

Linking Endowment Campaigns to Visionary Economies: Divestment, Community Investment, and a Just Transition – August 23, 2014

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Basics of divestment

- Political statement
- We've been focusing on Universities
 - Total university endowments in the U.S. are \$4 billion – this is significant!
 - They are hesitant to recognize their investments as political/social statements
 - Recently Pitzer and Stanford have divested
- Objective is to stigmatize the fossil fuel industry
- Oppositional and confrontational tactic, not visionary or solution-oriented

Taking a step back and situating ourselves

- We have a goods and services economy that is most often talked about
 - Who owns this? Individuals do.
- Where does this come from? The earth, land, plants, infrastructure, the sun
 - It is an open system so we have a process of surplus. When everything interacts, the whole is greater than the sum of the parts.
 - Economists call this capital.
 - Who owns this? Capitalists. A small number of people own it.
- Ownership is the right to make decisions about something and the ability to control the surplus generated
- Our current system seeks to maximize surplus
 - Not paying people a lot of money
 - Minimize environmental regulations
 - Extract more labor power from people in less time
 - Cutting corners
 - Taking people's political power
 - Reducing taxes
 - Undermine consumer protection
 - Steal stuff
- You need whole cosmologies (ways of thinking) to explain this.
- Results in:
 - Erosion of assets
 - Oligarchs are far away from the effects of capitalism – makes system dangerous. People making decisions are not experiencing the effects.
 - Self-destruction
- Challenges:
 - How do we unify the people? Labor can backtalk
 - How do we make a local, living, and loving economy? Re-cooperatize and re-code.

- 5 things to do
 - Resist the bad.
 - Build the new.
 - Change the rules.
 - Move resources. (Transition from old to new)
 - Change the story.
- The Responsible Endowments Coalition helps us move resources
 - There is a problem with supply – if we have all this money that we’ve divested, where are we going to invest it now?

A cooperative is an economic entity that operates for the benefit of its members. (A corporation operates to maximize profits)

New Investment Model

- Investors invest in Cooperative Investment Platform, which can provide loans to smaller groups or projects.
- We can aggregate and cooperatize power by creating a cooperative investment platform.
- Eventually profits from projects would return to platform to be reinvested.
- This platform would be accountable to the members instead of the investors. Why would an institution put money into this? Political pressure. And shifting our perception of what a return is.

Ways banks make money:

- Interest
- Collateral (what you need if you don’t have a relationship)
- Scale
- Speculation

Ways non-extractive institutions make money:

- Surplus sharing
- Community
- Missing middle (Big enough to contest for power. Not going off grid, but taking over the grid.)
- Vegas (We don’t gamble with our programs’ futures.)

Organizations:

- Climate Justice Association
- 350.org
- Working World
- New Economy Coalition