



Sixteen Building Blocks for a Green, Entrepreneurial, Cooperative Economy

Guy Dauncey
CCPA, November 2014



**The transition from a capitalist
to a cooperative economy
could be one of the defining achievements
of the 21st century.**



Green

Guy Dauncey
CCPA, November 2014



Entrepreneurial

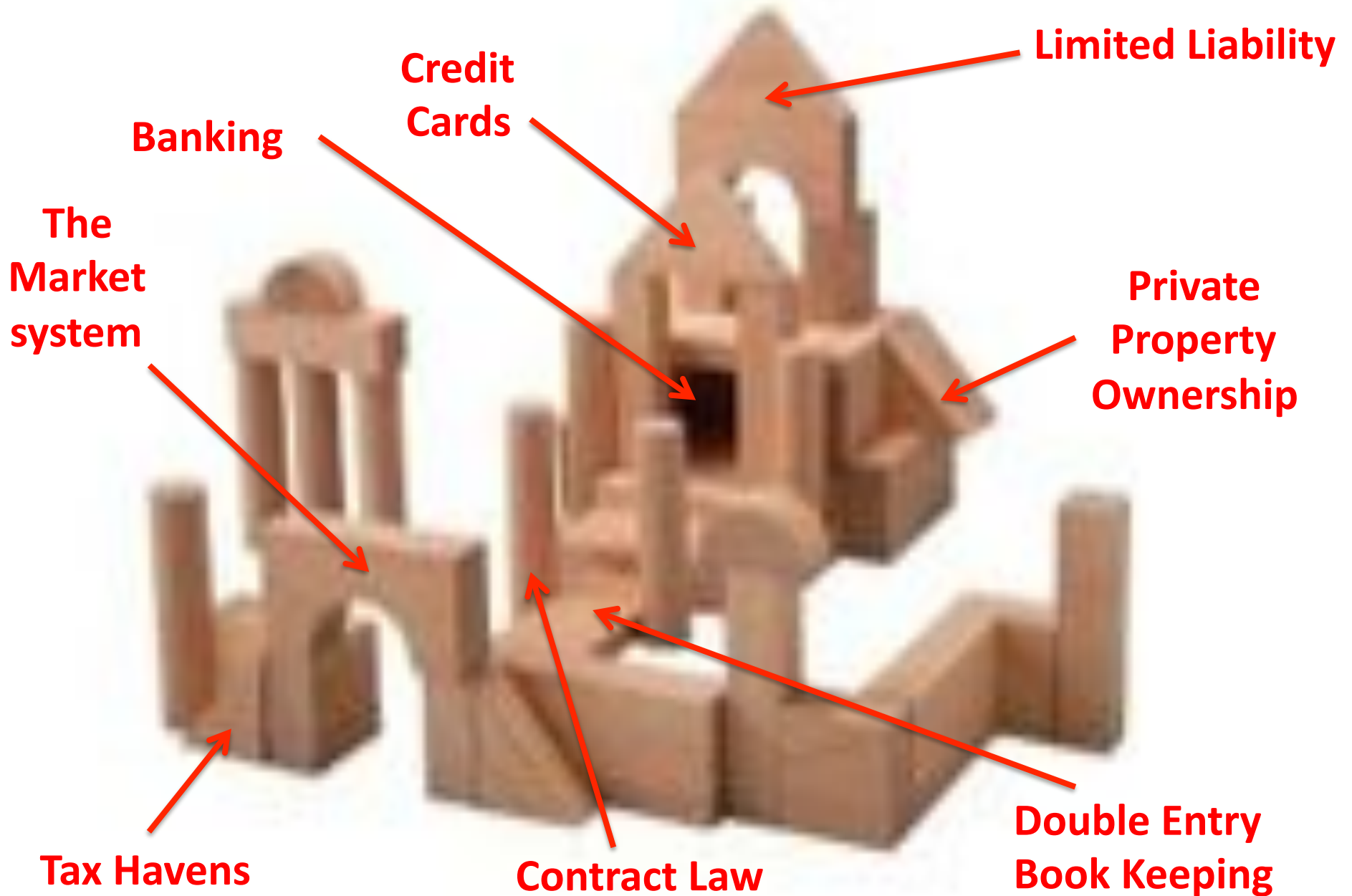
Guy Dauncey
CCPA, November 2014



Cooperative

Guy Dauncey
CCPA, November 2014

Capitalism was built over time, block by block...



**We need to build the
New Cooperative Economy
in the same way: Block by Block**



1

Regional Business Network – Emilia Romagna

2

Cooperative Support Network – Emilia Romagna

3

Support with Business Start-Ups

4

Community Development Corporations

5

Community Banking

6

Microlending

7

Community Currencies

8

Inter-Business Cooperative Credit (WIR Bank)

9 Zero Interest Mortgages

10 Benefit Corporations

11 Green Business Certification

12 100% Renewable Energy Region

13 Elimination of Student Debt

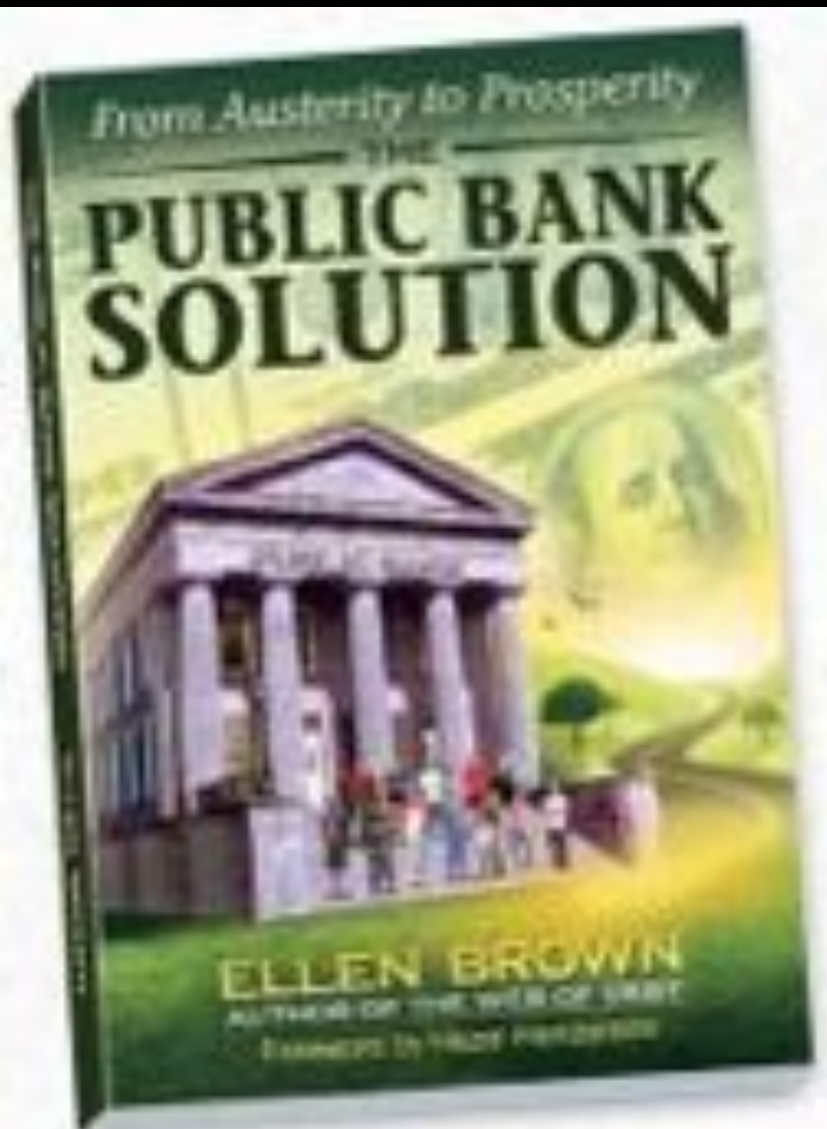
14 The Entrepreneurial StateCommunity Currencies

15 Public Banking

16 Genuine Progress Indicators

15

Public Banking



40% of all banks in the world are Public Banks

Algeria

Austria

Brazil

Bulgaria

Caribbean

Chile

China

Colombia

Costa Rica

Denmark

Egypt

Finland

France

Germany

Holland

Hungary

India

Japan

Macedonia

Mexico

New Zealand

Norway

Poland

Russia

Slovenia

South Korea

Spain

Sweden

Switzerland

Syria

Taiwan

Banks create credit out of thin air
“credit” = “credo” = “I trust”





Paul Tucker
Deputy Governor of the Bank of England
Member of the Monetary Policy Committee

“...banks [make loans] by simply increasing the borrowing customer’s current account...That is, banks [make loans] by creating money.”

Source: Speech at Monetary Policy and the Markets Conference, 11th December 2011

A Public Bank creates credit the same way private banks do



When a private bank creates money, the interest earned returns to its **investors**



When a credit union creates money, the interest earned returns to its **members**



When a public bank creates money, the interest earned returns to the **public**



PUBLIC BANKING AROUND THE WORLD

In post-war Japan, Taiwan, South Korea and now China, public banking has been at the core of their development success.

In Germany, 432 public municipal savings banks and 1116 cooperative banks provide two-thirds of all lending to *Mittelstand* companies, 43% of lending to all companies and households, and 70% of domestic lending.

In Australia, for most of the 20th century the publicly-owned Commonwealth Bank of Australia was the nation's central bank.

In New Zealand, the publicly owned Kiwibank, established in 2002, has 800,000 customers, operating through the Post Office.



Founded in 1919 by the Non-Partisan League
Loan Portfolio of \$2.6 billion
Lowest unemployment in US
No state budget deficit

The Nonpartisan Leader

Fired!





Mission

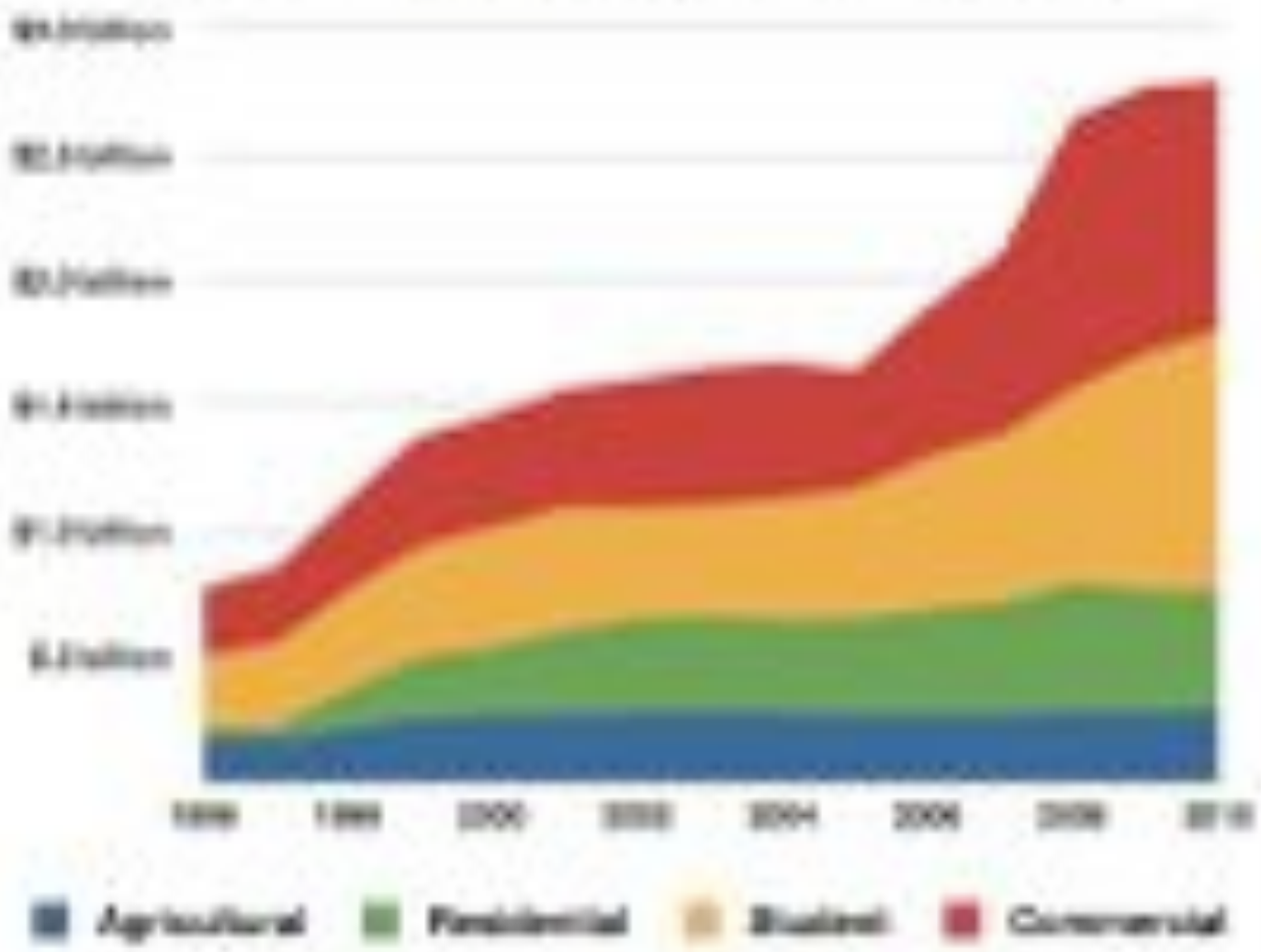
“to deliver quality, sound financial services that promote agriculture, commerce and industry in North Dakota.”



Much of its loan portfolio is participation loans to local community banks, mostly businesses and farms.

By doing this, BND expands the lending capacity of North Dakota's community banks, and absorbs some of the risk.

Bank of North Dakota Loan Portfolio



Source: Bank of North Dakota Annual Reports
Notes: Figure includes 2010 loans

5

Community Banking



500,000 members

Last year we gave \$5.2 million back to our members.
And no, by "members" we don't mean "CEO".

Vancity

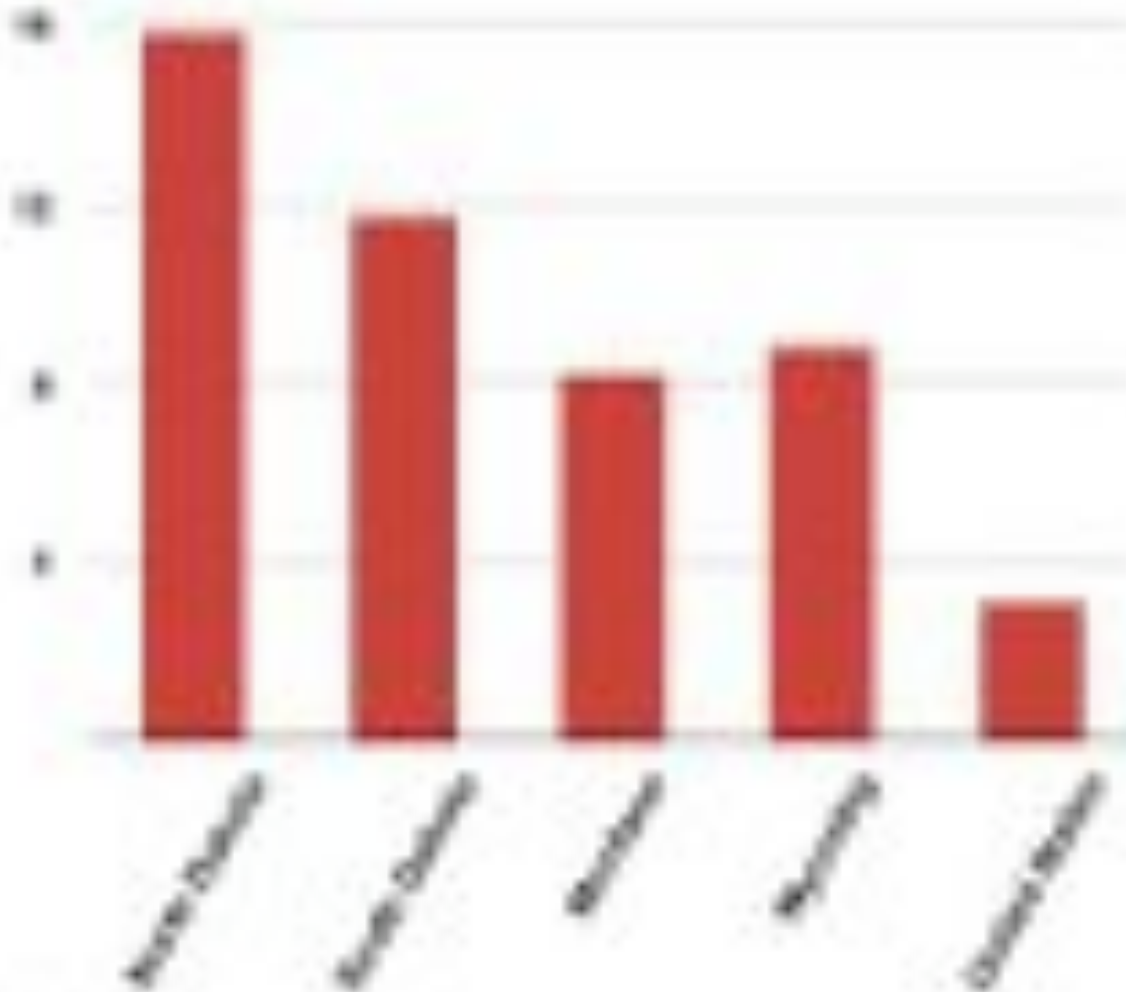
This ad ran the week of the financial crisis hit.

BND has relationships with almost all of North Dakota's 94 local banks.

They participate in loans originated by local banks and credit unions.

Their bank stock loan program also provides loans to finance the purchase of bank stock by North Dakota residents

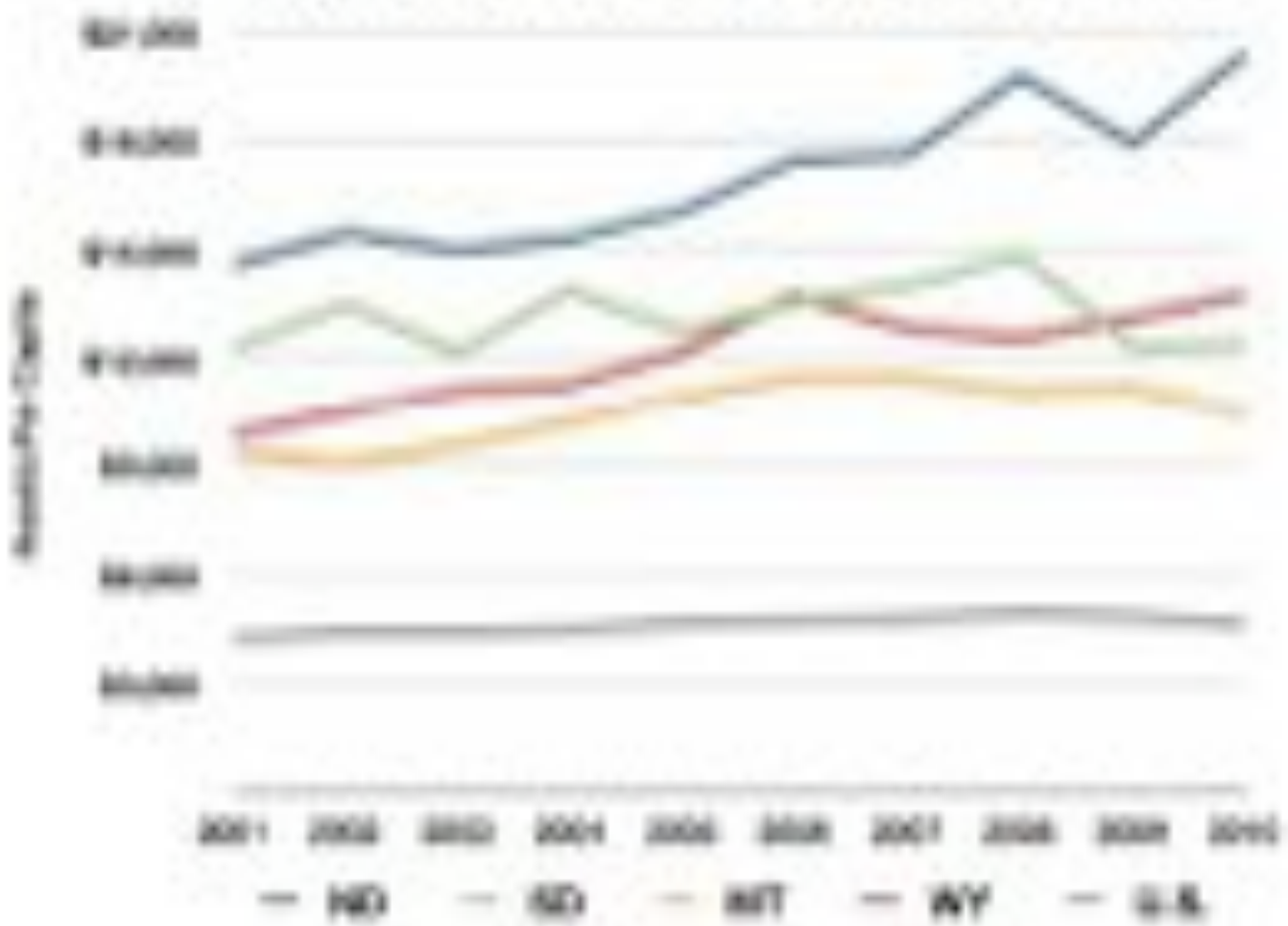
Number of Banks per 100,000 People



Source: Federal Reserve Insurance Commission
Notes: Includes all FDIC-insured institutions in 2008

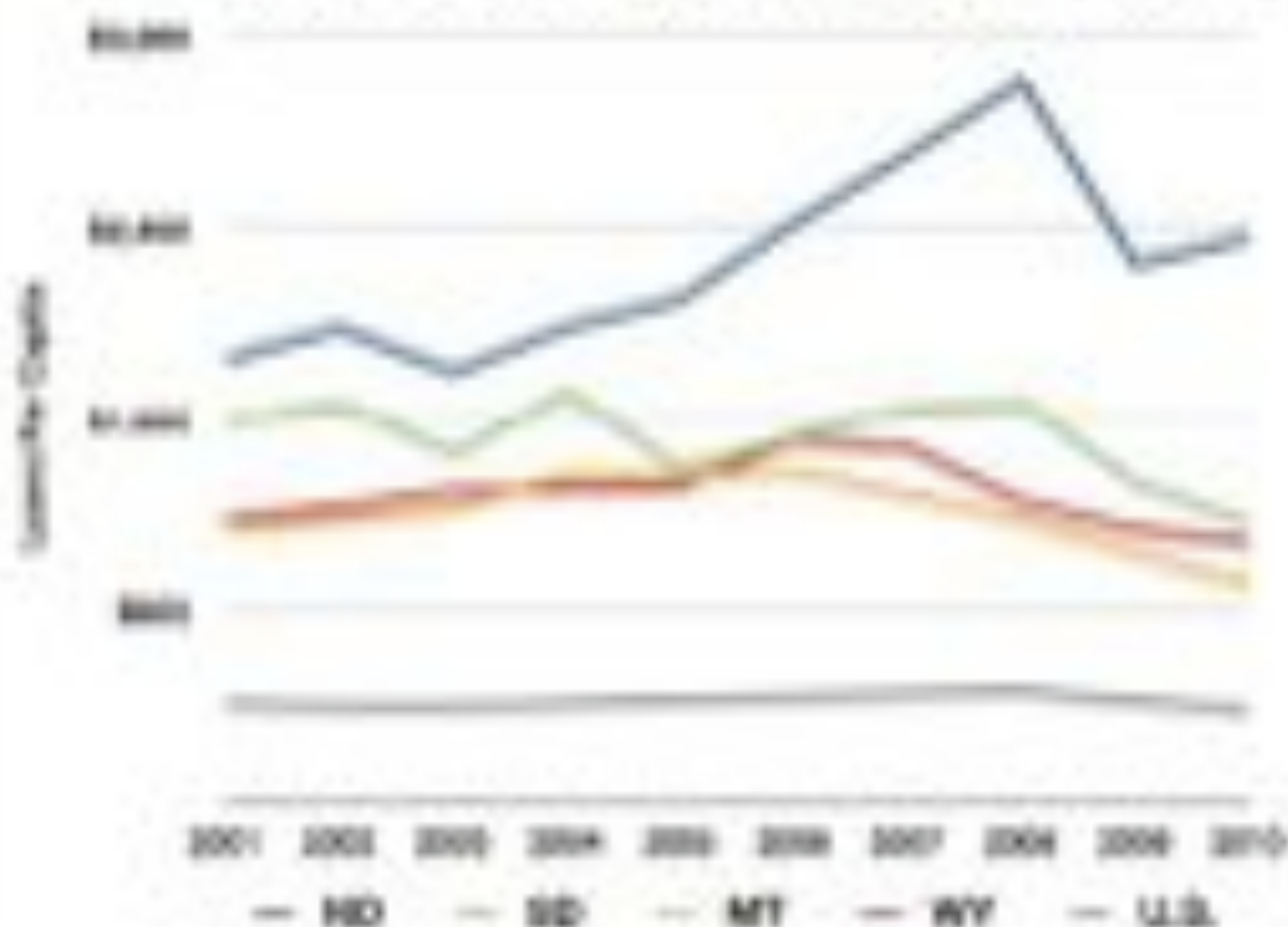
**North
Dakota
= 4 times
the
national
average**

Assets Held by Community Banks in North Dakota and Neighboring States



Source: Federal Reserve quarterly reports.
Notes: Community banks are defined as those with \$1 billion in assets or less in calendar 2013 assets.

Small Business Lending by Community Banks in North Dakota and Neighboring States



Source: Federal Reserve Board of Governors

Notes: Community banks are defined as those with \$1 billion or less in assets or under \$100 million in deposits.

3

Support for Business Start-Ups



Helping people to start businesses and coops including women, youth, First Nations, minorities...



**START UP
CANADA**

ENTREPRENEURSHIP
EMPOWERS
EVERYONE.

Since launching in 2012:

- **85,000 members and 400 business support providers**
- **Mentored more than 20,000 entrepreneurs**
- **Worked with more than 5,000 startup businesses**
- **Facilitated the development of 25+ entrepreneur co-working spaces, and major enterprise initiatives**
- **Launched 20 startup community hubs from St. John's to Smithers**
- **Mobilized \$25m in investment and in-kind resources from 500 volunteers and industry partners**

We are a grassroots, entrepreneur-led movement,
connecting the community to build bigger
and better startups.



**STARTUP
SMITHERS.**

powered by Startup Canada.

**A Public Bank could support
community bank financing for
business start-ups**

We
com
and



**STARTUP
SMITHERS.**

powered by Ontario Canada



**Through its PACE Fund
(Partnership in Assisting Community Expansion)
BND buys down the interest rate for targeted job-
creating business loans by 1-5% below the yield rate**



**Spirit Bay, East Sooke – Proposed New Village
Trust for Sustainable Development
Partnership with Sc'ianew Cheanuch First Nation**



Severe First Nations Financing Difficulties

**Spirit Bay, East Sooke
Trust for Sustainable Development
Partnership with Sc'ianew Cheanuch First Nation**



**A Public Bank could issue
direct financing
for First Nations projects**

**Spirit Bay, East Sooke
Trust for Sustainable Development
Partnership with Sc'ianew Cheanuch First Nation**

4

Community Development Corporations





**New Dawn Enterprises, Sydney, Nova Scotia,
Incorporated 1976**

Founding Member of the Canadian CED Network.



Healthcare



Rental Properties



New Dawn College

New Dawn employs 175 people through its companies and projects.



Community Engagement



Holy Angels Project



Invest Local



Meals on Wheels



Healthcare



Rental Properties



New Dawn College

**A Public Bank could support
community bank financing for
Community Development Corporations and
social enterprises**



Holy Angels Project



Invest Local



Meals on Wheels

Community Engagement

6

Microlending



Sarah: Buscia's
New York, NY

Buscia's (Boo-sha's, or Polish for grandma), is a wholesale food brand founded by a former Midwestern Culinary Arts teacher, delighting customers with family recipes like bacon buns.

Endorsed by No trustee (this is a Kiva Zip p...
120 endorsements made, with a 90% repayment rate.
Thanks to Peabody Square Foundation, loans to this borrower will be matched

97% Raised



\$5,000
Loan

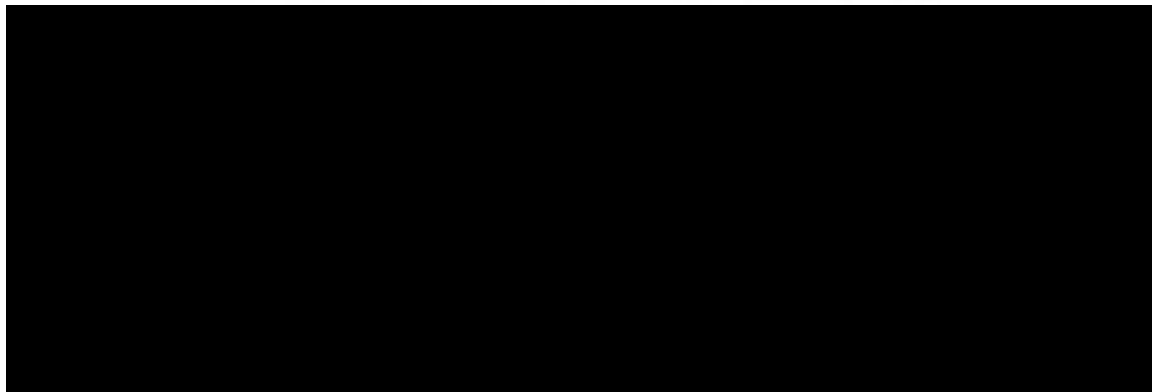
39 days
Left to Fund

88
Lenders

8
Comments

Lend \$5 

COMMUNITY MICRO LENDING



Joseph

loan amount: \$2730 loan term: 2 years amount raised: \$2730

Joseph has started a business in which he restores and sells vintage bicycles (bicycles that are more than 25 years old). He has lengthy experience working in auto-body repair... [Read more](#) >



COMMUNITY MICRo LENDING



**A Public Bank could support
community bank microlending**

**Lisa Helps
Mayor of Victoria**



Joseph

loan amount: \$2730 loan term: 2 years amount raised: \$2730

Joseph has started a business in which he restores and sells vintage bicycles (bicycles that are more than 25 years old). He has lengthy experience working in auto-body repair... [Read more >](#)



13

The Elimination of Student Debt



13

The Elimination of Student Debt

THE SAME DAY CONGRESS ALLOWED
STUDENT LOANS

A Public Bank could issue
lower interest student loans

OREGON LEGISLATURE UNANIMOUSLY
PASSED TUITION FREE EDUCATION!

2

A Strong Cooperatives Support Network





legacoop

Emilia-Romagna

**1,250 coop members
in industry, agriculture and services,
employing 150,000 people.
Under Italian cooperative law each coop pays
3% of its annual surplus into a national fund
for cooperative development.**



legacoop

**A Public Bank could support
community bank loans to cooperatives**

**in industry, agriculture and services,
employing 150,000 people.**

**Under Italian cooperative law each coop pays
3% of its annual surplus into a national fund
for cooperative development.**

1

A Regional Business Network



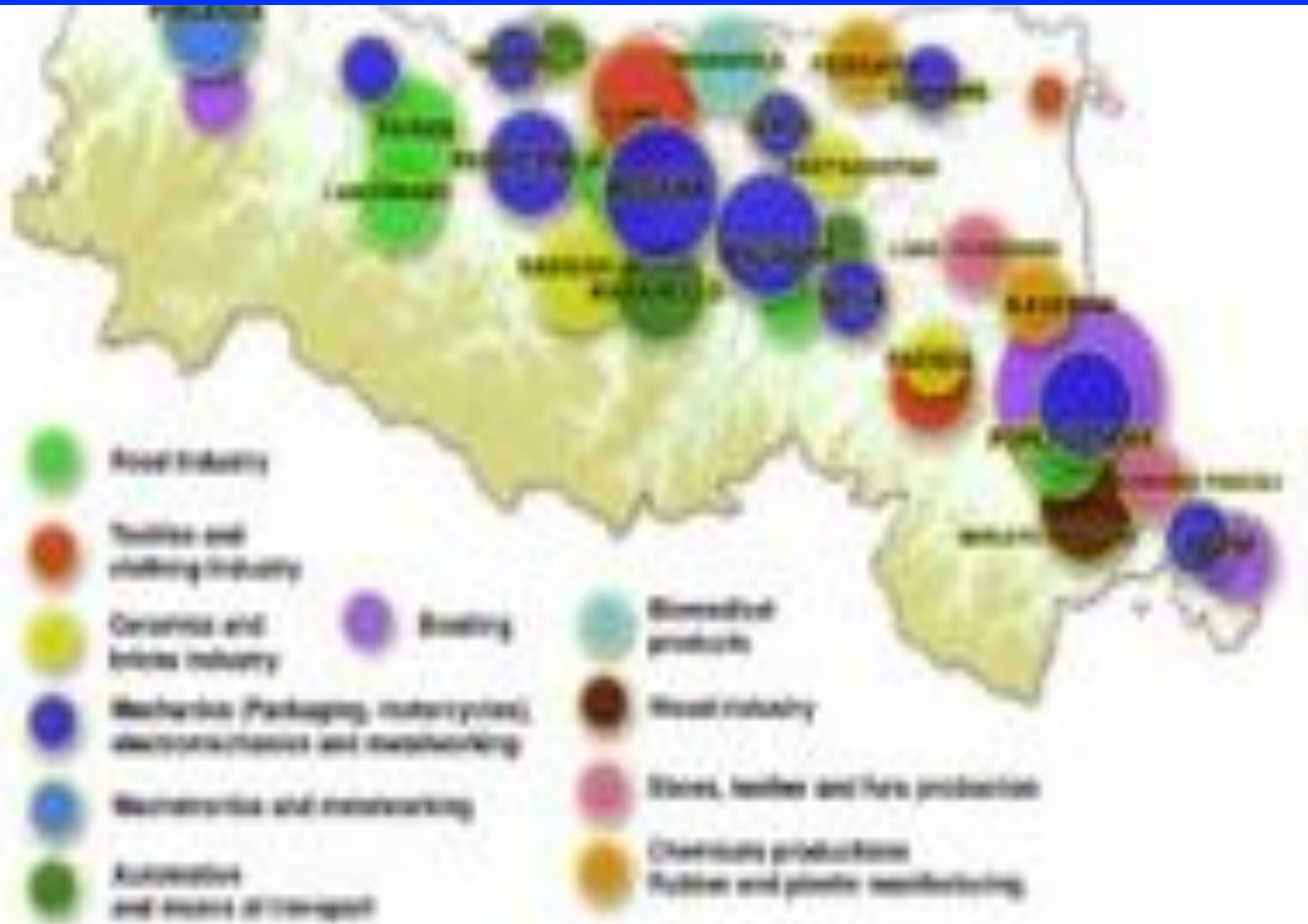
**Businesses and cooperatives working together
to build the regional economy**

Emilia Romagna, Italy



- **Population 4.4 million**
- **\$\$\$**, top ten European regions
- **32% self-employed**
- **76% work in small business with 4-5 workers**
- **Italy's 4th largest exporter**
- **400,000 enterprises**
- **7,500 cooperatives**
- **Strong tradition of reciprocity, regional economy mutual support, financed by 0.4% levy on sales**
- **High density of banks**
- **Regional credit system with close ties to local enterprises**
- **Lowest unemployment**
- **Highest rate of citizen satisfaction in Italy**


Critical role of local manufacturing





Half a million businesses in the region pay a 0.4% levy on sales to local inter-business organizations.

In return, they receive support with financing, training, research, development strategies and export efforts.

A man wearing a white lab coat and a dark cap stands in a cheese cellar. He is surrounded by large, round wheels of cheese stacked on wooden pallets. The lighting is warm, highlighting the texture of the cheese. A blue banner with yellow text is overlaid on the image.

**A Public Bank could support
community bank financing for
local businesses**

**Half a million businesses in the region pay a 0.4%
levy on sales to local inter-business organizations.**

**In return, they receive support with financing,
training, research, development strategies
and export efforts.**



British Columbia
Community
Forest
Association



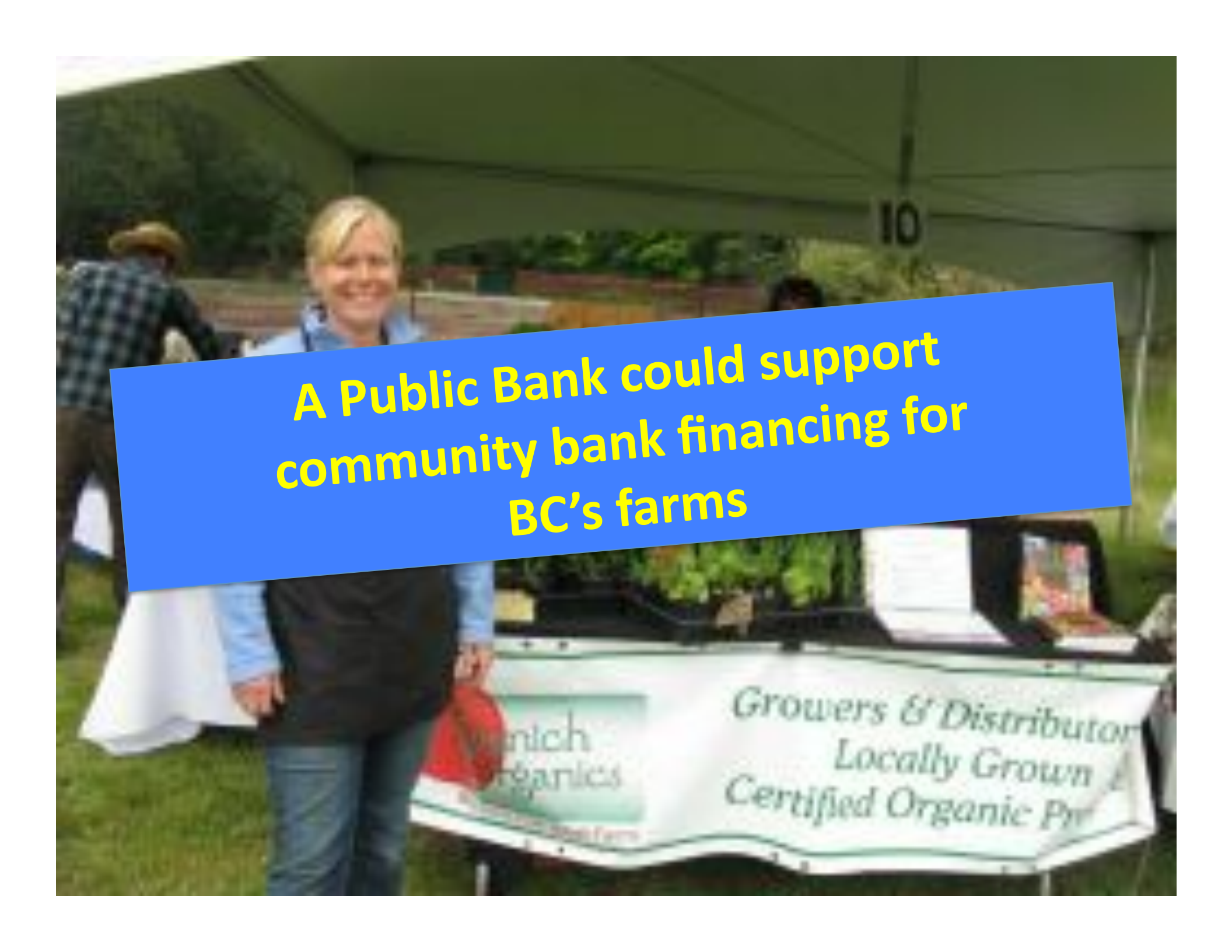


British Columbia
**Community
Forest**
Association

**A Public Bank could support
community bank financing for
community forestry projects**





A photograph of a woman with blonde hair, wearing a blue shirt and a dark vest, smiling at the camera. She is standing in front of a market stall. The stall has a white sign with green text that reads "Growers & Distributor Locally Grown Certified Organic Pro". To the left of the woman, there is a sign that says "British Organics". The background shows a green tent structure with the number "10" on it. A man in a plaid shirt and a hat is visible in the background to the left.

**A Public Bank could support
community bank financing for
BC's farms**

Growers & Distributor
Locally Grown
Certified Organic Pro

British
Organics

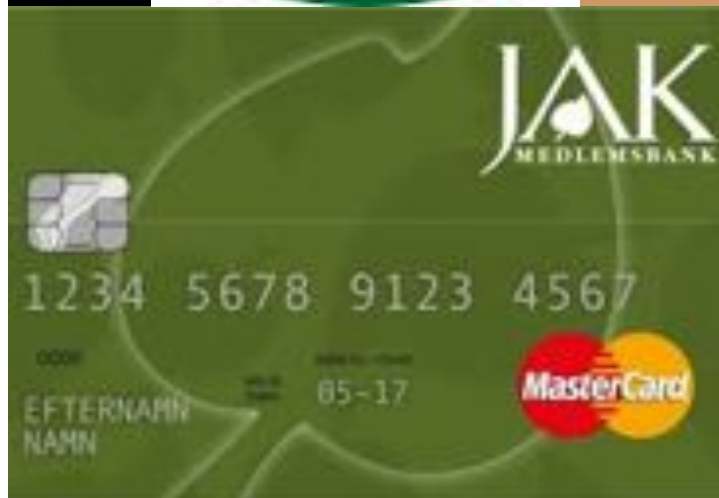


**High interest rates are
one of the major
causes of poverty**

**Almost all interest
transfers wealth
from poorer
to richer people**

9

Zero-Interest Banking



“Together We Make More”

"COMPOUND INTEREST
IS THE 8TH WONDER
OF THE WORLD. . .



HE WHO UNDERSTANDS
IT, EARNS IT . . .
HE WHO DOESN'T . . .
PAYS IT"—ALBERT EINSTEIN



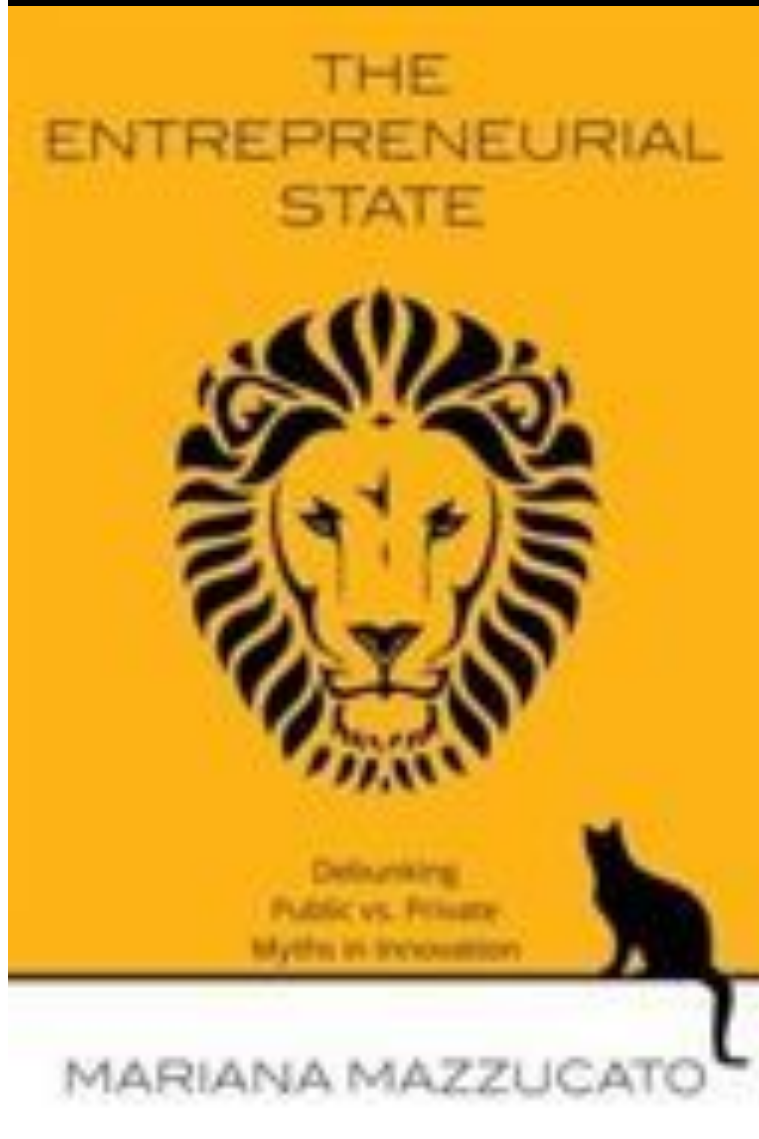
"COMPOUND INTEREST
IS THE 8TH WONDER OF THE WORLD"

**All interest earned through Public Banking
Is returned to the people, through the state**

HE WHO UNDERSTANDS
IT, EARNS IT . . .
HE WHO DOESN'T . . .
PAYS IT"—ALBERT EINSTEIN

14

The Entrepreneurial State



The state is the real engine of innovation

Book review

A brilliant exploration of new ideas in business argues that government is behind the biggest risks and biggest breakthroughs, writes **Martha Wolf**

Government is what we need to make things happen. Government is what we need to make us bold. But what is government?

Government is what we need to make things happen. Government is what we need to make us bold. But what is government? Government is what we need to make things happen. Government is what we need to make us bold. But what is government?

Government is what we need to make things happen. Government is what we need to make us bold. But what is government? Government is what we need to make things happen. Government is what we need to make us bold. But what is government?

Government is what we need to make things happen. Government is what we need to make us bold. But what is government?

Government is what we need to make things happen. Government is what we need to make us bold. But what is government? Government is what we need to make things happen. Government is what we need to make us bold. But what is government?

Government is what we need to make things happen. Government is what we need to make us bold. But what is government? Government is what we need to make things happen. Government is what we need to make us bold. But what is government?

Government is what we need to make things happen. Government is what we need to make us bold. But what is government? Government is what we need to make things happen. Government is what we need to make us bold. But what is government?

Government is what we need to make things happen. Government is what we need to make us bold. But what is government?

Government is what we need to make things happen. Government is what we need to make us bold. But what is government? Government is what we need to make things happen. Government is what we need to make us bold. But what is government?

Government is what we need to make things happen. Government is what we need to make us bold. But what is government?

The Entrepreneurial State

Building Public as Power
 Social Policy
 By Walter Dill Scott
 (Oxford Univ. Press, 1984)

Government is what we need to make things happen. Government is what we need to make us bold. But what is government? Government is what we need to make things happen. Government is what we need to make us bold. But what is government?

Government is what we need to make things happen. Government is what we need to make us bold. But what is government?

Government is what we need to make things happen. Government is what we need to make us bold. But what is government?

Government is what we need to make things happen. Government is what we need to make us bold. But what is government?

Government is what we need to make things happen. Government is what we need to make us bold. But what is government?

Government is what we need to make things happen. Government is what we need to make us bold. But what is government?

Government is what we need to make things happen. Government is what we need to make us bold. But what is government?



**“It is indisputable
that most of Apple’s best technologies
exist because of the prior collective
and cumulative efforts driven by the State.”
- Mariana Mazzucato**

Early	Intermediate	Late
Basic/fundamental research	Applied research	Development
General knowledge	Mission oriented knowledge	Application of knowledge
Discovery	Invention	Innovation
Science	Engineering	Production

State / public sector

Corporations / private sector

The Entrepreneurial State

THE
ENTREPRENEURIAL
STATE



Debunking
Public vs. Private
Myths in Innovation




MARIANA MAZZUCATO

A Public Bank could support
community bank and direct financing
to targeted areas of economic development

12

100% Renewable Energy Region



100% RENEWABLE ENERGY

IS TECHNICALLY POSSIBLE, ECONOMICALLY ADVISABLE, SOCIALLY
IMPERATIVE AND ENVIRONMENTALLY INEVITABLE.

World Future Council

100%
RENEWABLES

100EE

100% Erneuerbare-Energie-Regionen

Stand: Juni 2010



Germany

73 RE Regions
60 Starter Regions
3 Urban Regions
22 million people



Could
B.C.
Become
a 100%
Renewable
Energy Region?

GO 100%
RENEWABLE ENERGY



BC Sustainable Energy
ASSOCIATION

New Jobs in...
Solar
Wind
Geothermal
Efficiency
Green Building
Building Retrofits
District Heat
Bioenergy
Transit
Cycling
Green Cities



New Jobs in...

Solar

Wind

Geothermal

**A Public Bank could support
community bank financing for
the clean energy economy**

District Heat

Bioenergy

Transit

Cycling

Green Cities




BC Sustainable Energy
ASSOCIATION

Saving Energy – Happy to be a HERO



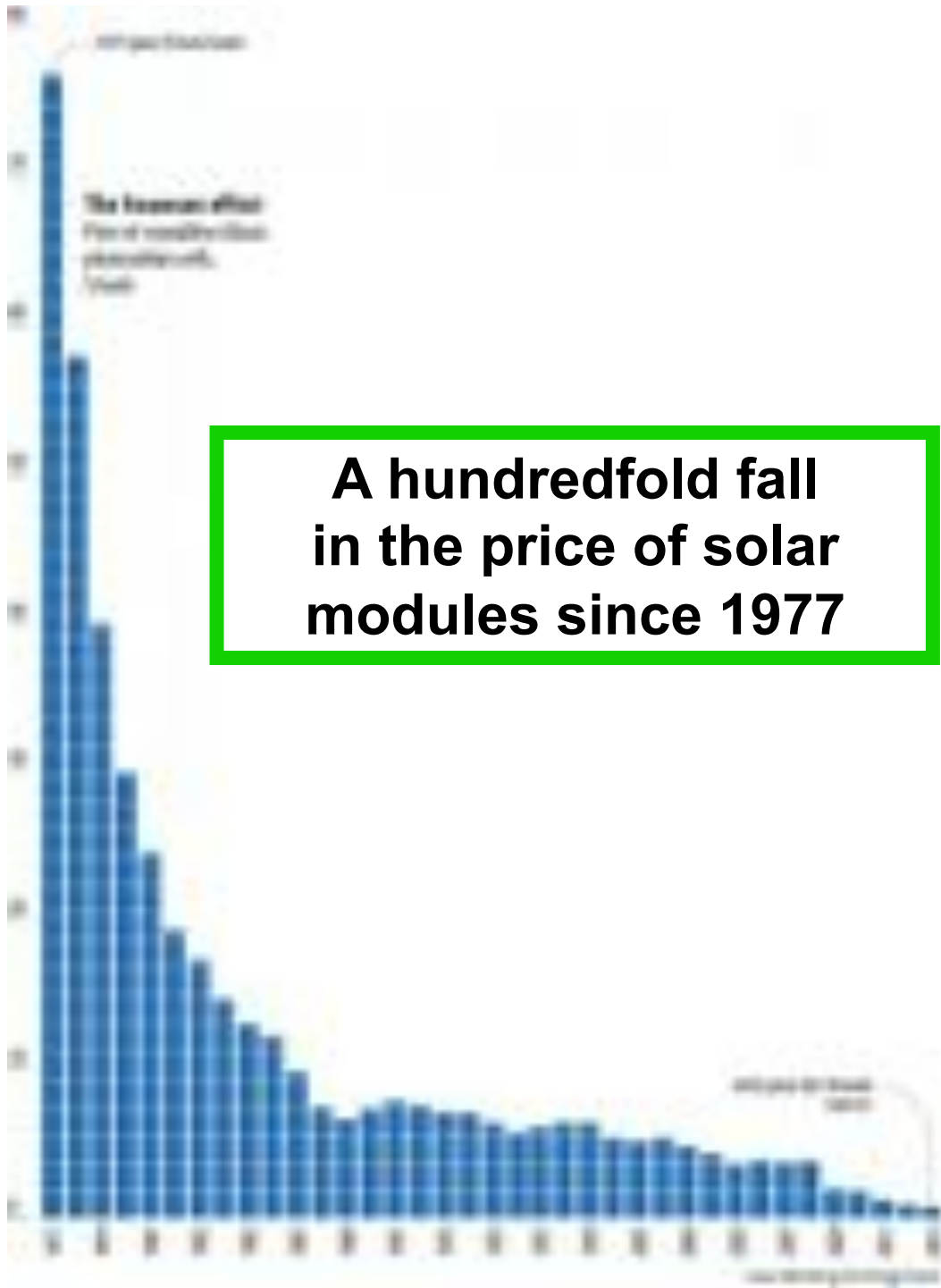
Up to \$1,000 for basement insulation

Saving Energy – Happy to be a HERO

A woman with dark hair, wearing a dark-colored shirt, is shown from the chest up, working on a wall. She appears to be installing or adjusting something, possibly insulation or a light fixture. The background shows a room with wood-paneled walls and a doorway. The image is slightly blurred, suggesting it might be a still from a video.

**A Public Bank could support
community bank financing for
home energy retrofits**

Up to \$1,000 for basement insulation



**A hundredfold fall
in the price of solar
modules since 1977**

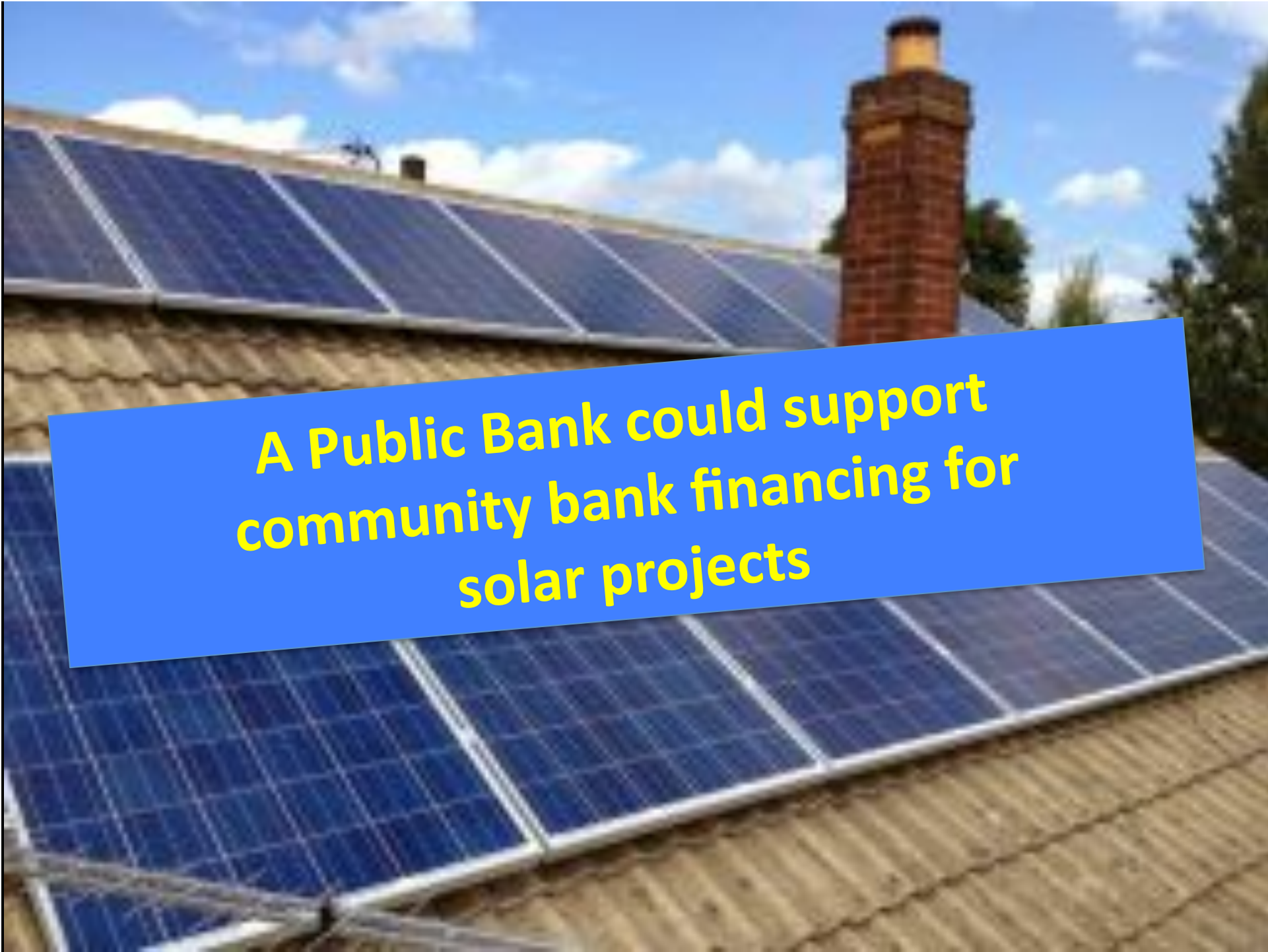
Price of Solar Modules per Watt

1977: \$77

1997: \$7

2013: \$0.7





**A Public Bank could support
community bank financing for
solar projects**

Number of jobs created for every \$1 million invested

OIL & GAS



CLEAN ENERGY (wind, solar, hydro and biomass)



Where do you want Canada to invest?

*Blue Green Canada, 2012, November 22.

More Bang For Our Buck: How Canada can create more jobs and less pollution.

MORE BANG FOR OUR BUCK

How Canada Can Create More
Energy Jobs and Less Pollution

BLUEGREEN
CANADA



and more about

Bikes created 655,000 jobs in Europe

Grist, November 2014

local business



Cyclists visit shops more often and spend more money than car drivers ¹.

Increased cycling in Philadelphia
=\$354,000 more daily purchasing power ²



Your Cycling Connection

economic contributions

The City of
Portland's

**A Public Bank could support
community bank financing for
cycling projects**

bicycle-related
activity, up 38% in
2 years



A Public Bank can lend money to Crown Corporations at a lower rate of interest



8

Inter-Business Cooperative Credit





WIR Bank, Switzerland. Founded 1934
***wirtschaftsring* = 'Community economic circle'**

Asset based electronic currency
62,000 members, \$3.5 billion assets

WIR Bank operates as a counter-cyclical influence whenever there is a downturn, and credit dries up.



FÜR GESCHÄFTSBEZIEHUNGEN
IM EURO-RAUM

**A Public Bank can increase
community bank financing and direct loans
during an economic downturn**

**Asset based electronic currency
62,000 members, \$3.5 billion assets**

**WIR Bank operates as a counter-cyclical influence whenever
there is a downturn, and credit dries up.**



**BANK OF NORTH DAKOTA OUTPERFORMS
WALL STREET!**

THE WALL STREET JOURNAL.

November 19, 2014

“The Bank of North Dakota is more profitable than Goldman Sachs, has a better credit rating than JP Morgan and Chase, and hasn’t seen profit growth drop since 2003.

...Return on equity, a measure of profitability, is 18.56%, about 70% higher than those at Goldman Sachs and J.P. Morgan. . .”

THE BANK OF NORTH DAKOTA



“If you are going to have a state-owned bank, you have to staff it with bankers. If you staff it with economic developers you are going to have a very short-lived, very expensive experiment. Economic developers have never seen a deal they didn’t like. We deal with that every day.”

- Eric Hardmeyer, BDN President and CEO

PUBLIC BANKING in AMERICA

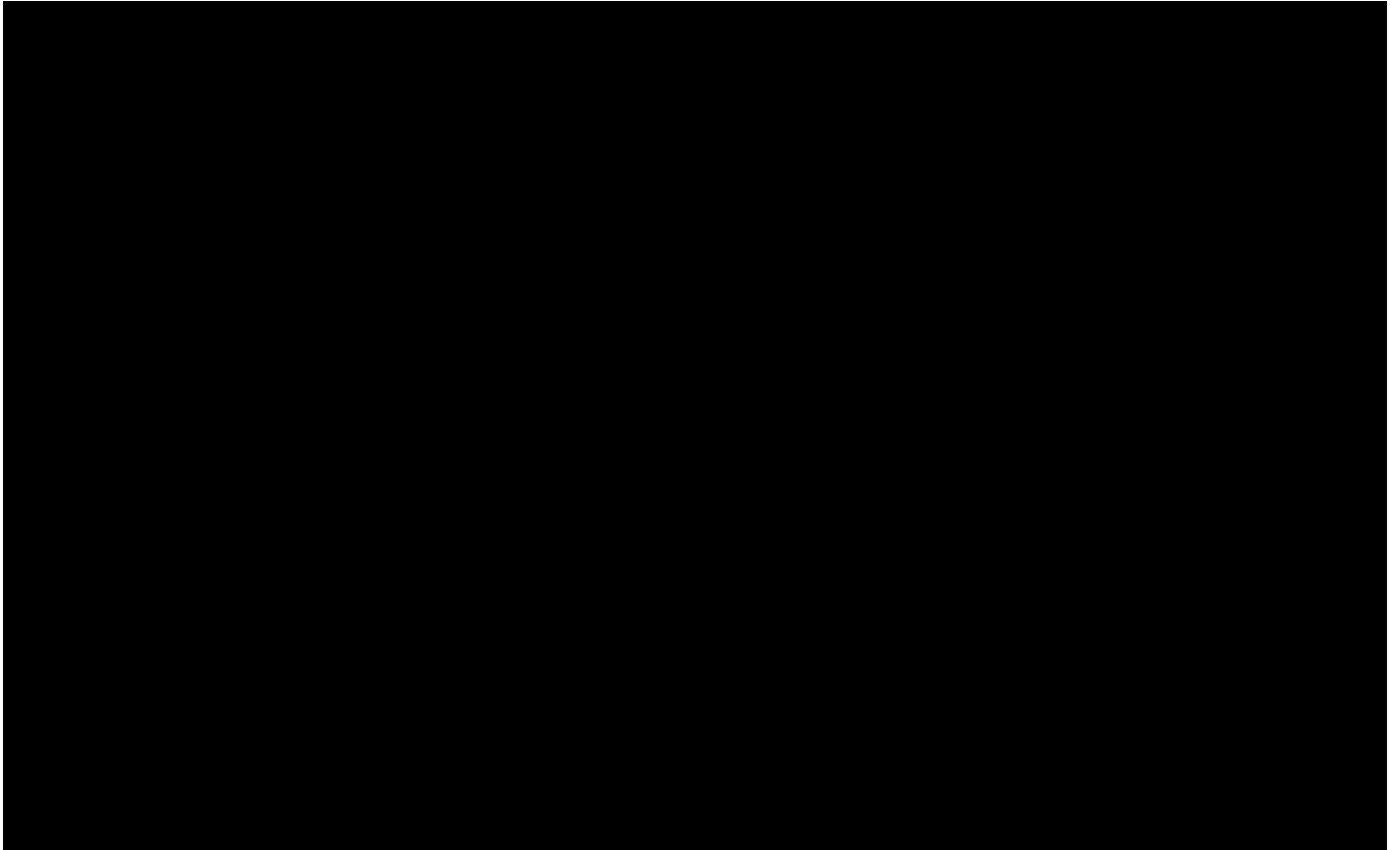


PHILADELPHIA
April 27-28, 2012

The Public Banking Revolution Since 2010



A Public Bank of British Columbia



A Public Bank of British Columbia

- **Store government and crown agency revenues**

A Public Bank of British Columbia

- Store government and crown agency revenues
- Create new money by the act of lending

A Public Bank of British Columbia

- Store government and crown agency revenues
- **Create new money by the act of lending**
- Save taxpayers up to 50% in interest costs on critical infrastructure like bridges, trains and schools

A Public Bank of British Columbia

- Store government and crown agency revenues
- **Create new money by the act of lending**
- Save taxpayers up to 50% in interest costs on critical infrastructure like bridges, trains and schools
- **Eliminate billions in bank fees and money management for cities and the province**

A Public Bank of British Columbia

- Store government and crown agency revenues
- **Create new money by the act of lending**
- Save taxpayers up to 50% in interest costs on critical infrastructure like bridges, trains and schools
- **Eliminate billions in bank fees and money management for cities and the province**
- Support community bank loans to **targeted areas of economic development**, including clean energy, building retrofits, zero-carbon communities, farms, First Nations projects, value-added forestry, hi-tech, community development corporations, small businesses, students.

A Public Bank of British Columbia

- Store government and crown agency revenues
- **Create new money by the act of lending**
- Save taxpayers up to 50% in interest costs on critical infrastructure like bridges, trains and schools
- **Eliminate billions in bank fees and money management for cities and the province**
- Support community bank loans to **targeted areas of economic development**, including clean energy, building retrofits, zero-carbon communities, farms, First Nations projects, value-added forestry, hi-tech, community development corporations, small businesses, students.
- **Provide counter-cyclical relief by issuing credit at low or zero cost to revitalize infrastructure and other services**



www.earthfuture.com