

**Scene on Radio: Capitalism**  
**Episode 12: Reimagined Economies**  
**Transcript**

**Sound:** Footsteps in grass

**John Fullerton:** Walk down to the dock?

**John Biewen, softly:** Sure.

**John Biewen:** Ellen, I spent time with John Fullerton not only on Wall St. – as we heard in Episode 1 – but also at his home in eastern Connecticut, up against the Rhode Island border.

**Ellen McGirt:** I know that part of the world well, John. It's a beautiful spot.

**John Biewen:** The Fullertons' home looks out over a grassy field, bordered on three sides by old stone walls...

**John Fullerton:** These walls must have been built, you know, roughly in the 1840s, 1850s.

**John Biewen:** ...and beyond the field, Long Island Sound.

**John Fullerton:** There's something for me about being along the coast. It's my place. And to be looking out at that is a real, it's a real gift. (Pause) As long as it lasts. (Laughs)

**Ellen McGirt:** Do you know what he meant by that – “as long as it lasts?”

**John Biewen:** I didn't ask John what he meant. But he might have had a couple things in mind: his own mortality? Or – and – the real likelihood of, you know, sea level rise, and ecological and civilizational chaos in the coming years?

**Ellen McGirt:** We know Fullerton takes those things seriously. It's been a minute since we heard his story in Episode 1, so to remind everyone: John Fullerton was a rising star at JP Morgan Chase, the iconic banking corporation, until the early 2000s, when he was about 40. But then John had a series of insights that led him to leave his Wall St. career.

**John Biewen:** He set off on a journey to understand how capitalism, for all its successes, had in his view become deeply destructive and unsustainable.

**John Fullerton:** The gig's up. The gig's up! And we've got to find a new source of prosperity than continuous extraction.

**Ellen McGirt:** John, you promised we'd return to John Fullerton before we wrap up this series. I guess the time is now.

**John Biewen:** Yeah. We're going other places in this final episode, too, but I did want to share more about what Fullerton is doing now – and the vision that he's arrived at for a different kind of economy. Not because John is like *the expert* or *the guy* on these questions, but because his story is fascinating, and it does represent something larger going on out there.

**Ellen McGirt:** His ideas are in line, in many ways, with those of other people thinking hard about a “new economy.” And, it's important to say that some people are going beyond theorizing. They're out there *doing* it – building and demonstrating economies that leave behind some of the core assumptions of capitalism.

**John Biewen:** I don't know who said it first, but that proverb does come to mind:

“Those who say it can't be done should not interrupt those who are doing it.”

**Theme music**

**Ellen McGirt:** From the Kenan Institute for Ethics at Duke University, this is Scene on Radio Season 7: *Capitalism*. Our conclusion: Episode 12. I'm Ellen McGirt.

**John Biewen:** And I'm John Biewen. We've been exploring the world's dominant economic system and how people shaped it over time. Now, the question is, what to do – since a growing number of people believe that capitalism, in its current form, is not the solution but a big part of the problem.

**Ellen McGirt:** In this episode: We meet some folks, on a couple of continents, who are demonstrating practices that turn the fundamentals of capitalism on their heads, or at least sideways.

**John Biewen:** Our goal here is not to present a specific blueprint for a post-capitalist economy. But, based on this season-long exploration, the voices we've heard, and the stories we'll tell in this episode, we'll venture some possible themes and principles – some ways of organizing our economic and material lives that seek to avoid capitalism's biggest failings and injustices.

**Ellen McGirt:** Let's get to it.

**John Fullerton:** What a welcoming group. I'm always somewhat stunned to see all of the folks that show up for this. Many of you know I've been on this search and journey for a long time, and...

**John Biewen:** This is John Fullerton in the summer of 202. It was Day 1 of an online course he offers, through his non-profit, the Capital Institute. He calls the course Introduction to Regenerative Economics.

**Ellen McGirt:** As of the middle of 2024, Fullerton says, more than 1500 people in 53 countries had been through this course, and another one he offers on Regenerative Finance.

**John Fullerton:** I don't pretend to, by any means, have the answers, all the answers, but I want to share with you what I've learned and what many of us are coming to realize at this point...

**Ellen McGirt:** John, I've gotta ask you – if Fullerton is promoting an economy that's radically different from capitalism as we know it, why did he name his organization the Capital Institute?

**John Biewen:** Well, I asked him.

**John Fullerton:** (Laughs) I've been asked that question more than once...

**John Biewen:** He says he sees his non-profit as a place to explore the meaning of capital – to critique what happens with financial capital, as we've heard him do, but also to question the very meaning of the word.

**John Fullerton:** And so now, many people talk about multiple capitals: natural capital, social capital, relational capital, spiritual capital, reputational capital, built capital. So this was sort of a single word placeholder.

**Ellen McGirt:** OK. So it's another way of raising questions like, what do we really value?

**John Biewen:** And, importantly, what does it mean for an individual or a society to have "wealth"?

**Ellen McGirt:** So, you listened in on Fullerton's eight-week course.

**John Biewen:** I did. And I won't try to do justice to the whole course here – but what John eventually does is to lay out the principles of what he calls Regenerative Economics.

**Ellen McGirt:** *Regenerative Economics*.

**John Biewen:** Now, if you do an online search for that phrase, you'll find that a number of people use it in roughly similar but slightly different ways. John Fullerton started using the term in 2015, in a paper he wrote on what he called, at the time, “regenerative capitalism.” It seems that various people advocating for a new economics have arrived independently at “regenerative.”

**Ellen McGirt:** So, what does it mean to Fullerton?

**John Biewen:** Here he is, telling his course participants about what he calls a key premise of Regenerative Economics.

**John Fullerton, Regenerative Economics course:** The first is that the human economy is a living system. And we could have a debate about whether that's a valid assumption. I would argue that the human economy is made up of human beings and their tools and technologies. And human beings are living systems –

I don't think that's up for debate. And the human economy is embedded in what we now understand is a vast living system called the biosphere, or Gaia.

**John Biewen:** The next premise, John says, is that there are patterns and principles in how living systems work. And, finally, the third premise: that if we want to sustain ourselves for the long term, we must design our economy to align with natural systems.

**Ellen McGirt:** All right. That is profound, and wise, it seems to me. And also, not a new idea...?

**John Biewen:** For sure, and Fullerton doesn't claim it's new. He quotes, for example – to take another white American dude – Buckminster Fuller, the 20th century thinker and inventor, who said: “Nature is a totally efficient, self-generating system.” And, he said, if we live synergistically within the laws of nature, quote, “sustainability will follow and humankind will be a success.” So that's a core insight: Nature regenerates itself, with everything consumed or composted. No pollution, no need for landfills.

**Ellen McGirt:** So, Fullerton's saying, let's run our economy like that, or as close to that as possible. John, you've talked about this before on this podcast: for most of human history, all people lived more-or-less in alignment with nature – by necessity, without



needing to think about it. And many peoples, including most indigenous folks all over the world, never stopped doing so.

**John Biewen:** Yeah. And those folks were often horrified when they encountered Westerners who'd gone so badly wrong in our relationship with the non-human natural world. But the fact that it's not new doesn't diminish the radicalism of regenerative economics, as John Fullerton presents it, in our place and time.

**Ellen McGirt:** Let alone the fact that it's coming from a former Wall St. banker. An economy that would replicate living systems is so far removed from what we're doing now, or even talking about in the mainstream.

**John Biewen:** To flesh out John's ideas just a bit more: He offers eight principles of a regenerative economy. Things like being in "right relationship." And, "view wealth holistically." "Empowered participation."

**Ellen McGirt:** There's that power thing. I like to hear that.

**John Biewen:** Other principles? "Seek balance." "Honor place and community."

**Ellen McGirt:** OK, but Fullerton's Regenerative Economics idea seems pretty abstract, at least based on what you've told us so far. "Align the economy with natural systems." What does that look like in the world?

**John Biewen:** So, let's start with an example that's easy to understand. Years ago, after he'd left JP Morgan, Fullerton became an "impact investor," investing in regenerative agriculture, or permaculture, projects.

**Ellen McGirt:** Got it. *Farming* in ways that don't pollute, don't deplete the soil, and so on.

**John Biewen:** When I asked John for more examples, here's what he said – and notice that for him, "regeneration" is not just about the environment.

**John Fullerton:** One easy one for everyone to relate to is the farmers' market. And all of the neat things about a farmers' market, including getting outdoors and meeting your neighbors, and chit chatting about something that you had no intention to chit chat about. So, you know, going to get bread is not just about the bread. So, there's this relational context of a farmer's market that transforms that experience, compared to going to the Wal-mart and going down the aisle. And I suspect if you analyzed all the eight principles I talk about, you'd find them

showing up in a farmer's market. The other examples – I mean, there's lots of companies that have regenerative activities, but the one I like to talk about most, recently, is the Mondragon cooperatives in Spain. And interestingly...

Music

**Ellen McGirt:** All right, John, and there's our segue.

**John Biewen:** Yeah. When Fullerton said that, in our interview, I shook my head and smiled to myself because I had not asked about Mondragon...

**Ellen McGirt:** But you'd already been there.

**John Biewen:** Yes. The Mondragon cooperatives, in Basque Country, are not your everyday companies – not even your typical worker co-ops. And, to tell the truth, between us, Mondragon was the number one reason I went to Spain in the first place.

**Sound:** Crowd hubbub, flute and drum music

**John Biewen:** The town has two names: Mondragón, in Spanish, and in the Basque language, Arrasate. The town of about 20,000 people is nestled in the Basque

mountains – twenty miles from the Atlantic, to the north, and 50 miles from the French border. By pure luck, I was there in June on the day of a festival that happens just once a year.

**Sound:** Music ends, applause. Kids' voices: Yay!

**John Biewen:** Even though it's drizzling off and on, the plaza in the center of town is filled with hundreds of people. They're eating finger food, drinking beer and catching up with neighbors. Kids jump up and down in a bouncy house; musicians on a stage play traditional Basque music while teenagers perform folk dances...

**Sound:** New flute and drum song

**John Biewen:** Ander Etxeberria invited me here. He's explaining the importance of the centuries-old, traditional song that the flutists and drummer are playing.

**Ander Etxeberria:** An homage.

**John Biewen:** An homage.

**Ander Etxeberria:** So, it is the beginning of an event. It can be a funeral. It can be a wedding. It can be that Joe Biden come here. And the first dance is this one.

**John Biewen:** Ander Etxeberria is a slender man in his fifties with a beard and a kind smile. His job is to explain the Mondragón Corporation to curious outsiders – a couple thousand visitors a year from all over the world. This festival might seem unrelated to a group of cooperative companies based in this valley, but it's part of the picture.

**Ander Etxeberria:** This is the fiesta of – this school, this is the biggest in Spain. But in this town. They do the same in the other towns.

**John Biewen:** The annual festival is put on by the Arizmendi school in Mondragón – which is one of the 80 cooperatives that make up the Mondragón Corporation. The school has more than three thousand students, from infants and preschoolers to 20-year-olds in vocational programs like Information Technology. Other cooperatives include a bank, an insurance company, a social services organization, and a university – but most of the co-ops are manufacturing and retail companies. Altogether, they employ 70-thousand people, do business in 150 countries, and bring in 12 billion dollars a year in sales.

Music

**John Biewen:** The story begins in 1941, here in Arrasate-Mondragon, with the arrival of a 25-year-old Basque man, sent by the Catholic church – a freshly ordained clergyman with a marvelous name.

**Ander Etxeberria:** Yes, the priest, José Maria Arizmendiarieta. Ariz...

**John Biewen (haltingly):** Ariz-men-dee-ar-ee-ehhhh...

**Ander Etxeberria:** ...arrieta.

**John Biewen** ...mendiarieta. Something like that.

**Ander Etxeberria:** Yes, perfect! (Laughs)

**John Biewen:** I practiced. When Arizmendiarieta arrived, World War II was on, but even more importantly in this place, the Spanish Civil War had ended just two years before. The dictator Francisco Franco ruled Spain.

**Ander Etxeberria:** The situation was very difficult here. The town of Mondragon was the town that, there were more people killed – not in combat but because of the bad relation between neighbors. So imagine, before the war, some neighbors, they had bad relation. During the war, they are fighting on different sides. After the war, one of them is going to go to the police station and to say, “this person is a communist,” and they are going to kill that person. The

Franco's regime is going to kill that person. There were many people shot in the town of Mondragon.

**John Biewen:** All of Spain was in an economic crisis, too. Poverty was deep and widespread, though the Mondragon region had an industrial history dating to medieval times, with iron mining and steelmaking.

**Ander Etxeberria:** Arizmendiarieta was an action man. And at that time he's going to say, the main problem is that the world is a disaster. The world is in crisis. So, he said, we are going to change the world. When he says change the world, he means change the region. And if we want to change our region, we usually have two options – one, to change from the top to the bottom. And for that we have to be here, in the power.

**John Biewen:** But the priest, and the people he most wanted to help in Mondragon, had no power.

**Ander Etxeberria:** Or, the other option is to change from the bottom up. And for that we have to change people. That was the option of Arizmendiarieta. He said, we are going to create a new person. And to create a new person, I have a

tool – education is a tool to change people. But I have not only one tool. I have two tools: education and work.

## Music

**John Biewen:** The priest started working with groups of young people, organizing excursions to the mountains, sports and debate clubs. He wanted to bridge the political divides and build solidarity. At the time, the local public schools didn't go beyond the elementary grades. The main employer in Mondragon, a locksmithing factory, ran a vocational school, but only for the sons of the company's workers. So, in 1943, Arizmendiarieta started a new vocational school that was open to everyone and funded by the community. It would later become Mondragon University. As for work:

**Ander Etxeberria:** What is work for Arizmendiarieta? He said, we work because we have to improve the society. That's the reason to work. And he said, we work because God did the world but the world is not finished. He said, we are collaborating with God to complete the world.

**John Biewen:** And, for the priest, Etxeberria says, the transformation he envisioned was entirely about the place in which he found himself.



**Ander Etxeberria:** He was born in a farm. And in the Basque tradition it is very important, the farm. And when the farm is going to pass from one generation to another generation, we don't say, "my son, this is for you." But what we say is, in Basque, (speaks Basque), "you are for the farm." It's not the farm for you, but you are for the farm. You are going to take care of the farm, you are going to preserve, you are going to maintain, you are going to improve the farm and to pass to the next generation. And this is something that is part of the cooperatives. The cooperatives, if they are located in a place, they should continue in that place. Doing what? Creating job opportunities, creating good quality jobs. This is a kind of wellness or wealth generator. This is the cooperative.

Music

**John Biewen:** This philosophy explains a lot about the Mondragon cooperatives. The whole point was to provide a lasting source of life and livelihood for people in this, then very troubled, valley. Think of John Fullerton's Regenerative Economics principle, to "honor place and community." There was a substantial employer in Mondragon in the 1940s and 50s, that locksmithing factory, but Arizmendiarieta found it lacking.

**Ander Etxeberria:** In a conventional company, there are owners. They have all the power, and workers they have no power. Arizmendiarieta said no, no. In the center of the company has to be not the capital, but people.

Music

**John Biewen:** Not capital, but people. The priest tried to convince local business owners to empower workers, but they said, nah. So in 1956, Arizmendiarieta worked with a group of five young men who he'd helped to get trained as engineers, and together they founded the first cooperative company, making stoves. With the example set, more cooperatives sprouted, year after year, and the companies formed symbiotic ties under the umbrella organization, the Mondragon Corporation. Seven decades later, there are dozens of companies – a large supermarket chain, engineering firms, and manufacturers making everything from appliances and auto parts to precision machine tools. Together, they make up the world's largest worker-owned co-op.

**Sound:** Machine, repeating mechanical sounds

**Xabier Otaño:** This machine is building this. This is a wire thermocouple. This is a safety device on every gas, uh, cook – boilers, and I think even gas barbecues, typical Weber barbecues or charcoal barbecues...

**John Biewen:** Xabier Otaño is giving me a tour of one of the cooperatives: Mondragon Assembly.

**Xabier Otaño:** I'm a head of sales from the, uh, solar business. We can go through here. I can just show you another machine.

**John Biewen:** As Otaño explains, Mondragon Assembly is not manufacturing that small electronic part he was showing me. The company is building and selling the automated machine that assembles the part. Once its operation is fine-tuned, they'll ship the machine to their client.

**Xabier Otaño:** We are doing machines that do parts for automotive industry, for electrical devices, for household appliance industries, and also for solar business. We make the lines that build solar panels. In this location, we are around 200 people.

**Sound:** Parts being dumped into a sorting apparatus

**John Biewen:** What's your name?

**Sara Pérez:** My name is Sara. Uh, I assembly the machine, from the beginning to the end of the machine...

**John Biewen:** Sara Pérez is an assembly technician. She's 36 years old and a seven-year veteran at the company.

**Sara Pérez:** (speaking Basque)

**Xabier Otaño:** It's a very interesting job. She wants to stay here, she wants to continue.

**John Biewen:** Are you a member?

**Sara Pérez:** Yes, I am.

Music

**John Biewen:** So, Ellen, this of course is the central idea of a worker cooperative: Sara and Xabier and the rest of the workers are not simply employees. As members, they're *workers and owners* of the company.

**Ellen McGirt:** And, in the case of the Mondragon cooperatives, they're the *only* owners – is that right?

**John Biewen:** Yes. There are various kinds of co-ops all over the world, including some that allow workers to claim ownership of company stock *along with* conventional, outside shareholders. But with Mondragon, there are no other shareholders.

**Ellen McGirt:** So, you and I can't buy a share of Sara's company, Mondragon Assembly, or of the larger umbrella organization, Mondragon Corporation.

**John Biewen:** That's right. Everyone who goes to work for a Mondragon cooperative has the option, after a one-year tryout on the job, to buy in and become an owner. The price to buy in, in 2024, is about 18,000 Euros – 20,000 dollars, which the worker can pay over several years out of their paycheck.

**Ellen McGirt:** Do most workers choose to become owners?

**John Biewen:** They do. Roughly 80%.

**Ellen McGirt:** And what do they get in return?

**John Biewen:** A few rather big things, I would say: More pay, usually, than if they didn't become members. Compared with most of us out here working as regular

employees, they have more say in important company decisions. And – this seems to be unique to Mondragon – they have a *whole* lot more job security.

**Ellen McGirt:** I wanna hear about the job security thing, but let's take these one at a time. You said more pay – meaning the worker-owners get a share of company profits?

**John Biewen:** Yes. At the end of each fiscal year, each cooperative holds a General Assembly, a meeting of *all* members – from the company's top manager to the newest member earning the minimum salary. It's one person, one vote, top to bottom, and they vote on schemes for dividing up the company's net profit for that year. Ander Etxeberria, the Mondragon spokesperson, told me there is a typical breakdown.

**Ander Etxeberria:** In most of our cooperatives, they decide to share part of the net profit between workers. More or less 30%. 60% for investments and so on, and 30% for the workers.

**Ellen McGirt:** So, 60% of profits will typically be put back into the company...

**John Biewen:** To update technology and whatnot, to stay competitive – like any other business. And the share of profits that workers assign to themselves amounts to a bonus.

**Ellen McGirt:** So, eventually, if all goes well with my company, I'm gonna get back that 18,000 Euros I paid to become a member, and then some.

**John Biewen:** That's right.

**Ellen McGirt:** But, hold on. Ander said 60% plus 30% – that's only 90%.

**John Biewen:** Good catch. What about the other 10%? The cooperatives also invest some of their profits in the community – local non-profit groups, sports clubs for kids and stuff like that – *and* they share a portion with the umbrella group for the eighty co-ops, the Mondragon Corporation. And this brings us to additional layers of what folks at Mondragon very openly call “solidarity.”

**Ellen McGirt:** OK, you gotta explain this. What does the Mondragon Corporation do for its member cooperatives and their workers?

**John Biewen:** It really holds everything together and provides security for people. For one thing, as Ander explains, the Corporation supports the cooperatives that had a down year.

**Ander Etxeberria:** Cooperatives that earn more money help cooperatives that earn less money. How? With money. Or, cooperatives that earn money help cooperatives that lose money. This is something that we do every year. This is called pooling of results. And we are doing this since 1965 – the only group of companies that are friends in the world that are doing this. So, we go together.

**John Biewen:** This pooling keeps the cooperatives going, as companies – up to a point. A few Mondragon cooperatives have gone out of business, when folks decided they weren't competitive anymore and weren't going to be.

**Ellen McGirt:** So, they will put a company to sleep. If that happens, do the workers at that co-op lose their jobs, just like they would with any company?

**John Biewen:** No, they do not. And this is the truly unusual bit. A cooperative actually going under is very rare, but a Mondragon company having to cut its workforce somewhat, because business is slow: not so rare. What happens then?

**Ander Etxeberria:** If I'm a member of a cooperative and one day there is no work for me, I have the right to work in another cooperative. If there is no work for me in the rest of the cooperatives, I have the right to be trained, to be more employable. And if still there is no work for me in the corporation, I have the



right to get an unemployment benefit for maximum two years. In our history, no one person has extinguished this two years' period of unemployment.

**Ellen McGirt:** Wow. He's saying that nobody in the history of Mondragon Corporation, almost seventy years, has been permanently laid off because there wasn't a position for them.

**John Biewen:** That's what he's saying. You can get yourself fired from a Mondragon company if you don't show up for work or can't get along with people. But if you're a worker in good standing and you want to stay employed, they'll find you a position in one of the cooperatives – or pay an unemployment benefit until they do.

**Ellen McGirt:** That is really unusual. Worker-owned co-ops have been around in various forms across the world, but I've never heard of a large *collective* of co-ops where the companies join forces and pool resources, to provide security for one another and for their workers.

**John Biewen:** In fact, this is the aspect that most impresses John Fullerton and leads him to call Mondragon a powerful example of Regenerative Economics. And, again, “regenerative” doesn't just mean protecting or restoring the natural environment. In this case, with its collectivist approach to its worker-members, the Mondragon co-ops

demonstrate another kind of commitment to taking care of things – and people – and not throwing them away.

**Ellen McGirt:** That's a far cry from a corporation that treats its workers as a disposable resource, to be cut loose the moment they're no longer needed.

**John Biewen:** Here's Ander:

**Ander Etxeberria:** Some people say, wow, this is solidarity. And I say, yes, it is solidarity. And at the same time, it's business. Because if I have the opportunity to work in another cooperative, there is no work in my cooperative and I'm going to work in another cooperative, my talent is not wasted. It's not wasted at home or is not going to be used by a competitor. It's going to be used by the corporation. So it is also business. It is always solidarity and business.

Music

**Ellen McGirt:** So, what we have, in the Mondragon cooperatives, is, for one thing, a striking level of workplace democracy.

**John Biewen:** Yes. Now, it is a limited democracy. The cooperatives have managers who make day-to-day decisions. As Ander says, they're not voting every few days on which supplies to order and things like that. But he says it's at the annual General Assembly, which includes all of the cooperative's workers, where the big decisions are made that really affect the workers' lives: especially, how pay and profits will be distributed.

**Ellen McGirt:** That's a big deal. And here's another big deal: When workers own the company, that overturns a core feature of the usual capitalist arrangement, where workers are listed on the balance sheet as an *expense*. Alongside other expenses like equipment and the electric bill. And the people making decisions about that line item – whether to cut workers and how much to pay them – are the owners, or people reporting directly to the owners.

**John Biewen:** But in a cooperative, the workers are the owners, with a vote on those decisions that affect them. And, in the case of Mondragon, as we've said, there are no shareholders who are *not* workers at the companies.

**Ellen McGirt:** Which is huge. If I own shares in a typical capitalist corporation, I get more money, more profit, if the workers are paid less, and if there are fewer of them.

*And*, as a shareholder, I represent the capital in capitalism. Which makes me the most powerful person in the equation – much more powerful than any worker.

**John Biewen:** And the more capital you own, the more powerful you are. Under capitalism, that is. But folks in the Mondragon cooperatives say, uh-uh. We choose a fundamentally different setup.

Music

**John Biewen:** One more aspect of that different setup? the salary limit. Last time we heard about Triodos Bank, where the highest-paid worker in the company makes just nine times the lowest-paid employee. Well, at Mondragon, the maximum ratio is six to one. Now, the minimum salary at Mondragon cooperatives, which is voted on by the workers, is currently 18,000 Euros – about 20,000 dollars.

**Ellen McGirt:** So, by my math, that means no one in the whole company – of 70,000 people – is making more than 120k?

**John Biewen:** My math is the same. The cost of living around Mondragon is fairly low. You can rent a decent apartment there for three or four hundred bucks a month.

**Ellen McGirt:** But, still. Six to one – again, compared to the typical executive pay in big U.S. companies right now, which is closer to 300 times the salary of the *average* employee.

**John Biewen** Ander Exteberria says, as a result of this, the region around Mondragon, where the cooperatives are located in several towns, has the lowest income inequality in Spain. This is another reflection of the high value the community places on solidarity, and, Ander says, it gives him a good feeling.

**Ander Exteberria:** I have another feeling. I'm not working for a conventional company CEO or owner that has four mansions, ten luxury cars, and every three months goes to Bahamas for holiday. I'm not working for that person. I'm working for me, for my colleagues, and for the region, and this is something that makes me happy.

Music

**Ellen McGirt:** It's really a different world, isn't it, than the one most of us live in. But that brings up a question: What kind of challenges do folks at Mondragon face in doing business the way they do it – in a world dominated by conventional capitalism? They must have to make some compromises.

**John Biewen:** They do. The big one, which does bring criticism, even from some people who really admire the Mondragon model, is this: Some of the Mondragon cooperatives have subsidiaries in other countries – in places like Germany and the United States but also in low-wage countries like Mexico and China. More than a hundred manufacturing plants that employ about 10,000 workers.

**Ellen McGirt:** Huh. So, that's a fraction of the total workforce – about 60,000 people work in the cooperatives in Spain. But still, how do folks at the Mondragon Corporation explain this?

**John Biewen:** Basically, as a necessity, as they try to balance their cherished worker co-op model with the need to survive as businesses in the world as it is. For example, to compete against other corporations that outsource jobs, a Mondragon company may have to get some of its components made more cheaply. Folks at Mondragon say they would like for workers at their subsidiaries to become cooperative members, but that's easier said than done. Not all countries even have laws that allow for worker co-ops.

**Ellen McGirt:** And in those that do, I can imagine the challenge. A newly hired worker at a factory in South America being told, "Here at this company you can become an

owner-member of a cooperative based in Spain – and it'll cost you thousands of dollars to buy in...”

**John Biewen:** Yeah, they've never got many takers when they tried that. That invitation looks very different to someone in Basque Country who can look at their neighbors and see how this thing works.

**Ellen McGirt:** Then again, if we had worker cooperatives everywhere, folks wouldn't be so mystified.

**John Biewen:** People disagree about how transferable the Mondragon experience is. Some argue that Mondragon succeeds because of the cohesive culture of the Basque people. Ander Etxeberria, the spokesman, doesn't buy that as an explanation of why the worker cooperative model hasn't spread more quickly up to now.

**Ander Etxeberria:** We are not so special, and we are part of the cooperatives because we are normal people and there are normal people everywhere in the world. So, I don't know if it is because this image we have, or maybe because it can be something disruptive. And so, there could be some interest not to promote this model because of this disruption effect. Who knows?

**Ellen McGirt:** I think the important takeaway for *us*, John, is the “people over capital” example that Mondragon presents for all to see.

**John Biewen:** It sheds a particular kind of light on capitalism, doesn't it, by contrast. And offers ideas that folks can learn from and, perhaps, adopt or adapt.

Music

**Ellen McGirt:** So, John, we have just one more destination on our itinerary. And it's back in the U.S.A.

**John Biewen:** That's right. To set the stage – think back on Episode 7 and that explanation by Marjorie Kelly about financialization and the upward redistribution of wealth that's been orchestrated – most dramatically in the U.S. – over the last 40 years.

**Ellen McGirt:** Where you now have these giant mountains of financial assets held and controlled by the richest 1% or .1%

**John Biewen:** Here's something John Fullerton said about that when we were strolling Wall St.



**(Ambient sound, Wall St.) John Fullerton:** You have money growing at a compound rate that, whether it's debt or equity, it's growing at a compound rate and never being relieved. Um, and we don't have a way to – the phrase I like to use is compost – we don't have a way to compost this ever-growing mountain of capital.

Music

**Ellen McGirt:** To “compost” the accumulated capital. Fullerton’s saying we need to find ways to take money out of the self-perpetuating financial machine ... that spins capital into more capital for the same few people.

**John Biewen:** And to put that money in the hands of folks who will feed and repair people and communities and the earth. What would that even look like?

[BREAK]

**Sound:** Outdoors, distant voices

**Ellen McGirt:** John.

**John Biewen:** Ellen.

**Ellen McGirt:** Tell the people where we are. We're having a great day.

**John Biewen:** We are – well, first of all, it's nice to be in the same place at the same time for a change.

**Ellen McGirt:** It is.

**John Biewen:** And we are in San Francisco, California. We're standing at the base of the Coit Tower, which is this lovely, elevated spot overlooking San Francisco Bay. Beautiful late summer day, we've got, on this side, where we're looking, the Bay Bridge, there are some sailboats out there...

**Ellen McGirt:** And I'm struck by the fact that we opened this series on Wall St.. and now at the other end of the U.S., some 2500 miles away, we're overlooking another more recent capitalist power center – San Francisco Bay, with Silicon Valley, listeners, I am pointing south, just a few miles over there. I can't see it but boy we can feel it.

**John Biewen:** In between, we've been to medieval Britain, we've gazed up at the Columbus monument in Barcelona, we've traced the stunning rise and then the curdling, you might say, of capitalism American style.

**Ellen McGirt:** It's kind of intense to stand here now and look over this scene, this beautiful scene, this complex scene. It's all the product of the story we've been telling in so many different ways.

**John Biewen:** Starting with the very presence in this place of people who look like me...

**Ellen McGirt:** And like me.

**John Biewen:** All these riches that we're gazing at, the office buildings and the wildly expensive houses that San Francisco is famous for. But then, on the other hand, lots of folks living on the street, and they are part of the picture too.

**Ellen McGirt:** Exactly. It's kind of staggering to imagine what this corner of the world looked like just a few short hundred years ago, before capitalism took root here. Before it was called San Francisco, or California.

Music

**John Biewen:** When it was simply the home of the Lisjan – the Ohlone, Miwok, and other tribal peoples around the Bay.

**Sound: footsteps outdoors**

**Deseree Fontenot:** OK. So welcome, everybody. Um, we're on the MG and Sogorea Te' land in the East Bay Hills, and it's like a, I like to call it a tale of two slopes here. So we have, like, this big forested slope, and the site boundary goes up to there, and then the big, open, more grassland, oak savanna slope...

**Ellen McGirt:** We met up, in the hills just outside of Oakland, with a small group of people representing a cluster of organizations.

**Sound: Footsteps**

**Deseree Fontenot, walking:** Watch out for the coyote poop. They're very active...

**Ellen McGirt:** You could say these folks have joined forces to compost some capital – and, as they would say, to “liberate” some land.

**Deseree Fontenot, walking:** And this area was a logging town in the 1860s. So, all the old growth here were like cut down in a matter of like six years.

**John Biewen:** Leading us on this walk is Deseree Fontenot, co-director of Movement Generation Justice and Ecology Project. Movement Generation – the “MG” Deseree referred to – is a grassroots group, based in the Bay Area, that works to promote a “just transition” from an extractive economy to what it calls a living – or, yes, regenerative – economy.

**Ellen McGirt:** The property we’re on is 43 acres of hilly land, much of it wooded.

**Deseree Fontenot:** It was in a Homestead Act for like over 100 years, which is like the legacy of land theft, of hey, 1860s, give white settlers land to settle west, and it was one of the few sites still in that relationship with the former owners...

**Ellen McGirt:** Movement Generation and its collaborators bought the land in 2022, and gifted it to Sogorea Te’, a Bay Area land trust led by Indigenous women. Sogorea Te’ works to return land to the control and stewardship of Indigenous people.

**John Biewen:** Sogorea Te’ and Movement Generation had formed a relationship and found they shared common goals. MG was looking for a site in the East Bay from which to do its work. Folks at Sogorea Te’ heard this land in the hills was available and told Movement Generation about it – explains Corrina Gould. She’s co-founder and co-director of Sogorea Te’, and tribal chair of the Confederated Villages of Lisjan Nation.

**Corrina Gould:** And they went and looked at it and they thought it was a great piece of land, and they asked if we wanted to partner with it, that they would do the heavy lifting of raising the funds, and that we would get the title deed and that they would do the work that they wanted to do on it – and how do we create that relationship?

Music

**Ellen McGirt:** So, the property in the hills, which has several buildings on it, is now the home of Movement Generation Justice and Ecology Project. And for the long term, it belongs to the Sogorea Te' Land Trust, to care for as the Lisjan people see fit. For the folks who pulled off this acquisition, it's an example of "rematriation" – returning stolen land to Indigenous sovereignty.

**John Biewen:** The word "rematriation" is adapted from "repatriation." Folks at Sogorea Te' say it honors Indigenous matrilineal traditions while rejecting patriarchal violence and domination.

**Ellen McGirt:** But we haven't told the whole story about this land purchase – and this is where the composting of capital comes in.

**John Biewen:** The price, to buy this land from the white family that owned it, was 2.8 million dollars. That's not the sort of money that small, grassroots groups like

Movement Generation and Sogorea Te' have lying around. Enter the Kataly Foundation, and its main founder and funder, who was also with us in the East Bay hills that day.

**Regan Pritzker:** Hi, my name is Regan Pritzker. I'm an elementary school teacher who now works in philanthropy – was born into a family with inherited wealth...

**Ellen McGirt:** Regan, who is in her fifties, is part of *that* Pritzker family. Her cousin, J.B. Pritzker, is the billionaire governor of Illinois. Their ancestors, a couple of generations back, founded the Hyatt hotel chain, among other companies.

**Regan Pritzker:** I do identify as being part of sort of the 1% of the 1%. That is my family. That is my, um, my inheritance story.

**John Biewen:** Pritzker joined her parents' family foundation in 2005. But she got increasingly involved with groups working for radical change in the economy and society – including Movement Generation, and another California-based group, Justice Funders, which calls for the transformation of philanthropy.

**Ellen McGirt:** In 2019, Regan and her husband founded the Kataly Foundation – the name is derived from “catalyst” – and seeded it with a large portion of Regan's wealth – along with a plan to spend out that money in just ten years.

**Regan Pritzker:** And we decided to establish, um, a fund of \$450 million with the intention of redistributing it in partnership with the folks around this table, really. You know, and, in response to calls for new ways of thinking about how those resources could be in service of community-governed projects, and could be models for this new economy.

**John Biewen:** The Kataly Foundation's plan is to give all of that 450 million away, and go out of business, in 2028.

**Ellen McGirt:** The Kataly Foundation provided most of the purchase price for the land in the East Bay hills. Then, in early 2024, it gave a much *bigger* grant to the Sogorea Te' Land Trust – \$20 million – to buy the West Berkeley Shellmound. That's a sacred, ancient burial site of the Lisjan (Ohlone) people ... that had been desecrated and covered over with a parking lot.

**John Biewen:** Corrina Gould of Sogorea Te' calls the "rematriation" of the Shellmound the "largest urban sacred site victory in California's history."

**Corrina Gould:** It's a miracle that that even happened, that that's even a possibility, that somebody that had this forethought of thinking about, how do I spend down my family's inheritance in order to make right some of the things that have gone wrong.



Music

**Ellen McGirt:** On the surface, this might sound like a typical “charity” story – a rich person donates money to a cause she believes in. But those involved in this collaboration say it’s something very different – and much more radical.

**John Biewen:** To start with, Regan Pritzker and the Kataly Foundation are not doing standard-issue “philanthropy,” says Dana Kawaoka-Chen, who is *also* part of the entourage in the East Oakland hills. Dana is Co-Executive Director of Justice Funders, which partners with philanthropists to re-imagine what they can do with their money.

**Dana Kawaoka-Chen:** Philanthropy is currently a product of capitalism, right? Capitalism as a system is a system that requires inequity in order to proliferate. So, capitalism and philanthropy are totally intertwined in that the wealth that has become this field of philanthropy, it's all enclosed wealth...

**Ellen McGirt:** In other words, the wealth was extracted from land and labor, privatized, and held by the few rich families in the ownership class.

**Dana Kawaoka-Chen:** It's wealth that then further is exacerbated because it's invested in the stock market. And so even if 5% of a foundation's grantmaking

supports power building, social change, social justice work, 95% of those assets are still invested in the very things that are killing us.

**Regan Pritzker:** Can I add onto this?

**John Biewen:** Regan Pritzker.

**Regan Pritzker:** As someone who inherited a position as a board member of a family philanthropy, one of the lessons you learn is that you have to keep your investments at market rate so that you can maximize the amount of distribution you can make to your grantees, and you have to keep the business of philanthropy going in order to support the nonprofits that you're supporting.

**Ellen McGirt:** Regan is describing the way most philanthropic organizations operate: You make grants each year of just a small percentage of your assets, while continuing to invest the rest – mostly in the stock market – so that it holds its value or, preferably, grows.

**Regan Pritzker:** And one of the big obstacles and challenges that I confronted when I wanted to create Kataly Foundation as a spend-out foundation was this idea that if you give all the money away, you won't have anything left. If you're stuck in the capitalism mindset around philanthropy, that kind of makes sense. But I think what has been so transformative for me, and the gift, I hope, that the

Kataly Foundation project has to offer to the field of philanthropy, is that by spending out in ways that actually create the opportunity for experimenting in new forms of ownership, stewardship, solidarity-economy projects, that we can show that philanthropy can spend out and should, in service of this new system. You just have to do it in ways that are responsive to what is being asked for from the organizers on the ground who are building out these experiments in solidarity economy.

**John Biewen:** Here, Pritzker is alluding to another crucial difference in the way the Kataly Foundation operates, compared with conventional foundations. Kataly's grantmaking decisions are made by a staff, most of them women of color, who are themselves embedded in social change work – environmental restoration, and efforts to return wealth and power to Black, Brown, and Indigenous communities.

**Ellen McGirt:** This is the kind of matchmaking that Dana Kawaoka-Chen, and Justice Funders, do all day: pairing financially wealthy people and foundations with grassroots groups working for transformational change. Here's Dana.

**Dana Kawaoka-Chen:** So, how do we use this perch that we've built through this organization that straddles both the work that is being done in community and the work that we have access to in philanthropy, and actually organize resources to be redistributed back to the communities from where it was stolen, from where it was extracted and exploited from. And think about how we're

doing so in right relationship so that we can actually build the infrastructure for a system, a regenerative system, a solidarity system – [pause] – for all of us.

Music

**John Biewen:** A lot of activists say, whatever a post-capitalist world is gonna look like, the release of a lot of accumulated wealth, to make it available for the public good, is a necessary step on the way. And Ellen, we found these stories and relationships inspiring, as examples of “composting capital” and really trying to kind of rewind the story of colonialism and extractive capitalism. One possible reaction, though, is to say, well, these are lovely symbolic actions but they’re just so small in the face of this gigantic capitalist system and its dominance and momentum.

**Ellen McGirt:** That’s a fair concern. But the folks we interviewed in the Bay Area have an answer. Mateo Nube, a co-director of Movement Generation, says just because the challenge is huge, that doesn’t mean each response needs to be.

**Mateo Nube:** We are envisioning a world where there are a thousand or five thousand land reclamation projects happening within reach of each other. We need visionary projects working together in concert that are oppositional to the dominant economy that is killing us all. But it's part of a bigger strategy where folks are thinking, OK, when the time is ripe, we are going to position ourselves

to make this happen again and again and again until the cultural shift is really being felt all around us.

## Music

**John Biewen:** If you think about it, nobody announced the birth of capitalism five hundred years ago, either. People just started doing it. That's probably how the next paradigm shift will happen, too – or *is* happening. Now, there *is* an important difference that we can't gloss over. The instigators of capitalism were the aristocracy – people with the power to create monopolistic corporations, launch voyages of colonial conquest, and order the enclosure of common lands. And still today, people who own things, especially financial capital, have wildly disproportionate power.

**Ellen McGirt:** And it's often people with the least power who are trying to create alternative economies. That challenge, of how to overcome our society's plutocratic structures and shift power so we can get real change, is a whole topic by itself.

**John Biewen:** We devoted a Scene on Radio series – Season 4 – to the structural failings of democracy in the United States – and, in fact, the relationship between anti-democratic forces *and capitalism* was a recurring theme of that season. We just might go there again in the coming months, in a bonus episode.

**Ellen McGirt:** But, before we wrap this up, let's say a few more words about a post-capitalist economy and what it could look like – based on what we've heard and the places we've gone. We said we weren't gonna try to lay out a blueprint, because there isn't one. Remember what John Fullerton said in Episode 1.

**John Fullerton:** Certainly by 2050 we will refer to this period as something different than the Modern Age. And I don't think anyone can possibly have any confidence to know what that's going to look like.

**John Biewen:** But there are some things we can say in broad strokes. Fullerton himself, as we said, lays out principles for what he calls a Regenerative Economy. Many of those principles are consistent with ideas advanced by other economic reformers – and, for that matter, they align with values long shared by most cultures and spiritual traditions.

**Ellen McGirt:** To our jaded, modern ears, the core idea in Fullerton's Regenerative Economics, "align with natural systems," can sound abstract and even woo-woo, but it doesn't have to be. To start with, right now, shouldn't everyone who runs a company or an organization, and every investor, be asking themselves, what am I doing to get us to net zero greenhouse gas emissions as soon as humanly possible, whatever it takes?

**John Biewen:** Want another real-world example? Take the difference between a coal-fired power plant spewing carbon at one extreme, and, on the other, a solar farm that's

also a prairie restoration project – with wild plants around the solar panels providing habitat for birds, butterflies, and bees. And, goats or sheep keeping the plant growth in check instead of lawn mowers.

**Ellen McGirt:** It seems like a lot of the takeaways from this season can be expressed as things we need to *stop* doing – whatever we call what comes next, and whether or not capitalism is still part of that mix. Things like, gross extraction and exploitation of land and labor. We need to end what author Marjorie Kelly calls wealth supremacy, and the damage done by profit maximization. And we need to structure things so power is shared more equally, so people can be in “right relationship.”

**John Biewen:** Speaking of Marjorie Kelly, there’s another word you hear from many advocates of a new economy, Kelly in particular, and it starts with “d.”

**Marjorie Kelly:** We at the Democracy Collaborative, the phrase we like to use is a democratic economy. We live in a democratic society. We need a democratic economy.

**John Biewen:** Kelly spent decades as a business journalist, promoting a more ethical brand of capitalism – until she concluded that the system is inherently, and hopelessly, extractive and exploitative.

**Marjorie Kelly:** I would definitely say I'm anti-capitalist. (Laughs)

**John Biewen:** She argues, by the way, that “democratic economics” – small d, of course – is a bigger and more contemporary idea than socialism.

**Marjorie Kelly:** I admire socialism. I think there's a lot there that we need. But I reject the idea that our choices are binary, that it's either capitalism or socialism.

**Ellen McGirt:** So, what does Marjorie mean by a *democratic* economy?

**John Biewen:** It's broadly consistent, I would say, with what John Fullerton and other folks mean by a “regenerative” economy...

**Marjorie Kelly:** A democratic economy is designed for people and planet to flourish. That's what its purpose is.

**John Biewen:** But Marjorie puts more emphasis on questions of power and ownership. She says we need more businesses owned by their workers, as in Mondragon, and more public ownership – which, yes, is essentially democratic socialism at work, including in capitalist havens like the United States.

**Marjorie Kelly:** 85% of Americans get our water from municipal utilities. We don't think about it, that the city owns the water systems. And it's been shown



that you get better service and lower cost. But I'll tell you, hedge funds are out there right now trying to buy water systems and water rights because that's, they're becoming scarce and there's going to be money to be made. The purpose of a municipally owned water system is to provide reliable, affordable service. That's its purpose. Its purpose is not to extract as much as possible from consumers.

Music

**Marjorie Kelly:** So, yeah, the difference in a way is simple. It's purpose, it's ownership, and it's structures that hold those in place. And yet it's also deep and a profound difference.

Music

**Ellen McGirt:** You know, John, people are smart and creative and resilient, especially when we work together. But we have to start by recognizing where we've gone wrong, so we can get back on a path that we can live with for the long haul.

**John Biewen:** Once we have some clarity about where we're trying to go, then we can more effectively plot strategies for getting there.

Music

**John Biewen:** It's been a joy working with you, Ellen. Thank you for coming along.

**Ellen McGirt:** John, it's been an absolute pleasure. Thank you.

**John Biewen:** Do watch this space – or hit that subscribe or follow button on your podcast app if you haven't. Keep an eye out for one or more bonus episodes later in the fall. And of course, we do love it when you tell your friends or spread the word about the show in any way.

Music

Credits:

**John Biewen:** This episode was made by me, with Ellen McGirt and our story editor, Loretta Williams. Huge thanks to Loretta, whose sharp eyes and ears always make the result better. Music this season by Michelle Osis; Lili Haydn; Chris Westlake; Alex Symcox; and goodnight, Lucas. Music consulting by Mr. Joe Augustine of Narrative Music. Recording help for this episode from Alaa Mostafa. You can find a transcript of this and our other episodes, and info about our team, at [sceneonradio.org](http://sceneonradio.org). We've also provided reading lists for some of our past seasons – we'll post one for this season soon. Big thanks to the whole crew at the Kenan Institute – Sarah Rogers, Christian Ferney, and Jatu Pajibo make our website happen and help with communications and

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