

# Our Global and Local Commons: The New Narrative for Justice, Peace, Environmental Security and Shared Prosperity for All

## Co-Creating Shared Prosperity: Multilateral Systems and Commons Reserves

**The Current Economic Model Creates Devastation of our Commons Systems:** Under the present economic system, money is created by national governments and private banks through loans. To maintain the supply of money needed to repay both the interest and principal on these loans, banks must continually find new credit applicants to create sufficient demand for more loans to service existing loans. Hence, banks are continually pushing credit, driving corporations to borrow more to produce, and citizens to borrow more to consume. This is our global dilemma.

The demand for perpetual economic growth, devastating to our planet, has caused human society to spend not only the interest but significant portions of our natural resource capital. ***If we do not reverse this situation, if bank-driven overproduction and overconsumption continue to generate speculation and hoarding of physical and financial assets, loan defaults and job losses, hunger and poverty, and carbon emissions and climate change—soon the planet will not only have diminishing returns from the interest on its commons resources, but the principal itself will be gone. We are past due for a transformation to sustainable economics.***

The following developments are needed:

### Commons Reserve Currency:

Since the money system and individual purchasing power are social commons, there is a way to both stabilize and democratize money. The world community could create a form of monetary reference—belonging and accountable to everyone—that is not dependent on the economic or political decisions of a single state or the monetary nationalism of currency-issuing states. Global commons representatives could collaborate to produce an international currency, backed by a new kind of reserve asset, to provide a stable and usable exchange credit for business, trade and other social transactions. **This new system would generate a broad measure of common wealth and well-being that is not based on productivity, profit or interest, but on the perpetual vitality and continuous adaptation of local resources to support a good quality of life for all human beings. It would mean turning the present system of private credit—including banking and finance—into a commons utility thru conversion of debt to equity across all sectors of society. It would mean using our commons-based capital—cultural, social, intellectual, natural, genetic, and material—as collateral for a resource-based global reserve system.**

Under this new reserve system, commons assets would form the basis of a composite standard of value. For example, a **Reserve Basket of Global Common Goods** could include indicators for cultural resources such as indigenous wisdom, household work and the arts; social resources such as health, literacy, economic output and income distribution; intellectual resources such as scientific knowledge, intellectual property and information flows; natural resources such as air and water quality, ecosystem health and biological diversity; genetic resources such as living creatures, organs and seeds; and material resources such as gold, oil, water and the atmosphere.

## Co-credit:

Rather than convert commons assets into a market value, these indicators would generate a unique index based on the sustainability of the global commons and the value that these common goods have for our natural and social quality of life and that of future generations. *By continually measuring and averaging the indices of each resource in this basket, trustees of the commons reserve system could decide the proportion of those commons resources that should remain untapped as principal.*

**At the same time, the commons reserve system would replace the present interest rate mechanism with a sustainability rate.** This commons reserve currency would function through the creation of co-credit—a participatory unit of value used in trading, investment and decision-making. As co-credits are lost or gained in each transaction, the deficit or surplus would be accounted with reference to the sustainability rate—a real-time measure reflecting the capacity of the global commons to provide and sustain the well-being of present and future generations. At any given moment, if the sustainability rate is low, the co-credit is worth less relative to its value in an exchange, which may cause a buyer to spend less, and if the sustainability rate is higher, the co-credit will be worth more in the exchange, which may convince the buyer to spend more.

## Protection of Global Common Goods:

So, through co-credit exchange among buyers and sellers, people would determine the value of their own production based on the capacity of the global commons to support the natural and social quality of life. Each use of a co-credit (whether the sustainability rate is low or high) is literally a vote for the longevity, regeneration and diversity of the planet's common goods, enabling human civilization to protect its principal and withdraw from the commons a prudent portion of its resources. **Since the commons reserve system guarantees a stable and lasting source of global capital, the development of co-credit exchange would eliminate the need for banks, financial institutions, government-issued currency, and this crippling debt-based money system.**

## The Challenge of Global Common Wealth: Transformation Required

Endless economic growth is crashing against the limits of Earth's vital systems. In the coming years, the recovery of our besieged commons as a source of participative governance and non-monetized value will become critical as the private and public sectors search for a way out of the current global economic, energy and ecological crises. It's a challenging puzzle: (James Quilligan, *Kosmos Journal*, Fall/Winter 2009).

- we cannot end the financial crisis without a new monetary system
- we cannot create a new monetary system without creating long-term incentives for solving the ecological and energy crises
- we cannot create long-term incentives to solve the ecological crises without a low-carbon system of production and trade
- we cannot create a low-carbon system of production and trade without a new multilateral system of governance
- we cannot create a new multilateralism without a total redefinition of wealth