Take Back the Economy

An Ethical Guide for Transforming Our Communities

Chapter 1

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Reframing the Economy, Reframing Ourselves

WHAT *IS* THE ECONOMY?

If we are to believe the evening TV news, our lives are dictated by the state of the economy. Our fortunes rest with how well governments manage the economy and how much scope businesses are given to grow the economy. Economists have become the soothsayers of the modern world, predicting what will happen as interest rates rise and fall, currencies are valued and devalued, and export and domestic markets expand and contract. The economy, it seems, is an ordered machine that governs our lives.

It's even a machine whose interactions have been captured in working models. At the end of the nineteenth century, Irving Fisher designed and constructed a mechanical model of the economy using a system of water tanks, levers, valves, and pipes. By adjusting the spigots and water levels he could model the impact of economic changes, including falling or rising consumer demand and increased or decreased money flow.

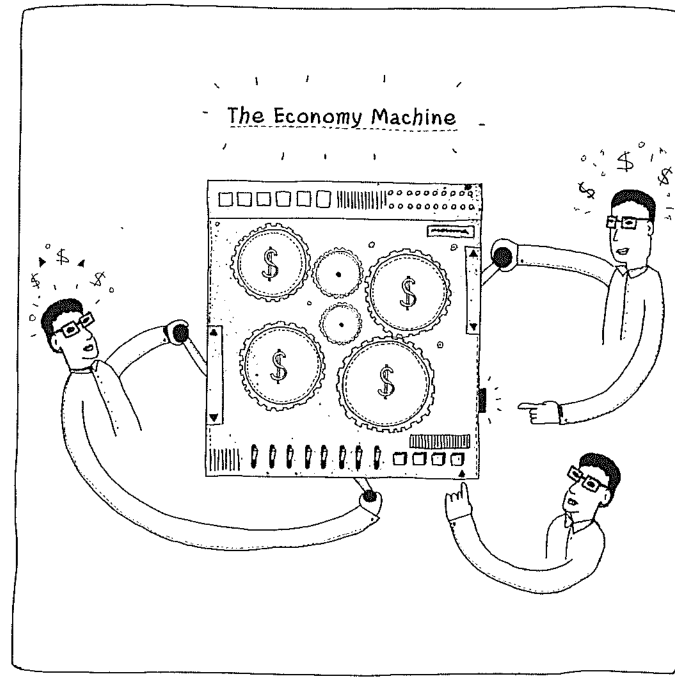
Since then, economists have continued to tinker with machines and models to demonstrate the mechanics of economic interaction. One of the most famous machines was built by New Zealand economist Bill Phillips (of Phillips curve fame) in 1949.[1] The Monetary National Income Analogue Computer, or MONIAC, made its debut at the London School of Economics. Long before computer simulations could do it mathematically, the machine used water to mimic how money flowed through the British economy. By closing valves and pulling levers, the god-economist-operator could see the impact of interventions such as raising or lowering interest rates. Around fourteen copies of the machine were built and sold to institutions that included Harvard, Cambridge, and Oxford Universities; Ford Motor Company; and the Central Bank of Guatemala.

This image of the economy as a machine has prevailed throughout the twentieth century. The major actors are business entrepreneurs and investors who make products, profits, and wealth; the banks that adjust interest rates; and governments that slow down or hasten growth by exacting and spending tax revenues. Everyday people are included as income earners and consumers—generators of demand with appetites that need to be satisfied.

The machine is seen to operate best if it is largely left to its own devices. Interventions by concerned citizens, unions, environmentalists, and even governments pose a threat to its smooth and well-oiled operations. Importantly, these types of interferences are thought to jeopardize the growth mantra that drives this machine to greater and greater outputs.

The image of the economy as a machine has been so robust that even at the beginning of the twenty-first century, economists such as Jeffrey Sachs merrily declare, "The wonderful thing about markets is they self-organise. You don't really have to do very much. You turn a couple of dials and the whole national economy changes. . . . You can sit in a finance ministry or a central bank and make tremendous progress for a whole economy."[2]

Notice Sachs's confidence that progress automatically flows if the machine is minimally guided by an economist-operator. But is this confidence well founded? Increasing numbers of people have grave concerns about how this machine economy operates. It has a voracious and unsatisfiable appetite for natural resources. It is largely oblivious to the consequences of industrial production as it pumps out greenhouse gas emissions and other environmental pollutants that destroy the health of our ecological commons. It pays no regard to the widening gap between those with excessive material wealth and those with so little that bare survival is difficult. And it appears to have no way of regulating the destructive greed and gambler habits of its financiers—those tasked



with oiling and priming its key valves and spigots. For all the ease with which Fisher, Phillips, and Sachs might claim to be able to manipulate and adjust their levers and dials for the greater good, these intractable problems remain.

The more we go along with the idea that the economy is an engine that must be fueled by growth, the more we are locked into imagining ourselves as individual cogs—economic actors *only* if we work to consume. But there are many other ways that we contribute economically.

Clearly we do not live in a machine that is controlled by turning dials and adjusting valves. But there is work to do to fully reject the idea that the economy is a machine and recognize that it has no existence apart from us and the wider world we inhabit. This work is what we call reframing.

Reframing involves imagining the economy differently. It means taking notice of *all* the things we do to ensure the material functioning and well-being of our households, communities, and nations. It means finding ways of framing the economy that can reflect this wider reality. In such a reframed economy we might imagine ourselves as economic actors on many different stages—and as actors who can reshape our economies so that environmental and social well-being, not just material output, are addressed.

Across the globe, people are reframing the economy and their role in it in all sorts of ways. They are reframing growth by divorcing it from increased spending (or Gross Domestic Product) and linking it more directly to social and environmental well-being, using tools such as the Genuine Progress Indicator (GPI), the survey of Gross National Happiness, and the Happy Planet Index.[3] They are reframing the boundaries of the economy, showing that the value of products and services produced in homes and communities is comparable to what is produced in paid workplaces.[4]

This book gives examples of only some of these reframing actions. Our intention is to highlight the difference that reframing makes and what emerges when people take economic matters into their own hands. In this chapter we start with just two examples—the first involving one individual in the United States, the second involving thousands of women in India.

FASHIONING DIFFERENT FUTURES

In 2009, after ten years in the advertising industry in New York City, Sheena Matheiken decided to "reboot" her life and give something back to India, where she had been brought up.[5] She decided to do this in a way that was creative and engaging and that was based on transforming a simple daily routine. She pledged to wear one dress (actually seven copies of the same dress) every day of the year. A friend designed a reversible black cotton tunic modeled on one of her favorite dresses. And Sheena jazzed up this one black dress each day without buying anything new. Her challenge was to use only handmade or secondhand accessories gathered from thrift stores or donated as gifts. The Uniform Project™ was born.

For each of 365 days Sheena posted a photo of her "new outfit" on the Internet and donated US$1 to the Akanksha Foundation, a nonprofit organization providing educational opportunities for children from poor households (in a country where thirteen million children don't have access to an education). Soon she gathered a legion of supporters and had attracted the attention of a somewhat alarmed fashion industry. By the end of the year she had raised over US$100,000 for Akanksha, helped over three hundred children gain access to education, received donations of a bizarre range of accessories, and been named one of *Elle* magazine's Women of the Year for 2009.

There's a renewed sense of possibility, collectively our individual actions car have macro impact. Everyday people can have real impact in the world.

Sheena Matheiken,
TEDxDubai 2010

The Uniform Project™ recognizes that what we wear is an important aspect of our identity. Our clothes shape how we feel about ourselves and how we are treated by others. But the very human desire to look good, to feel both different and "in," feeds an environmentally voracious form of economic growth.[6] As we raise and lower our hems and switch high-waisted pants for low riders, double-breasted for single-button business suits, or platform shoes for Cinderella pumps, it's hard not to feel like pawns in a huge conspiracy to get us to consume, discard, consume, discard. The volume of unworn clothes in our wardrobes speaks heaps about our fickleness and disregard for the environmental impact of our actions.

Sheena's initiative shows another way forward. We don't need to be blind consumers to contribute to the economy. By participating in economic activities such as recycling and reusing, we can reduce our ecological footprint and avoid feeding a fashion industry that exploits workers. And we can improve the educational opportunities of Indian children directly through people-to-people economic connections. Using her flair and creativity, Sheena is refashioning fashion and reframing what it means to be part of an economy.

While Sheena is reducing her involvement with the global fashion industry (and encouraging others to do likewise through the ongoing Uniform Project™), thousands of poor Indian women are increasing their engagement with it via the SEWA Trade Facilitation Centre (STFC).[7] STFC was launched by SEWA (the Self-Employed Women's

Association), an extraordinary union of self-employed informal-sector workers in India. Since 1972 SEWA has been reframing poor women as economic actors who can command respect from their families, peers—and, most importantly, themselves—as well as police, city officials, politicians, and policy makers.

With 93 percent of the Indian labor force working in informal-sector jobs, unprotected by progressive labor laws, there is little opportunity for the vast majority of workers to share in the benefits of national economic growth. SEWA's membership, of over 1.2 million across seven states, has taken their economic destiny into their own hands, organizing hundreds of producer and marketing cooperatives, a cooperative bank, health care and child care services, a housing trust, training centers, and now STFC, a not-for-profit craft business.

STFC is based in rural Northern Gujarat, where conditions are harsh, drought is frequent, and families must regularly migrate from their villages to find food and work. Women wear clothing beautifully embroidered in traditional designs—even their bullocks sport colorfully embroidered covers. Today, thanks to SEWA's reframing and organizing activities, Gujarat women's embroidery adorns fashion garments worn in London, New York, and Sydney, and fifteen thousand families in northern India are well on the way to accessing a stable income. Gujarat women may think that black is an ugly color to wear, but they now bow to the market advice that New York women won't wear anything else and incorporate this new "color" into their designs.

As they embroider cloth for an international fashion market, the artisans are assured that 65 percent of the proceeds of any sale will return to them via STFC. This not-for-profit company in which they are the suppliers, managers, and shareholders cannot pay individual dividends. Instead, all surplus returns to the company to increase wage payments for the fifteen thousand artisan members and to expand the company's productive capacity.

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For Sheena and SEWA, reframing is a prelude

to claiming a space in the economy in a new way. Sheena reframes the faddish fashion industry as a realm in which a commitment to reduced consumption and increased people-to-people connection can be practiced. SEWA reframes poor women artisans as skilled producers and shareholders in a company with a global reach, market savvy, and operational principles of social justice. Each is pursuing a pathway toward building a better world. In so doing, Sheena and SEWA are taking back the economy as a space of ethical decision making.

The stories of Sheena and SEWA are not without their contradictions. One woman is advocating reduced consumption of new clothes while thousands of other women in a very different location are banking on marketing their brand to well-heeled global consumers. Here we see in microcosm one of the biggest challenges of our times—how to take back the economy for people and the planet without resorting to a one-size-fits-all approach.

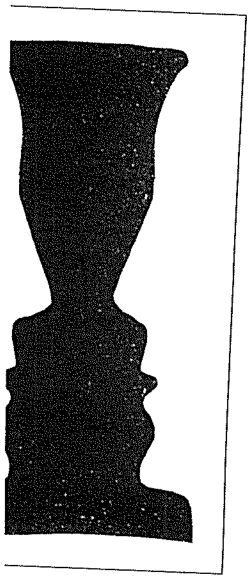
Clearly, there are no simple answers. We must approach each effort to reclaim the economy with open and curious minds, feeling hearts, and an orientation toward the experimental rather than the programmatic. Let's not rush too quickly toward the big picture and the big judgments.

Is there a way of addressing the challenges without thinking there is one truly best pathway forward? If the economy is not a machine that operates in a predictable way, we can't set a course and expect that things will systematically unfold. And if our earth is not a bottomless resource pit, we can't keep feeding it to a machine to be gobbled up and spewed out. We must find other metaphors, other frames of meaning, that inspire new ways of being and acting.

REFRAMING: A KEY CONCERN OF A COMMUNITY ECONOMY

Reframing starts with seeing something familiar in new terms. Think of the drawing that can look like a duck or a rabbit or the profile that can appear to be two heads or a vase. Reframing can achieve what's called a figure/ground shift and produce very different understandings that can lead to previously unthinkable actions.

Reframing the economy is a critical step in building community economies. By seeing the economy not as a machine but as the day-today processes that we all engage in as we go about securing what we need to materially function, it's clear that the economy is created by the actions we take. People are creating community economies based on ethical decisions to live well with other humans and with the world around them. Sheena is creating a community economy by acting on her recognition of the destructive environmental impact of the fashion industry and her desire to advance educational opportunities in a context in which too many miss out. The STFC is creating a community economy by acting on a commitment to the power of women to collectively act as economic decision makers and by providing opportunities for them to secure material well-being for their desperately poor families.



The practice of reframing is central to social and political transformation. Centuries ago, abolitionists fought to end the slave trade and slavery in general. Key to the campaign was the reframing of slaves as fellow humans who experienced unimaginable physical and psychic suffering as they were ripped from their families and communities, transported in chains across the seas, sold at auction like animals, and literally worked to death on plantations. The rhetorical question "Am I not a man and a brother?" may have ignored the slavery of women, but this reframing of slaves as human became a catchphrase that was taken up on both sides of the North Atlantic and helped to build widespread public support for the abolition movement. The catchphrase and the accompanying image of a kneeling slave even became a fashion item adorning everything from men's snuffboxes and women's bracelets to domestic crockery.

Social and political change might start with a handful of concerned citizens, but, through a process of reframing, familiar understandings are shifted and new norms of thinking and acting emerge (often supported by government legislation). Indeed, it is hard to think of a contemporary social and political transformation that has not used the strategy of reframing. Smoking, for example, has been reframed against the continued opposition of the powerful tobacco industry. Where once images of healthy outdoor characters, whether rugged North American cowboys or glamorous European skiers, adorned cigarette packs, now there are more likely to be images of diseased lungs or rotting teeth and gums (as increasingly required by government legislation across the globe).[8]

Fashion, which usually confines itself to worthle things, was seen for once in the honorable office of promoting the cause of justice, humanity, and freedom.

Thomas Clarkson, 1808, *The History of the Rise, Progress, and Accomplishment of the Abolition of the African Slave-Tra*

And new reframings are continually emerging. One that we use throughout this book is a recent reframing of the world's nations. We are all familiar with the idea of first and third worlds or of "developed," "underdeveloped," or "less developed" countries (LDCs). The effect of these names is to highlight what most countries of the world apparently lack ("development") and celebrate the sort of progress only a very small number of nations have achieved (with considerable negative consequences for the environment and for people in other parts of the world).

In the early 1990s, Bangladeshi photographer Shahidul Alam proposed a different terminology that has become widely adopted—that of majority (and minority) worlds.[9] Rather than representing the majority of humankind in terms of what they lack, Alam suggested that we replace the terms "third world" and "LDCs" with the less judgmental, more descriptive term "majority world." In this categorization, "minority world" refers to that fraction of humankind that is relatively well off. This reframing is a ready reminder of the responsibility that comes with being part of the minority world—that one billion of the world's seven billion people who live in countries where per capita income is more than US$12,195 *per year.*[10]

When it comes to "the economy," reframing has been an important strategy used by working people since the Industrial Revolution. Rather than going along with the image of an efficient but soulless machine, many political movements have framed the economy as a vast arena of combat among workers, employers, and the state. In this framing the economy becomes a battleground in which competing forces wrestle for their piece of the economic pie, making alliances and compromises along the way to achieve their goals or engaging in outright warfare in an effort to command the heights of the economic landscape.

The economic actor in this economy is a member of either the working class or the capitalist class, or some fraction of either, and his or her actions are channeled into class struggle. This framing of the economy, though no longer enjoying the currency it once had, has undoubtedly been influential over the course of the past two hundred years. It has inspired socialist revolutions and union movements (and, more recently, the Occupy Wall Street movement) that have also aimed to take back the economy for people and the planet.

The reframing we offer in this book takes its inspiration from this history of economic reframing but offers a very different picture. Our interest is in creating community economies by opening up the economy to the wide diversity of practices that contribute to social, material, and environmental well-being. If we want to take back the economy as a space of ethical decision making not only at the shop counter or at the barricades, we need to draw on a different framing device.

THE ECONOMY AS AN ICEBERG

Our first step toward reframing represents the economy as an iceberg. Above the waterline are the economic activities that are visible in mainstream economic accounts. These are the sorts of activities that are regularly reported on the evening news and that are seen as making up a "capitalist" economy. Below the waterline is a range of people, places, and activities that contribute to our well-being. If we do hear about them on the evening news or read about them in the newspaper, they're likely to be portrayed in novelty or human-interest items, not in pieces on core economic activities.

The iceberg can be used to make an inventory of all the economic practices an individual is involved in, or it can be used to record the economic activities taking place in a community, region, or nation. The iceberg presents a different understanding of what constitutes the economy. Some people think of capitalism as interchangeable with the notion of economy. We don't. We use the idea of an iceberg economy to acknowledge the economic diversity that abounds in this world. The

iceberg also allows us to explore interrelationships that cannot be captured by mechanical market feedback loops or the victories and defeats of class struggle. Once we include what is hidden below the waterline—and possibly keeping us afloat as a society—we expand our prospects for taking back the economy. We potentially multiply the opportunities for ethical actions.

Embroidering in Northern Gujarat was an unpaid activity that women did in their households until SEWA recognized its potential to help secure livelihoods for the embroiderers and their families. SEWA and the embroiderers are now engaged in a whole new array of ethically driven economic decisions. Without forsaking its commitment to maximizing members' participation and benefits, SEWA has established an internationally competitive company (STFC). The artisan embroiderers assist others in their area to join SEWA and become shareholders in STFC. In so doing, they learn about making commercial decisions in a cooperative context with other shareholders. Artisan embroidery, once hidden beneath the waterline of the economic iceberg, has become an activity that has introduced new economic arenas and new economic practices into women's daily lives.

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liben Jivabhai Rava,
oroidery artisan,
ra Village, Gujarat

Sheena's daily routine, on the other hand, is drawing on economic arenas and practices not usually associated with the world of fashion. She is engaging with activities that largely occur below the waterline, such as reusing, recycling, donating, buying from thrift stores, and making things by hand. Sheena is showing how these activities can help create a fashion world that takes into account environmental and social consequences.

Reframing the economy through the iceberg is a first, somewhat chaotic step toward sorting out in a more systematic way the diverse economic practices we have to work with. If we are going to take back the economy "any time, any place," we need to know what we are starting with. The diverse economy offers a template for a more comprehensive inventory.

Each column in the diverse economy figure represents a different aspect of the economy—labor practices, business enterprises, transactions of goods and services, property ownership, and finance. Each column is divided into cells that relate to the iceberg economy. The top cells refer to those economic activities that are usually above the waterline (and recognized in the mainstream framing of the economy as a machine). The bottom cells refer to those economic activities that are usually under the waterline, hidden and generally unrecognized as making an economic contribution. In the middle cells are activities that are like the mainstream activities but involve an alternative element. For example, alternative paid labor includes arrangements in which workers are paid not in cash but in kind, with goods or services. Alternative capitalist enterprises include businesses driven not by the goal of turning a profit but by a commitment to producing social or environmental well-being.

THE DIVERSE ECONOMY

LABOR	ENTERPRISE	TRANSACTIONS	PROPERTY	FINANC
Wage	Capitalist	Market	Private	Mainstre. Market
Alternative Paid	Alternative Capitalist	Alternative Market	Alternative Private	Alternati Market
Unpaid	Noncapitalist	Nonmarket	Open Access	Nonmark

Unlike the machine economy, this diverse economy makes no presumptions about predictable relationships between economic activities. Nor does it categorize people into classes according to their economic involvements. It is a reframing that highlights diversity and multiplicity. People participate in many different activities across the diverse economy. They are economic actors on many fronts.

Similarly, sectors of industry are comprised of a range of diverse economic activities. For example, in the diverse economy of fashion shown in the nearby figure, there are a host of economic activities (including Sheena's open-access online blogging about the Uniform Project™) and economic entities (including STFC, an alternative not-for-profit company in which the embroiderers are shareholders).

The diversity that already exists, and that we are all part of, is the basis for building community economies. The diverse economy helps reveal the economic activities that might be strengthened and developed in order to take back the economy for people and the planet.

THE DIFFERENCE REFRAMING MAKES

Each chapter of this book takes one column from the diverse economy figure and explores it from the perspective of *community economies*—economies in which ethical negotiations around our interdependence with each other and the environment are put center stage.

There are no simple answers to the dilemmas that we overviewed in the Introduction—dilemmas as to how to survive well, how to distribute surplus, how to encounter others as we seek to survive well, what and how to consume, how to care for our commons now and into the

ACTORS AND ACTIONS IN A DIVERSE ECONOMY OF FASHION

LABOR	ENTERPRISE	TRANSACTIONS	PROPERTY	FINANCE
Wage • Low-wage workers in a clothing factory in Costa Rica • Salaried sales manager in a clothing retailer in Hong Kong	**Capitalist** • Large clothing manufacturer operating across Southeast Asia • Small clothing retailer in London that employs ten staff	**Market** • Retail outlets in shopping malls, airports, and main streets across the United States • International mail-order and online sales by prêt-à-porter labels based in the United States	**Private** • Trademarked labels and designs of fashion houses in Paris	**Mainstream Market** • Bank finance for expansion of Canadian retail chain into the United States
Alternative Paid • Self-employed fashion designer in New Zealand • Home-based piece worker in Honduras	**Alternative Capitalist** • Organic cotton company that uses no herbicides or pesticides • STFC not-for-profit company in which the embroiderers are shareholders	**Alternative Market** • Thrift shops run by charities • Online sales by individuals • Mitumba (second-hand clothing) markets in Tanzania	**Alternative Private** • Clothing shared between siblings in a household	**Alternative Market** • Microfinance loan to a woman in Bangladesh to buy a sewing machine
Unpaid • Householder sewing clothes for self and family members • Friends helping each other sort out their clothing wardrobes	**Noncapitalist** • Cooperative of machinists in Argentina	**Nonmarket** • Parents giving baby clothes for best friend's new baby • Family donating winter clothes to an international charity working in an earthquake-affected area	**Open Access** • Sheena's online blog that describes how different fashion looks have been put together	**Nonmarket** • Loan from family members to help start a small fashion business

future, and how to store and use savings and surplus so that we and all other species continue to have a life on this planet.

In the chapters of this book we foreground people who are negotiating the challenges of living well together. Like Sheena and SEWA, they want to make a difference. The decisions they make and the actions they take may not always be to our liking; we may think the trade-offs involved are insufficient for the task at hand. But these are our fellow travelers. They are also resisting the idea that there is a machine economy that dictates our actions and positions us as self-contained economic units. Instead, they are reaching out and connecting with people from different economic and geographic locations; they are taking seriously the economic work that needs to be done to redress environmental harms. Like hundreds of thousands across the globe, these are the people who can teach us by opening up new worlds of possibility.