

Changing the Way Money Works: The Steady State Economy and Sharing Law

Global Research News Hour Episode 99

By [Michael Welch](#) and [Kéllia Rames](#)

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"It also just reduces barriers to a wide variety of things that we think create more sustainable local economies, like solar energy projects, community-supported agriculture (CSA) programs, worker-owned cooperatives. And so, if this law is passed in California, it means that projects that are relatively low-risk investments, but high impact for community resilience will be able to get the capital they need to get started." – Jenna Orsi, from this week's interview (see transcript below)

"Anyone who believes exponential growth can go on forever in a finite world is either a madman or an economist." -Kenneth E Boulding [1]

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Economics dominates the lives of human beings and in fact all life on Earth, because inevitably it governs how resources in the natural world are cultivated and exploited for the benefit of the planet's dominant species.

Unfortunately, the economic system does not seem to serve natural or even human purposes. A minority might benefit, and then only in the short term. The more wealth human society generates, the more destruction it seems to do to both our global habitat and our inter-personal relations.

Does it have to be this way?

This week's Global Research News Hour explores alternatives to economic paradigms that reward human greed while ripping apart the web of life that sustains us all.

James Magnus-Johnston is a political economist, an instructor at Canadian Mennonite University in Winnipeg, Manitoba, Canada, and the Canadian Director of the Center for the Advancement of the Steady State Economy (CASSE). In the first half hour he focuses on what's wrong with the current economic paradigm of economic growth, and how an

economic system rooted in stability rather than growth is crucial for addressing climate change along with other social and environmental challenges threatening humanity.

Janelle Orsi makes her debut on the show in the second half hour. She is co-founder and executive director of The Sustainable Economies Law Center in the San Francisco Bay Area. In this piece (transcribed below) Orsi guides guest interviewer Kellia Ramares-Watson through the fascinating field of 'Sharing Law.'

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Jenna Orsi, in Conversation with Kellia Ramares-Watson

Transcript

Janelle Orsi is a cofounder and Executive Director of The Sustainable Economies Law Center in the San Francisco Bay Area. She was profiled by the American Bar Association in 2010 as a “legal rebel”, an attorney who is “remaking the legal profession through the power of innovation.” She was named a 2014 Ashoka fellow. Ashoka fellows are “leading social entrepreneurs who have innovative solutions to social problems and a potential to change patterns across society. Ashoka fellows work in over 70 countries around the globe in every area of human need.”

I’m Kellia Ramares-Watson. I began my interview by asking Janelle how she discovered Sharing Law.

JO: Sharing Law... I guess it was a phrase I put together in my head when as I was a third year in law school. And at the time, I was living in Berkeley in what we called casual co-housing. So it was four households that lived adjacent to one another and that shared a lot of things. We shared laundry. We shared a garden. We shared meals a couple of days week. We shared a vacuum cleaner. And sharing kept coming up in my life as a way that made my life easier; it helped me save money. It was cutting down on my impact on the planet. So I started to think about all the people who are struggling to meet their needs in the society, and the way that sharing, if we just take it to greater levels, could really do a lot of good. So I thought, “I could become a lawyer who helps people share things because there are a lot of agreements that need to be made, a lot of regulations that need to be navigated” and I decided to focus my whole law practice on sharing.

Then I was also watching things around me in the Bay Area. Like I got to know People’s Grocery, the nonprofit in West Oakland that was creating community gardens, and was also working to create a worker-owned grocery store at the time. And these ideas just made so much sense to me, and, particularly, in helping to meet the needs of young people in this society, to help meet their food and nutrition needs, the needs for jobs. So I was just seeing examples all around me of ways that sharing was benefiting a lot of people.

KRW: Any other ways you would describe Sharing Law?

JO: Sharing Law: it's a field of legal practice and I sometimes refer to it as Sharing Economy Law. Sometimes I call it County Resilience Law. Sometimes people call it Sustainable Economies Law because my nonprofit is Sustainable Economies Law Center. But basically, it's a field of law practice through which lawyers and other legal professionals provide support to people in forming organizations, in forming agreements to share things. So, drafting agreements, drafting bylaws for cooperatives, helping people choose and structure collaborative entities, helping people understand how their sharing arrangements could bring up employment law, tax law, securities law, health and safety laws. A lot of regulations come up and I didn't even expect this when I became a sharing lawyer. But we have so many laws that are designed to protect people from one another, and sharing is people helping each other out, and there are actually laws that prevent people from helping each other out. So there is a lot to learn and think about.

KRW: Where do you think that regulations most harm attempts to share?

JO: Regulations that have been designed to temper the harms of really large companies have also had the perverse effect of privileging those really large companies. So companies that have a lot of money, for example, to register securities' offerings to raise money and capitalize their businesses are also the businesses that succeed because they have access to capital. But let's say someone is starting a new farm and they need to raise a little bit of money to get a tractor and to lease some farmland. Maybe they want to raise \$50,000. They can't just advertise to their community that they want, maybe 50 micro-loans of \$1000. You can't do that without a substantial amount of legal compliance, and so it means the small-scale economic activities just can't even compete with the large ones because they can't comply with the same laws that were designed for the big ones.

KRW: There's some changes going on. Not only here but in Europe as well, about crowdfunding for small firms. Do you think that's going to take off in the US anytime soon?

JO: I do. And part of the reason I think it's going to take off is because the Sustainable Economies Law Center, our organization, just wrote a law that we are shopping around to legislators in California – we have at least two legislators that are interested – and I think we're going to call it the Local Economies Securities Act. One thing it does is reduces barriers to farmers to raise money to purchase farmland. It also just reduces barriers to a wide variety of things that we think create more sustainable local economies, like solar energy projects, community-supported agriculture (CSA) programs, worker-owned cooperatives. And so, if this law is passed in California, it means that projects that are relatively low-risk investments, but high impact for community resilience will be able to get the capital they need to get started.

KRW: What else does the SELC do?

JO: We have 10 different programs. So we kind of hit all realms of life. We work on energy, housing, food. A major goal of ours is to think about the legal profession itself and what lawyers do and how they practice and get lawyers all over the world trained to tailor their services to the creation of more sustainable local economies.

KRW: You wrote this book called Practicing Law in the Sharing Economy. Are you one of the leaders or founders of this as a legal discipline?

JO: One thing I have done is I think I've brought together a lot of legal practice areas under one umbrella of Sharing Economy Law or Community Resilience Law, because there are definitely lawyers everywhere who have provided legal support to cooperatives in every state. I shouldn't say there are many lawyers, but there are lawyers because there have been cooperatives around since the 19th century. But there are also lawyers who have created co-housing communities, lawyers who have provided support to nonprofit community farms. But the lawyers who do this work hadn't identified themselves as part of a movement or part of an area of focus. And so, I think that my work has really helped to bring that together under one umbrella.

And then the book was published by the American Bar Association, and a lot of lawyers around the country, and actually around the world, have reached out and said that they've found the book and it really spoke to them as something that they of sort of, in the back of their minds, been wanting to do. Or it help to communicate what they were trying to communicate about their priorities. And so it's helping to create a community of lawyers internationally.

KRW: You said, in a video that I saw, that 70% of Americans are not being adequately served by the legal profession. Could you elaborate on that?

JO: Well, most people think of lawyers as being very expensive. And lawyers do charge anywhere from \$200-\$500 an hour, or even \$600 an hour. A friend of mine told me that's what his law firm charges for his time. So, lawyers made themselves inaccessible to anybody but maybe the top 10 or 20% of society. There are nonprofit legal service organizations that are meeting some of the needs of some of the lowest income members of society. But even these organizations say that they have to turn away pretty much, I think, four out of five of the requests for legal services.

So, it leaves a huge gap in the middle, between the wealthiest and the poorest members of society, of people who have day-to-day legal needs, needing support for family law, buying or renting their homes, for creating wills or trusts. There are a lot of just aspects of life they require a little bit of legal expertise from time to time and people don't think of hiring a lawyer because they can't even imagine affording it. So, lawyers have really elevated themselves to this place in society where they have made themselves inaccessible to the vast majority of people. And it has really benefited lawyers to do this for a long time because the wealthiest sector of society has had enough work to keep lawyers busy. And I think that bubble has now begun to burst, and there are a lot of unemployed lawyers who should be shifting the focus to serving more average members of society to do average legal work.

KRW: The transactional lawyers who would be needed for the sharing economy.

JO: Transactional lawyers as opposed to litigators who go to court. Transactional lawyers are the people who draft contracts, and form organizations, and just advise people on "Here are your steps to complying with the law." We need tons of transactional lawyers people do this because we have to create a whole new economy. I think we need to create a whole new economy. We have to replace all of the giant businesses that are destroying our planet. We need to replace them with community-managed, localized, sustainable businesses, and we need tons of lawyers to help people set those businesses up.

KRW: But also, as you said in that video, law school does not prepare you to practice on your own. And I'm sure that there aren't yet courses in Sharing Law in a lot of places. So how does a lawyer get started with that?

JO: Well, one thing that I like to make sure that the whole world knows is that, in four states, California included, you can become a lawyer without going to law school. So there are four staff members in my organization who are apprenticing, either with me or another attorney, to become lawyers. And so they are learning this work on the ground by just basically learning it in practice.

For people who have already become lawyers, I think the best thing to do is just start taking clients and looking at what's already out there and how lawyers have assisted in the development of cooperatives and other new economy enterprises, and try to replicate those models.

But as far as what law schools are doing, there's a little bit of change happening here and there. There are transactional, community economic development law clinics at maybe 20 or 30 different law schools that are starting to think more progressively, thinking more along the lines of supporting community-scale economic projects. And so, that's a step in the right direction. But legal education hasn't changed nearly enough to keep up with the needs of our society.

New York has the apprentice program although you need one year of law school. There are actually three other states: Washington, Virginia, and Vermont. Those three states, you don't need to go to law school at all. In Maine, you have to go to law school for two years and then you can apprentice for the rest. So, I think that basically accounts for the states where you can do it.

And my organization has a blog called LikeLincoln.org and we started a Facebook group called Apprenticing to Become a Lawyer. So now we are being contacted by people in other states: Oregon, Ohio and Florida, who said, "Ah, I wish I could do that in my state. How could I lobby legislators or the [state] Supreme Court to change this and make this a viable pathway to becoming a lawyer?"

Because the other problem in the legal profession right now is that lawyers are graduating law school with \$200,000 of debt and they can't find jobs, and it's just not an economically smart decision to go to law school anymore. We still need lawyers.

KRW: Are there enough sharing lawyers in the formal sense, that they recognize this is a legal discipline, to have your own professional organization like the trial lawyers? You have your own convention?

JO: I think there's just about to be enough lawyers who are doing this work. Our organization is creating a website. We call it NextLegal.org: a Platform for Creating the Next Legal Profession. It's not launched yet, but we're hoping that will create an organization of sorts. It's really a community-building and resource-sharing website.

But also, our organization has a fellowship program and we've helped mentor 11 attorneys as they've been starting their law practices in this realm, and a bunch of them got together and have formed an organization. I think they call it the Sustainable Economies Lawyer Organization, something like that, and so, I think this is going to start emerging. I think

lawyers are going to realize they need to come together and learn from one another.

Also, Australia has a Sharing Lawyer Association that's in formation.

KRW: Is the US a leader in sharing law or are other countries more ahead of us in that way and which ones?

JO: Australia has definitely picked it up. I took a speaking tour of three cities in Australia last year and made a lot of connections. And I think that it sparked the creation of an organization there. I don't see really a unified movement elsewhere, such as Europe or South America, but I hear from attorneys there that they are interested in these things. And, of course, both Europe and South America are places where I see a lot of examples of great things happening, especially in the realm of worker-owned cooperatives. And so, there must be lawyers who have come together and created best practices around that.

KRW: Specifically, what areas of life could we be sharing more but for current law?

JO: We could be sharing more in the realm of food, were it not for a lot of health and safety and agricultural laws that prevent us from doing so. A really disturbing example right now is that there seed sharing libraries throughout the US. There's at least 300 of them. They are places where people can go to get free seed to grow vegetables and other plants, and then they are encouraged to harvest seeds later on and donate seeds back to the library. And in at least three or maybe four states now, the departments of agriculture have said "No, you can't do this. This violates seed labeling laws. Laws that say you have to test the seeds that you're providing to people and label them with the testing information." And so seed libraries can't comply with this.

In the realm of food, when people come together and create formal arrangements to share food, or they go into the community and donate food like Food Not Bombs goes into the community and gives food out people, they're often crackdown upon due to health and safety laws. And they're just so restrictive that it's basically just going to force a lot of people to go hungry if we don't create exemptions for community-scaled food sharing.

It's also very hard, if you grow food in your backyard, to find out how to comply with the laws in order to sell that food.

I guess another area of law that is just going to prevent the localization of our economic system is zoning laws, because zoning laws have divided up our cities and divided up the function of our lives to be separate from each other. So we live in a residential zone, and we might work in an industrial zone. We go shopping in a commercial zone. Our food comes from an agricultural zone and these could all be very separate from each other. But if you want to re-localize economies, you want to create the ability to grow food in our neighborhoods, and do small-scale, cottage-scale manufacturing, and to trade and exchange with neighbors, and that brings residential, industrial, agricultural all back into our neighborhoods, which violates zoning laws. And so we really have to rethink that whole framework for urban design.

KRW: How does the gender breakdown among attorneys work out? Do women find themselves more interested in sharing law than men? Do you feel that it's fairly equal? What have you seen in your experience?

JO: Sometimes I wonder if our sample size is too small, but it's been a lot of women

attracted to volunteer in our organization and our fellows are mostly women. But it's definitely the case that men have been emerging and been involved and been very interested in doing this work. Of course, the majority of lawyers in our society are men, though increasingly law schools are seeing more women and I think that's in some cases, the majority of many law school classes are now women. So, I'm hoping that will bring greater balance.

But yeah, other than that I don't know that I've noticed any trends so far.

KRW: So what do you think is the impact of the sharing economy on the environment?

JO: I think it's inevitably going to reduce consumption, if by sharing economy you mean people are actually sharing tangible goods, providing for one another locally. I think probably one of the greatest impact things we can do is share housing, because the way that we have built the majority of housing and infrastructure, in this country, at least, is around single-family units. Every household needs to have their own kitchen and they need to have their own living areas and I think co-housing has helped to create new models that give people less personal space but much, much more shared space, but overall takes up less landmass and encourages people to provide for one another more and share tangible goods that each household might otherwise have to buy, like [lawn] equipment and vacuum cleaners and so on. So I think shared housing, much more community-oriented living will really reduce our consumption a good deal.

Sharing transportation is another realm. You know the free sharing economy's been picked up and applied to a lot of things that don't even necessarily reduce our consumption. They might even do the opposite, so Uber and Lyft are companies that enable people to get rides with strangers who are, in effect, operating taxis in their private vehicles. And so, in some ways, this could be leading people to take more car trips rather than fewer, because it's possible they're ordering a Lyft vehicle or an Uber vehicle when they otherwise might take a shuttle, or a bus, or train, or bicycle.

But the power that could come from such technology in such practices is that people who are driving their car someplace are able to use an app to find other people who need to go to and from the same place. And that way we fill the empty seats in our cars and cars are one of the biggest culprits in climate change. So that'll make a huge difference when people really start to practice ridesharing, car sharing.

KRW: So we're going to have, with more sharing, less need for duplicative things. What's the impact of that, though, on the vaunted job creation?

JO: Hmm... I think it just means that people are going to be doing jobs and creating things that we actually need, such as solar panels and organic food and buildings built out of renewable materials. And there's a lot of labor that's going to be needed in order to create a more sustainable economy. I don't think that we ought to worry that there's not going to be work for people to do.

I think that we should be worried that people are not getting out of jobs in these destructive industries fast enough. But everybody who works in the coal industry or fracking and all of the things, of course, create jobs but they're going to destroy the planet for all of our children and grandchildren. And, gosh, there's a lot of work to do in renewable energy so we shouldn't let the whole job issue hold us back from doing any of this. But yeah, it's definitely

a sensitive issue because it does mean people's lives will be upset, at least during the transition.

KRW: Do you see the sharing economy and sharing law is a way we can transition to a moneyless society where economics is based on fulfilling needs rather than making money? The derivatives market is 7 to 10 times the value of the world's real goods and services and I think that's a problem.

JO: Yeah, that's a problem! Yeah, I think sharing is going to enable us to feel a greater sense of confidence that our needs are going to be met. And I think that it's not that we need money but that we need the assurance that our basic needs are going to be provided for. And there are many other ways to do that beyond simply working a job and earning money to buy everything they need.

And so a lot of our needs can increasingly be met through the gift economy. By the gift economy, I mean people borrowing and lending things from each other, sharing ownership of things, a lot of that will replace a lot of the things we do currently spend money on. And then, there will also be ways to recognize people's contributions and help them, in a sense, bank their contributions in order to provide for themselves in the future. I think what a lot of people are worried about is "We need to save money because we're going to grow old and at some point we won't be able to work and we're going to need to have savings to provide for ourselves." But I think that society can figure this out. We can come up with ways to ensure people will be provided for in the times of their lives when they can't make as much of a productive contribution, through time-banking for example. People can accumulate time dollars or time credits for the work they do or the favors they do for others. And that, they can later on benefit from, by receiving favors from others.

KRW: I'm a little concerned about that because exactly favors are gifts. And this time-banking turns it into an economic transaction, where I might want to go ahead and give you something just because you're my friend. It makes time a different currency but it's still this exchange model.

JO: It's true, you know I think there have been many opportunities for me to participate in the time bank or to get time credits locally here for things that I've done, but I haven't felt the need to, because again, we all have a natural instinct to provide for one another and to provide gifts for one another. But I think there are some things that people won't do as gifts, or they won't be as motivated to do them. I think maybe one example where time banks could ultimately succeed is in elder care, or other caring professions, because it can be very labor-intensive, time-consuming, not always the most pleasant work, but eventually all of us are going to need it in some form, whether it's for ourselves or for family members. In Japan, I think, their system, their time bank for elder care has been more successful than other time banks. And I think that particular realm is where it will be useful.

KRW: Have you run into the argument that somehow, this idea of sharing economy, and sharing law, and co-housing and things like that, is a limit to people's freedom? That freedom is doing it yourself, by yourself, for yourself, and the sharing business is just a bunch of pinko communism?

JO: Hm, I think in many ways going to give us more freedom because, right now, we're... So many people are just slaves to this demand that we earn money and slaves to our 9 to 5 jobs and I think most people just aren't free to begin with.

There's something in sharing that intimidates people, especially people who feel that they need to have control over their personal space, over their time, especially introverts.

KRW: Do you think that measurements other than GDP [Gross Domestic Product] will help develop the sharing economy?

JO: YES!! And the measurements can serve multiple functions. And one of them, I guess, is to help us prioritize the use of our resources. But I think, in general, we need to recognize the value in different types of business models.

So recognize what is a worker-owned business. And what are the benefits that it's providing to the workers and to the local community? And if we're able to recognize that, and measure it, then we as a society can provide benefits to such businesses to encourage their growth. Because, right now, many worker cooperatives struggle to get off the ground. But if we were able to see the many benefits they provide, it would enable us to prioritize them.

I think another measure is just to know the economic impact of local spending. So, if I spend a dollar in my local economy, it's more likely to be re-spent in my local economy. It's kind of like a pinball machine. I like to use that metaphor, which is, in a pinball machine, a ball goes in and bounces around and each time it bounces off of something, your points are going up. And that's like a dollar in the local economy.

So, if we could measure the value of spending a dollar at a locally-owned, worker-owned business versus spending a dollar at a Walmart or a big-box store, and recognize that that dollar at that local business is going to be worth maybe even five times as much as the other dollar to our local economy, having those kinds of measurements will help us prioritize the economic development funds that we use, the regulations we impose on businesses, and so much more. We can calibrate our legal system to prioritize what actually benefits us.

KRW: What's being done politically in the United States or elsewhere to promote more sharing? You already talked about your organization's attempt to have a law introduced in California. What else is going on?

JO: There are a handful of cities where the city government has recognized sharing as a priority. Seoul, in South Korea, is one of them. San Francisco is one of them. San Francisco's mayor [Ed Lee] created a sharing economy working group. I can't name all the other cities but I think cities in general are revisiting their policies and revisiting their funding priorities and thinking about sharing in its many forms. Some cities are thinking, "How can we prioritize worker-owned businesses?" Other cities are thinking about shared transportation. Different cities are looking at different pieces of the sharing economy, but all with the recognition that it's going to benefit us locally.

KRW: Anything else?

JO: I focus a lot of my energy on cooperatives, and especially worker-owned cooperatives. And I think that is a piece of the sharing economy that a lot of people have not wrapped their minds around yet, or don't really see what is the value, what is the potential impact. But the two things people really should know about worker-owned cooperatives is that they're democratically governed, meaning workers control their work environment and their jobs, and they distribute their earnings to workers on the basis of the value of the work they do. So they are not people who are working to earn profits and limitless profits for others.

They are people who are working, basically to benefit themselves.

And that's going to really change the flow of wealth in our society. We have such enormous wealth inequality right now. Worker cooperatives are things that have enormous power to shift that. And I think that we really need to grow cooperative literacy in society, so that everybody graduating from high school understands what a worker cooperative is, and can say what a worker cooperative is... Would aspire to work in a worker cooperative, because if the opportunity is there, everybody should want to have control over their work and not just go let somebody else capitalize off of their labor. So worker cooperatives might be the moral to many stories in the sharing economy.

KRW: You have been listening to California attorney Janelle Orsi, executive director of the Sustainable Economies Law Center. The center's website is www.THESELC.org. That's www.THESELC.org. I'm Kellia Ramares-Watson in Berkeley California.

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Notes:

1) United States. Congress. House (1973) Energy reorganization act of 1973: Hearings, Ninety-third Congress, first session, on H.R. 11510. p. 248 (source wikipedia)

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