

PRINCIPLES FOR A NEW ECONOMY 2012

PREAMBLE

The purpose of an economic system is to organize human activities in ways that support healthy and resilient human communities and ecosystems for both present and future generations.

To achieve this purpose, deep, system-wide change to existing economic institutions is urgently needed to reverse conditions typical of contemporary global, regional, national and local economies that exhibit one or more of the following serious flaws:

- **UNSUSTAINABLE:** They over-consume and degrade the resources upon which their long-term prosperity depends.
- **UNFAIR:** They multiply financial advantages to those already advantaged at the expense of those most in need.
- **UNSTABLE:** They lack resilience in a time of growing volatility and rapid social, political, technological, and ecological change.
- **UNDEMOCRATIC:** They operate with inadequate democratic controls and accountability on the part of their most powerful organizations - corporations, financial institutions and governments.

At the root of these flaws is an implicit, dominant theory of economic purpose: namely to achieve continuous economic growth, as measured principally by GDP, by relying on “free markets” without regard to their negative impact on human and ecological well-being. At the core of a New Economy is the need to decouple the achievement of well-being from limitless economic growth by restructuring economies to:

- Fully realize individual potential through the advancement of human rights, including the right to fulfilling livelihoods, quality education, effective social safety nets, affordable nutritious food, clean water, secure health care, adequate shelter, and freedom from unjust persecution.
- Protect and nurture the richness and resilience of the natural world in ways that confront and rectify intensifying threats to humans and other species, including those associated with climate change, biodiversity loss, ecosystem degradation, and polluted air and water.

The following Principles are designed to guide the actions of all economic actors and organizations whose decisions and actions affect, or would be affected by, the transition to a New Economy.

PRINCIPLES

1. **MEASURING PROGRESS**- Economic progress shall be measured in terms of the well-being of all human societies, other living species, and ecosystems.
2. **RESPECTING NATURAL LIMITS**- The economy shall draw from, and inject into, ecosystems only what is compatible with maintaining a healthy and resilient natural world over the long run.
3. **DEMOCRATIZING THE ECONOMY** - All institutions that manage, regulate and execute economic activity, including private corporations, shall be democratically controlled by all affected stakeholders in order to serve long-term societal goals.
4. **ENSURING ECONOMIC PROGRESS** - Governments, on their own and in conjunction with private markets, shall work to ensure prosperous and resilient economic outcomes by making adequate investments in health, education, nutrition, shelter, physical infrastructure, and technology.
5. **LOCALIZING CONTROL** - Economic policy shall favor subsidiarity, i.e. the localization of economic decision-making and control to the greatest extent possible consistent with democracy, equity, efficiency, and resilience.
6. **TAMING FINANCE** - All monetary systems and financial institutions shall be regulated as essential public utilities for the benefit of society as a whole, and for nurturing the “real” economy.
7. **ENHANCING FAIRNESS** - Significant economic inequality shall be understood to be inherently and profoundly antithetical to achieving human and ecological well-being, and shall be rapidly reduced.
8. **PROVIDING FULFILLING LIVELIHOODS** - Individuals shall be ensured of substantial opportunities for decent paid work, employee ownership, and the right to organize in the workplace, and shall be accorded proper recognition for work performed outside the formal wage economy owing to its fundamental role in enriching community and family well-being.
9. **FOSTERING NEW VALUES** - Economic values shall be redirected, by all fair and reasonable means, away from excessive materialism and shifted toward values that prioritize flourishing communities, individual happiness, and a healthy and resilient natural world based on lower material flows.
10. **REDEFINING GLOBALIZATION**- International economic relations shall rest upon the same principles enumerated above that apply to economic activities within nations, such that economic justice also becomes embedded in such relations

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