

- 1) **Money must mean something.** Our thinking must support a close connection between the money we use and the physical realities that it ascribes monetary value to.
- 2) **Money cannot be created out of nothing.** We must purge ourselves of any ideas which encourage any belief that money can be created out of nothing or that it can grow by itself, without other creative action
- 3) **Be grounded in the present.** We need a way of being that helps us to live in the present. Where we borrow from our personal or collective future we are assisted to stay grounded and discouraged from over-reaching. We look for “paying it forward” approaches in real terms and find modern equivalents of the Amish community barn-raising day. Where we look to the future, we look at how to build for that in the present.
- 4) **Eliminate the throwaway mentality.** We cannot live successfully in the belief that everything in our world is somehow dispensable.

- 5) **Build our awareness of interdependence.** Our thinking and Values must increasingly recognise the global and local interdependence of all human beings. It must then extend to a recognition of our dependence on ecosystems and of the impact that human decisions have on them.
- 6) **Allow reward for creativity and inspiration.** We can and should encourage individuals and groups to excel, to be creative and to receive abundantly from the fruits of their inspiration, their hard work, their investment in research, their dedication in building businesses and their willingness to take risks. Fairness cannot be achieved and is not to be achieved by suppressing the individual spirit
- 7) **Support the flow of wealth.** We must encourage and incentivise those who are creating personal surplus so as to discourage hoarding, support the free flow of money, propel investment in each other; that we value giving and foster relationship
- 8) **Balancing stakeholder needs.** This is fundamental to Conscious Capitalism and its many similars. We require corporate cultures that are capable of meeting the needs of all stakeholders in a balanced way, where shareholder profit exists alongside customer service, supplier relationship, employee well-being, pension funding, social responsibility, regulatory compliance, local and planetary sustainability. It requires us to place value on trust and happiness in the same way that we do for brand loyalty, and to recognise the negative value of ecological damage.
- 9) **Gifting and Receiving.** We must improve our awareness and understanding of what these mean, how they contribute to each other and how we live in balance
- 10) **Freedom and Responsibility.** We must improve our education, awareness and understanding of the necessary balance in these internal dynamics.
- 11) **Collaboration and Competition.** We must re-educate and improve awareness of the falsehoods erected around Darwinism and increase the recognition that evolution and ecology are a dynamic balance of competitive and mutually supportive linkages.

Systems Intelligence: Outer goals

- 12) **Money must mean something.** Our systems must support a close connection between the money we use and the physical realities that it ascribes monetary value to.
- 13) **Money cannot be created out of nothing.** Our systems must discourage activity based on the belief that money can be created out of nothing or that it can grow by itself, without other creative action. This includes reversing of the policy by which banks are now in effect printing money through the issue of unrestricted debt.
- 14) **Short-termism is destructive.** Our systems must encourage long-term investment and discourage short-term speculative manipulation (this to include further evaluation of the “Tobin tax” or similar mechanisms). The balance of stock-market behaviour needs to favour investment over trading and to make it difficult for investment managers to profit from unnecessary “churn” of client funds.

- 15) **Inhibit currency speculation.** The buying and selling of currencies should be directly connected with the functional use of the money and currency speculation and manipulation should be strongly inhibited
- 16) **Align compensation with long-term performance.** Many inner goals and cultural change impulses will be undermined if the external systems reward individuals for short-termism
- 17) **A level playing field.** We need increasingly to recognise the life conditions of different peoples, cultures and regions, assist them to manage their own development and avoid exploitation arising from the differences between our conditions and theirs
- 18) **Balancing stakeholder needs.** We must create supportive legal, governance and financial frameworks to enable corporate cultures to more easily meet the needs of all stakeholders in a balanced way. (See no. 8 above).
- 19) **Simultaneous Policy and global co-ordination.** Find ways to co-ordinate global policy-making which are effective in countering national self-interest, recognise interdependency and which better balance the collaborative and competitive aspects of economic behaviour
- 20) **Costs and benefits are not all material.** We must develop the capability to recognise and assess costs and benefits at both material and non-material levels

Connecting Values, goals and monetary value

- 21) **Living systems have Value.** We must extend our ability to ascribe monetary value in a way that encompasses living systems – that it is assumed that every species and ecosystem has financial worth even where we have not yet discovered it or measured it in human terms
- 22) **The environment has Value.** We must improve our systems for recognising the financial cost of environmental impact, extending beyond toxicity, atmospheric and habitat damage to include the sensed aspect of contribution to our quality of life and that of future generations
- 23) **True Cost Accounting.** We must not continue to externalise costs to be left unpaid or picked up at random by others and by society. Our financial thinking about the cost of goods must recognise fully not only the cost of manufacture, but the cost of packaging, package disposal, recycling, the economics of repair and non-repair. We must account for cost of final disposal where we fail in those others.
- 24) **Full Cost raw materials recognition.** Enhance our financial thinking and systems to recognise the true cost of raw materials – the environmental costs of obtaining them, the impact on inhabitants of source regions, the cost of proper management of toxic wastes from refining them and the subsequent recovery of exploited areas
- 25) **Planetary stewardship.** Develop systems which ensure and enforce that ownership of, control over or material benefit from any natural planetary resource is closely coupled with its stewardship; recognising that none of us own the Earth or its riches, that we are at best co-tenants and joint beneficiaries

- 26) **True National Benefit assessment.** We need to replace monetary measures of national success (such as GDP) with measurement that also assesses physical health, social, cultural and spiritual well-being, community strength and cohesion, habitat quality, human longevity and systemic sustainability
- 27) **True National Cost recognition.** We require the ability to distinguish economically between activities which are productive (such as agriculture and manufacture) and activities which however essential represent human costs such courts, prisons, hospitals, social care, waste management and insurance claims We must measure both Gross Domestic Product and Gross Domestic “Cost”.
- 28) **Improve our thinking around inflation and growth.** We must reduce systems and activities which embed monetary inflation as an inevitable feature of economic life and assume that our children and grandchildren will pick up the bill. This requires us to learn to distinguish natural and systemic planetary growth from the growth of money supply
- 29) **Corporate stewardship.** Treat shareholders as suppliers of capital rather than as owners of the enterprise and require that their attitude to the corporation is one of long-term stewardship
- 30) **Corporate legal responsibility.** Corporations are not persons. They must not be treated legally as if they have equivalent rights to individual humans.
- 31) **Preventive thinking.** We require increased ability to distinguish and assign value to costs incurred (investments in quality) which inhibit later costs; for example between health systems to treat sickness and health systems to maintain wellness. It may not serve society to have prisons that run for profit, where companies benefit from higher crime figures. How do we create a peace industry to balance the armaments one? For the sake of our children we must require governments to enumerate and be accountable for consequences beyond their term of office.
- 32) **Governmental long-term responsibilities.** For the sake of ourselves and our children we must require governments to enumerate and be accountable for consequences of their decisions beyond their term of office.
- 33) **Recognising societal benefit.** We need to move away from the simple division between “for profit” and “not-for-profit” activities, reducing the discrepancies in value assigned between those who work for the benefit of others and those who work to gain benefit from others. We must reduce the devaluation of the former and the change way that teachers, nurses and social carers are viewed only as a cost to society.
- 34) **Balance Freedom and Responsibility** Improve our societal capacity to tell the difference between the inalienable value of individual freedom and the right to be socially, environmentally or even self-destructive.
- 35) **Socially responsible valuing of risk.** Create systems which direct the human impulse to gamble and to play with risk towards productive outcomes and away from destructive ones

36) **Right-scale Distributed Democracy.** We need to improve the balance between centralised and locally accountable decision-making, which in most Western countries is over-centralised. This will increase relevance of decisions, productive economy, closer attention to cost management and increased engagement with the democratic process.

I should note here that there is no explicit mention of ethics in this list. I would like however to mention the work of Roger Steare in his book “Ethicability” and his “Moral DNA” profiling system. My view is that ethics runs through this list. Having a goal that we should “think and behave ethically” somehow manages to be simultaneously too obvious, too essential and also redundant. Roger Steare’s very practical approach maps very well to the interplay of stage 4,5 and 6 viewpoints, but I make no claim that he endorses this perception.

There is also no mention of the way that we relate money and work. I was tempted to include the proposal for “basic income”, a system of unconditional income for every citizen. This is too complex to discuss here will have different impacts from country to country and its benefits / downsides highly dependent on how it would be delivered. My personal belief is that in Western countries it would offer a great deal. The evidence suggests that any assumption that it encourages idleness is incorrect. There are many potential gains in preventing societal costs, including crime and health and it is not only the socialised economies of Western Europe that would see benefits. It could work for the USA too.

The bottom line of all these propositions is that we must rebalance, that we have to wrest control from the system where money makes the rules, replacing it with ones where human beings and human values are in charge of the rules. Life is not equal. These changes do not prevent the existence of rich people or of themselves avoid there being poor people. Individuals will have their free choice, their destiny and their portion of life’s good or bad fortune. At the moment however, those who have more money gain more than merely the choices that it offers them in their own lives. Money will always bring “power to...” and those who have been successful or fortunate are entitled to manage their own lives. At the moment money also gives people the levers of power, in the form of “power over....”. They disproportionately determine how the world will operate for others.

As we shift the way that money works we shift the balances away from money making the rules towards human beings making the rules. This develops our capacity individually and collectively to care for ourselves, for each other and the Earth, which all cultures that have not become disconnected from her acknowledge as the Mother, the source of our life and our nourishment.