

**Why Wall Street Can't Be Fixed
and How to Replace It**



AGENDA FOR A NEW ECONOMY

From PHANTOM WEALTH
to **REAL WEALTH**

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DISCUSSION GUIDE

CHANGING OUR STORY

“Each [great social movement of our time] began with a conversation among a small group of people that rapidly expanded and ultimately challenged a false story that justified the particular oppression the movement sought to end. As the story changed, so too did history. It was accomplished through conversations that built a social consensus around a new story, and through actions that created a new reality and gave concrete expression to the benefits of a different way of doing things.”

—David Korten

Notes to Facilitators

INTRODUCTION

Thank you for your decision to organize a discussion group based on *Agenda for a New Economy: From Phantom Wealth to Real Wealth*. In the Preface, David Korten addresses the book “to people who want to deepen their understanding of why things are going so badly wrong economically, socially, and environmentally and who are looking for real solutions that go beyond putting temporary patches on failed institutions.” He invites us to learn about the upstream, systemic causes of the current economic collapse, explore our own stories, and engage with each other to build a path forward to a healthy, positive alternative.

One of the reasons, we’ve found, that “Agenda” resonates so deeply with readers is that David’s response to the economic crisis, as well as the insights, concepts, and alternatives he articulates so clearly, are inherently familiar to us – he is, in essence, reflecting what we already know.

A major intention of this guide is to provide opportunities to practice the art of telling our stories, expressing our ideas, and asking the tough questions of ourselves and each other.

This Book Study Guide is a framework for conversations that will become the seedbeds for a new story about “the world we want” and the acceleration of a much needed transformation of our entire economic system.

Deep gratitude to Neva Welton for her contributions to the development and design of this Guide, and to Marcia Meyers, Jared Gardner, Michael Greenman, and Bill Scarvie for generously sharing their insights and suggestions.

STUDY GUIDE FORMAT

There are many ways to facilitate a deeper discussion of the ideas presented in *Agenda for a New Economy*; some groups will prefer a series of discussions and others will choose a workshop, or a single, open and unstructured conversation circle.

This Study Guide offers a four-session, two-hour series of discussions, aligned with the four parts of the book. Each session includes a synopsis of the major ideas within the chapters and discussion questions. Some questions are intended to explore understanding of the concepts put forth in the book, and others are intended to invite reflection, draw on participants’ experiences and evoke personal stories.

We encourage local groups to adapt and adjust this guide to best meet their needs, and if you prefer, to develop questions that will produce the most stimulating discussion. Should you wish to include an audio/video presentation as part of a session, resources/links are included at the end of this guide.

ROLE OF THE FACILITATOR

We recommend that two or three people share the responsibility for advance preparations and logistics, adapting the Guide, and setting up the meeting space. We also encourage a team approach to meeting facilitation to practice and demonstrate cooperative, shared leadership.

- **Be the timekeeper. Start and end on time.**
- **Make sure ground rules for discussion are respected.**
- **Make sure everyone has a chance to talk.**
- **Don’t allow anyone to monopolize the discussion.**

SESSION FORMAT

This guide makes room for many possible approaches. Depending on the size of your group, you may decide to use some or all of the questions with the whole group or break into small groups or dyads. (Some of the more introspective questions might draw deeper expression in small groups or dyads.)

FIRST MEETING

In order to set a welcoming tone and create a safe place for rich, open dialogue, we suggest your first meeting include introductions and a presentation of the ground rules.

Introductions: Allow enough time for participants to share something about themselves, e.g., Where were you born, and what is your family's country of origin? What do you cherish about your family's heritage? Allow one or two minutes per person, depending on the size of your group.

Ground Rules: Ask for agreement on these or similar ground rules for conversation, adapted from Conversation Café. It may be helpful to write the ground rules on easel paper or white board to display at each session.

- Listen to and respect all points of view.
- Suspend judgment or the expression of judgment - as best you can.
- Seek to understand rather than persuade.
- Question old assumptions, look for new insights.
- Speak for yourself about what has personal heart and meaning.
- Go for honesty and depth but don't go on and on.

ALL SESSIONS

Here is an example of how you might structure your time in each session:

Opening ritual (5 minutes): The ritual could be a few minutes of silence and/or a candle-lighting ceremony to honor the space you occupy and help participants become fully present.

Whole Group Discussion (45 minutes): Remind everyone of the group's agreement on ground rules. Select a few questions from the list provided to discuss as a large group. Your discussion can be conducted as a back and forth dialogue or by going around the circle for each person to express their ideas while others listen. You can also go "pop-corn" style, which allows people to speak when they are ready.

Dyad or Small Group Discussions (45 minutes): Dyads and small groups often feel safer for personal reflection, introspection and intimate sharing of personal stories. Ask the group to break into pairs or small groups of three to five, choosing different partners/groups each session. You might want to explore more deeply some of the questions the whole group discussed, select questions from the list below that are more personal in nature, or invite the small groups/dyads to choose questions that particularly resonate with them. In dyads, we suggest that this time not be for dialogue, but instead as a time of focused listening; allow at least five minutes per person, per question.

Debrief (20 minutes): As a whole group, use this time to invite participants to share what they learned from the discussion – new insights, "aha" moments, more questions to consider, etc.

Closing (5 minutes): End by sharing words of appreciation and closing the ritual you used at the beginning, e.g., a few minutes of silence and/or blowing out the candle.

Note: Consider playing (and singing and dancing to) Raffi's "No Wall Too Tall," recorded for the launch of "Agenda," before and/or after sessions – www.raffinews.com/feature/no-wall-too-tall.



PART I: The Case for a New Economy

Summary

Session One

If we look upstream for the ultimate cause of the economic crisis that is tearing so many lives apart, we find an illusion: the belief that money—a mere number created with a simple accounting entry that has no reality outside the human mind—is wealth. Because money represents a claim on so many things essential to our survival and well-being, we easily slip into evaluating economic performance in terms of the rate of financial return to money, essentially the rate at which money is growing, rather than by the economy’s contribution to the long-term well-being of people and nature.

We can trace each of the major failures of our economic system to the misperception of money as wealth: the boom-and-bust cycles; the decimation of the middle class; families forced to choose between paying the rent, putting food on the table, and caring for their children; the decline of community life; and the wanton destruction of nature.

Once the belief that money is wealth is implanted firmly in the mind, it is easy to accept the idea that money is a storehouse of value rather than simply a storehouse of expectations, and that “making money” is the equivalent of “creating wealth.” Because Wall Street makes money in breathtaking quantities, we have allowed it to assume control of the whole economy—and therein lies the source of our problem.

Financial collapse pulled away the curtain on the Wall Street alchemists to reveal an illusion factory that paid its managers outrageous sums for creating phantom wealth unrelated to the production of anything of real value. They were merely creating claims on the real wealth created by others—a form of theft.

Spending trillions of dollars trying to fix Wall Street is a fool’s errand. Our hope lies not with the Wall Street phantom-wealth machine, but rather with the real-world economy of Main Street, where people engage in the production and exchange of real goods and services to meet the real needs of their children, families,

and communities, and where they have a natural interest in maintaining the health and vitality of their natural environment.

Ironically, it turns out that the solution to a failed capitalist economy is a real-market economy much in line with the true vision of Adam Smith. Building a new real-wealth economy on the foundation of the Main Street economy will require far more than adjustments at the margins. It will require a complete bottom-to-top redesign of our economic assumptions, values, and institutions.

CHAPTER SUMMARIES

CHAPTER 1

“**Looking Upstream**,” spells out what it means to treat causes rather than symptoms and why getting our assumptions right is important.

CHAPTER 2

“**Modern Alchemists and the Sport of Money-making**,” looks at the reality behind Wall Street’s illusions and the variety of its methods for making money without the exertion of creating anything of real value in return.

CHAPTER 3

“**A Real-Market Alternative**,” contrasts the Wall Street and Main Street economies and puts to rest the fallacy that the only alternative to rule by Wall Street capitalists is rule by communist bureaucrats.

CHAPTER 4

“**More Than Tinkering at the Margins**,” spells out why the “adjustment at the margins” approach favored by establishment interests cannot stabilize the economy, reduce economic inequality, or prevent environmental collapse.

PART I: The Case for a New Economy

Questions

Session One

What did you find particularly compelling or provocative about these chapters of Agenda?

The economic crisis didn't happen overnight; with 20/20 hindsight, what were the warning signs, and why did it take so long to release the public outrage over the deceit, corruption, and excesses of the Wall Street financial machine?

What words would you use to best describe the root cause(s) of our economic problems?

What are the consequences, for the US, for communities and for everyday Americans, of policies that continue to pour billions of dollars into treating the symptoms rather than addressing the root causes of the failure?

How does the prevailing belief that "money is wealth" play out in daily life for ordinary Americans?

How do mainstream Americans formulate their beliefs regarding what constitutes a healthy economic system?

On the Table that contrasts the differences between Wall Street capitalism and a Main Street market economy (Page 33 of Agenda), where do you feel drawn to the Wall Street approach, and to which elements would you give highest priority for major transformation?

What confidence do you have that transformation is possible? What needs to happen, at local, national, and global levels, to turn the tide?

Besides GDP, what indicators or indices are used in the mainstream media to portray the "health" or strength of the economy? What alternative measurements would reflect the true health of people and the planet?

What evidence of "phantom wealth" do you see in your community? What evidence of "real wealth?"

In what ways do you directly or indirectly rely on Wall Street? In what ways do these connections create contradictions in your value system? What can you do to reduce your dependence on Wall Street?

How have the credit, mortgage, and/or investment crises touched you and your circle of friends and family? What personal adjustments have been needed? What are the long-term implications?

PART II: The Case for Eliminating Wall Street

Summary

Session Two

Efforts to fix Wall Street miss an important point. It can't be fixed. It is corrupt beyond repair, and we cannot afford it. Moreover, because the essential functions it does perform are served better in less costly ways, we do not need it.

Wall Street's only business purpose is to enrich its own major players, a bunch of buccaneers and privateers who find it more profitable to expropriate the wealth of others than to find honest jobs producing goods and services beneficial to their communities. They walk away with their fees, commissions, and bonus packages and leave it to others to pick up the costs of federal bailouts, gyrating economic cycles, collapsing environmental systems, broken families, shattered communities, and the export of jobs along with the manufacturing, technology, and research capacities that go with them.

Even more damaging in some ways than the economic costs are the spiritual and psychological costs of a Wall Street culture that celebrates greed, favors the emotionally and morally challenged with outsized compensation packages, and denies the human capacity for cooperation and sharing. Running out of control and delinked from reality, Wall Street has created an Alice in Wonderland phantom-wealth world in which prospective financial claims and the expectations that go with them exceed the value of all the world's real wealth by orders of magnitude.

We can no longer afford to acquiesce to a system of rule by those engaged in the pursuit of phantom wealth far beyond any conceivable need—and to no evident end other than to accumulate points in a contest for the top spots on the Forbes list of richest people.

CHAPTER SUMMARIES

CHAPTER 5

“What Wall Street Really Wants,” explains why there is no limit to Wall Street greed and how its institutions use the economic and political muscle of their monopoly control of the creation and allocation of money to get what they want: Everything!

CHAPTER 6

“Buccaneers and Privateers,” provides an evocative history of the role that licensed pirates and chartered corporations played in the transition from rule by kings—who found them a cheap substitute for official navies and a useful means of circumventing parliamentary oversight—to rule by global financiers.

CHAPTER 7

“The High Cost of Phantom Wealth,” describes how Wall Street players reap enormous financial rewards for creating phantom expectations through their use of complex financial instruments that defy understanding.

CHAPTER 8

“The End of Empire,” describes Wall Street's rule by the power of money as an extension of five thousand years of imperial rule by kings and emperors who wielded the power of the sword.



The source of most of the economic, social, and environmental pathologies of our time – including sexism, racism, economic justice, violence, and environmental destruction – originate upstream in institutions that grant unaccountable power and privilege to the few and assign the majority to lives of hardship and desperation...It is within our means to create economies that serve rather than exploit. (Agenda, Page 87)

PART II: The Case for Eliminating Wall Street

Questions

Session Two

What did you find most interesting or provocative about these chapters?

In what ways does Wall Street literally hold power over the US economy, politics, and our lives?

What similarities do you find most fascinating between historical accounts of Europe's pirates of old, military invasions, colonial expansion, and 17th century corporate charters and our current reality? What has allowed these practices to flourish in a so-called civilized world?

What is it about human nature that drives some to accumulate excessive resources in ways that are destructive to the environment and society, and what is it that drives others to acquiesce or condone it?

One of the most often used rationalizations to support an economic growth model is the need to create jobs; how can this argument be refuted?

For those who were part of the post-World War II ascendance of the middle-class, what was it like living with the belief that we were a "classless society of opportunity for all who were willing to apply themselves and play by the rules?" When did you notice a different reality?

What will it take to restore the middle class? Where will the leadership come from? What is your role?

In what ways have you benefited from Wall Street and in what ways have you been negatively affected? What role do you play in sustaining the status quo?

How can you think or care about the impacts of the Wall Street fiasco on the planet and the peoples of the world while tending to personal struggles/challenges?

What are the greatest risks of perpetuating the status quo? What is the most compelling reason to change?

What values learned from your early family life inform your view of what a truly happy, healthy life looks like?

Think of a time in your own life when you felt particularly secure and happy with your personal economic and social situation. What was it like, and what guided your decisions about family, work, and finance?

PART III: Agenda for a Real-Wealth Economy

Summary

Session Three

Wall Street interests have defined not only the structure of our economy but also the indicators by which we assess its performance. Focused on financial indicators, we accept that the economy is sound even when it is killing us. Real-wealth indicators of the health and well-being of our children, families, communities, and natural systems reveal terminal systemic failure. Since we get what we measure, we should measure what we want.

We humans are awakening to the reality that we are living beings and that life, by its nature can exist only in community. Our future depends on getting with the program and organizing our economies in ways that mimic healthy living systems—which not incidentally look a lot more like Adam Smith’s vision of a market economy than they do Wall Street’s.

We have the right, the means, and the imperative to declare our independence of Wall Street and get on with the work of building real-wealth economies that are based on the foundation of what remains of the Main Street economies over which Wall Street presently exercises imperial dominion.



CHAPTER SUMMARIES

CHAPTER 9

“**What People Really Want**,” makes the case the human brain is wired to support caring and sharing and that we humans have long dreamed of a world of vital, healthy children, families, communities, and natural environments: the world we must now create if we are to have a future.

CHAPTER 10

“**Essential Priorities**,” summarizes the foundational design principles that living real-wealth economies must honor and outlines the opportunities at hand to reallocate real resources in ways that strengthen community, increase equity, bring us into balance with Earth, and increase human health and happiness.

CHAPTER 11

“**Liberating Main Street**,” sets forth a 12-point agenda for liberating Main Street and banishing Wall Street to the dustbin of history.

CHAPTER 12

“**Real-Wealth Financial Services**,” spells out a strategy for creating a new financial services sector accountable to the real-wealth needs of Main Street.

CHAPTER 13

“**Life in a Real-Wealth Economy**,” offers a fictional account of a visit to the future in which our grandchildren may be living if we succeed.

Those who join in the work of navigating a great turning from a Wall Street phantom-wealth economy to a Main Street real-wealth economy embark on a bold and courageous journey to a place we have neither been nor seen. We know it only as a deep inner longing. (Agenda, Page 101)

PART III: Agenda for a Real-Wealth Economy

Questions

Session Three

What, for you, were the highlights of Part III?

In what ways does Wall Street propaganda appeal to our human nature? How do we resist the lies and release the strangle-hold?

What experiences have you had in other cultures or countries? What have you learned about what people really want in life?

What non-financial indicators would you include in your “Happy Planet Index?”

From David’s “Story Matrix” of starkly contrasting economic stories (see supplement before Resources at the end of this Guide), which has the greater currency in the public culture? Which, by your experience, is the more valid? What’s your story?

How do our typical ways of working together inhibit self-organized, inclusive, and cooperative communities? What examples have you seen of living systems principles at work?

What do you say to those who would argue that reallocating military expenditures puts our country’s security at serious risk?

How does a living economy differ from a free market economy? What evidence do you see that a shift to a local market economy is underway? How does the local economy fare in your community?

Which of the 12 Points of the New Economy Agenda are most crucial, and why? Which will be most challenging to implement, and what barriers will need to be overcome?

How does extreme inequality affect a community? How would equitable distribution of economic power and resources change things? (Isn’t that socialism?)

How might the “Thought Experiment” for a new money system (Agenda, Page 139) play out for you and your community? What would need to happen to facilitate such a major change?

At what points in your life have you experienced a struggle with finances? What is your relationship with money now?

What fears or concerns do you have about your credit/debt, retirement, and health care/insurance?

What are your dreams and highest hopes for a “real wealth” future for you, your family and community? What will it take to realize your dreams?

PART IV: Change the Story, Change the Future

Summary

Session Four

Barack Obama was swept into the U.S. presidency on a promise of change. Like those who came before him, however, he has no doubt already learned that those who hold the world's most powerful office are captive to its imperatives.

In President Obama's case, the imperatives include appeasing Wall Street interests that are part of his political base. Not only did Wall Streeters provide substantial funding for his campaign and for many members of the House and Senate, they also have the power to bring the economy to a standstill if his policies displease them. To act against Wall Street, President Obama must be confronted with a popular demand from below too powerful to be ignored.

There is an instructive parallel between our present situation and that of the early American settlers who mobilized to declare their independence from the rule of a distant king. Then as now, leadership in dismantling the institutions of Empire did not come from within the institutions of Empire; it came from a powerful social movement that mobilized from below. Deep transformational change is unlikely to be achieved in any other way.

The power of popular movements resides in their ability through dialogue to change the stories that frame the collective life of the society and through their actions to create new cultural and institutional realities. People throughout the United States and the world are already engaged in this work of birthing the New Economy (by whatever name they might call it).

CHAPTER SUMMARIES

CHAPTER 14

"An Address I Hope President Obama Will One Day Deliver to the Nation," presents my high dream for a future presidential announcement of a national policy commitment to a real-wealth New Economy agenda.

CHAPTER 15

"When The People Lead, the Leaders Will Follow," draws out the parallels between the self-organizing resistance movements of the earlier colonists who achieved their independence from British rule and the subject colonists of our day who through their actions are declaring their independence from Wall Street rule—and it outlines a strategy for citizen action.



Our defining gift as humans is our power to choose, including our power to choose our collective future. It is a gift that comes with a corresponding moral responsibility to use that power in ways that work to the benefit of all people and the whole of life. (Agenda, Page 157)

PART IV: Change the Story, Change the Future

Questions

Session Four

What stands out for you in these final chapters of Agenda?

What are the greatest challenges facing President Obama in the midst of the economic crisis? What needs to happen for the government to break free of Wall Street power and control?

Who are or could be the leaders/catalysts for the movement to transform our economy? How are you involved?

What cultural stories have been most powerful in your experience, and when have you chosen different stories to create your own reality?

In your own words, what story would you tell to replace the prevailing story of “Money is wealth, and Wall Street is a powerful engine of wealth creation that enriches us all?”

What changes can you make in consumption, shopping habits, banking, and investments, for your household and your business, to support a living economy?

Name three friends or groups with whom you will start a conversation about real wealth.

Please read a quote from Agenda that you consider essential and powerful, and explain why the quote is particularly meaningful and important to you.

STORY MATRIX

Supplement Part III Questions

These are two starkly contrasting economic stories. Which has the greater currency in the public culture? Which, by your experience, is the more valid? What's your story?

	Open Frontier Economy	Living Spaceship Economy
Defining Slogan	The one with the most toys wins	We all do better when we all do better
Human Nature	We humans are by nature motivated to pursue individual self-interest and material acquisition. Cooperation in service to some greater community good is contrary to our nature.	We humans are complex beings of many possibilities. The mature consciousness finds joy in cooperation, caring, and service to others. Greed, violence, and extreme individualism are symptoms of psychological dysfunction.
Money	Money is wealth and those who make money are creating new wealth that ultimately trickles down to benefit us all.	Money is a mere number, an accounting chit. Those who make money un-associated with the creation of anything of real value are engaged in a form of theft.
Markets	Free from taxes and government regulation, the market rewards in direct proportion to individual contribution & turns the pursuit of individual financial advantage into greater wealth and well-being for all.	Markets work best when within a framework of rules and values that reflect the community interest. Markets that celebrate and reward psychological dysfunction are destructive of community values and well-being.
Community Interest	The community interest is a simple aggregation of individual interests. We all do best when we each seek to maximize our individual financial gain.	Strong caring communities are essential to our individual and collective happiness, security, and general well-being. We all do better when we look out for one another and invest collectively in community and environmental health.
Rules	Our economic system is sound. Deficiencies are best resolved by eliminating distorting rules and taxes.	Our fatally flawed economic system undermines our well-being and threatens our survival as a species. We must replace it with a new system based on community values and valid assumptions.
System Alternatives	The only alternative to the excess of global capitalism is the oppressive and unproductive state tyranny of socialism/communism.	Capitalism and communism both centralize and concentrate economic power in unaccountable institutions. The better option is a system of properly regulated locally rooted regional economies.
Indicators	Growth in Gross Domestic Product (GDP) is an indicator of economic progress and growth in the total wealth and well-being of society	GDP is a measure of the economic cost of producing a given level of well-being. Economic performance is better assessed against nonfinancial indicators of the health of our children, families, communities, and natural systems.

RESOURCES

Videos, Articles, and Websites to Enhance your Discussion

VIDEOS

David Korten

Presentation and launch of *Agenda for a New Economy* at Trinity Church, NYC, Jan. 21, 2009
<http://tinyurl.com/n72ape>

Interview with David Brancaccio for PBS NOW
<http://tinyurl.com/cev2er>

Interview with Amy Goodman and Juan Gonzales for Democracy Now!
<http://tinyurl.com/lnan6o>

Others

Money as Debt, by Paul Grignon - <http://tinyurl.com/m8dyyu>

The Story of Stuff, by Annie Leonard - <http://www.storyofstuff.com/>

The Money Fix, by director Alan Rosenblitz - <http://www.themoneyfix.org/index.php>

Money Fix Podcast #1 with Hazel Henderson - <http://tinyurl.com/lnup62>

ARTICLES

David Korten

Ten Rules for Socially Efficient Markets - <http://tinyurl.com/nupad6>

Money as a System of Power - <http://www.davidkorten.org/MoneyPower>

Others

YES! Magazine Summer 2009 issue - multiple articles on Paths to a New Economy
<http://www.yesmagazine.org/issues/the-new-economy>

Doing Business in a Postgrowth Society, by Gus Speth, Harvard Business Review
<http://tinyurl.com/nzom8c>

The Web of Debt, by Ellen Brown
http://www.webofdebt.com/articles/public_option.php

Dismantling the Temple, by William Greider
<http://www.thenation.com/doc/20090803/greider>

WEBSITES

David Korten - <http://www.davidkorten.org/home>

YES! Magazine on-line focus on Economies - <http://www.yesmagazine.org/economies>