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Dayna Cunningham
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COS: Dayna, it's great to reconnect with you. You're the director of the MIT Community Innovators' Lab, and I would like to start our conversation by asking you a little about the personal journey that got you to where you are now and into the work you're doing now.

So, what were one or two important environments or moments in your own journey that got you to this place?

Dayna Cunningham: For me, this place is thinking about the connections between capitalism and democracy. The starting point was democracy, and feeling, you know, ever since childhood, the need to understand voice in the sense that I didn't have the voice that a lot of other people had.

My big struggle in the beginning was trying to understand how minorities, how marginal people, could participate and be fully included in society. That is how I have spent most of my professional life, and it's only recently that I've thought about the connection between that and capitalism. I guess the new piece is understanding how the market and how capitalism could actually drive democracy— I used to think that that was a very cynical formulation by wealthy people who were just trying to control democracy.

It's actually been quite liberating to think about how regular people can take back the market, and what a useful and powerful tool it can be.

COS: *When you look at the current situation we are in, what are the symptoms that you consider important?* What do you see going on that is indicative of the situation we are in, as a local and a global community, right now?

Dayna Cunningham: One of the most startling things I've read recently was by Paul Krugman, who said that **in the last 10 years, in an absolute sense, no wealth has been created—it's only been shifted around.**

That, first of all, completely tracks with my experience, with the work I do, seeing the impact of that. But it was so striking. **I've had this sense that there's been a tremendous amount of wealth acquired and appropriated, but not necessarily generated.**

And seeing that statistic, that fact so starkly set out, really summed up for me what was going on, which is, in my mind, **that over the last 20 years the value that working people have created has just been extracted and used by a very, very few people to enrich themselves.**

When I was in business school, in macroeconomics, my one foray into economics in any significant way, **we had this discussion about what drives modern economies, and this equation with consumer spending being the critical factor in the American economy.** I remember thinking at that time, **"We are in trouble"** because workers' wages, real earnings, have been going down for so long.

That was before any of these crises hit, but I just remember having this sense at that moment that we are really in trouble because we are kind of cutting out from underneath us the base of prosperity. And, for me, that is the indicator of where we are now—that we've spent 20 years or more doing that.

COS: Where do you see the root causes of this set of symptoms?

Dayna Cunningham: My interest is in democracy, so I attribute this problem to the weakness of our democracy. **So this is my personal experience—since Reagan, there's been a very, very active movement to undercut popular engagement and participation and democracy.** And so there hasn't been a way for the average person to have a say in what was going on with policy changes that have led to a massive shift in wealth.

The other thing that I think is really important is that it's not some mysterious thing. It's not that some superior race or group has taken over and their great intelligence has enabled them to amass all of this wealth. It is that there's been a shift in politics, and the shift in politics has enabled a shift in policy, and that means that **poor people lost.**

And that's been, you know, 30 or so years of cutting away all kinds of social protections. It is not trivial the anti-government rhetoric of the Republicans and conservatives, and this is where it gets us to.

COS: So, are you saying that the root cause of the situation we are in is a lack of democracy?

Dayna Cunningham: That's how I see it. I mean, I'm not an economist. And I think that an economist would give me a lot of economic data that would help me understand what I am saying about it. **But the way I see it is that we have lost the ability to control markets and control policy and control opportunities for wealth creation, and those things have landed us where we are.**

So, for me, the way I see it, the way I work, that is the piece that catches my attention most and causes me to focus.

COS: You're not an economist, but you studied at a business school, and have had a fair exposure to existing economic theories. If you look at the economic thought that's being deployed in public by policymakers, but also in places like business schools, and among all sorts of decision makers, what do you think is the blind spot of the economic thinking that's underlying our economic actions today?

Dayna Cunningham: I'm not going to say this very articulately, but for me, the blind spot is that we are stuck with what we have. **The only thing that works is this unfettered market capitalism, and there are no alternatives so we better be nice to . . . for lack of better term, business elites**—I don't have a better way or a more accurate way of describing it—but we better be nice to the captains of industry and **let them take what they want because we're beholden to them for our economic survival.**

I think the bank bailouts are a good example. **The thinking behind the bank bailouts, that what we have to rehabilitate our current models rather than fundamentally rethink them.** The challenge is in tweaking regulations, not in reaching a completely different understanding of how capital should work in our society.

To me, that's the huge, huge blind spot.

And, by the way, I think it's a **blind spot that is shared by liberals, progressives, and conservatives.** It's just a slightly different flavor of the blind spot, but even the Paul Krugmans of the world aren't fundamentally taking on this question. You know, **what does this myth of endless growth and endlessly accelerating growth mean? What does that mean? In a finite world, what does that mean?**

COS: Right. It's built right into all our assumptions, right? In economic models, even in the financial systems, it's all based on infinite growth.

So, if you look at the current situation we are in, what possible scenarios of the future do you see play out over the next 3-5 years?

Dayna Cunningham: Let me start with the worst case. **The worst case is that there is a very deep collapse,** and this Geithner approach of shoring up the banks and not thinking through the implications of having nationalized them, but just continuing to give capital away, ends in collapse. And, that there's a **really deep depression** and there's **deep social unrest.** We already know the right wing is arming itself now, and because there's such an absence of alternative frameworks, that is a highly possible scenario to me.

So, under this scenario, we would have a pretty spectacular collapse with deep social polarization and the worst possible outcomes. I think that danger is heightened by the idealism of the American public, that that can't happen here. There's this idea that there is something inherent in American-ness that protects democracy, and I think, in fact, that that fog, that vapor, that clouds our thinking actually has been manipulated by the right to do exactly the opposite in the past. **I think there's a very, very deep anti-democratic tradition in this country that is right under our noses**, and we don't see it because we think that in the US there's always going to be democracy. It's those *other* people who fall into authoritarianism and repression. It can't happen here.

So that's the worst-case scenario.

My preferred scenario is that the green economy becomes a truly regenerative economy. It's like our lifeline out of this mess. And, I actually heard one of Obama's team hinting at this the other day in some report, where she said this is not just a recovery package, it's a reinvestment package. We're actually trying to re-engineer the economy by focusing on long-term growth industries through green investment.

Now, at this point, I'm worried that that's more rhetorical than true, but I like, at least, that they're grasping for the rhetoric, and hope that the program will follow.

In that scenario, all of the ways in which we are seeking to safeguard and steward natural resources, become, in every sense of the word, generators of wealth, of economic wealth, of social wealth, of cultural wealth, of ecological wealth, and **each time we take a step towards greater energy independence and greater adaptation to climate change, we're actually using it as an opportunity for revenue generation and wealth creation, and a more integrated and healthy social context.**

I think **you cannot separate equity and efficiency if you're talking about sustainability.** And that is a huge gift in a sense. You know, we have to retrofit poor people's houses because they are the least efficient and the most likely to increase our carbon footprint, **so if you love the earth, you've got to worry about poor people** even if you aren't first thinking about poor people.

Now I think there are so many different aspects of this. You know, often the low-tech cheaper approach is the greener approach, and I think we have to shift our consciousness. It's your idea about going from **ego- to eco-awareness.** That's a really rich, rich concept, that at every possible level we could be thinking about regeneration, and that scenario leads us, in a moment of crisis and scarcity, actually to a moment of bountiful plenty.

COS: You already talked about a number of strategies that could address some of the root issues. You talked about the public investment in the green regenerative economy, and so forth. But you also mention other root issues, like the lack of democracy.

So, *what would be other or additional strategies that would address some of these systemic root issues that you mentioned?*

Dayna Cunningham: This goes back to sustainability—**I think you have to start with people, and so you have to look at education.** If you start from the perspective of climate adaptation and sustainability, and just work your way back to everything we need to get there—we need people...we need janitors who understand how to use complex climate control systems in their buildings, who understand the uses of natural ingredients in cleaning building, who can link into smart grids and maximize energy efficiency.

So what does that mean about the janitor of the future? **What kind of education does the janitor need? And you can extend that in every possible direction.** What does it mean to have a sewer system that's based on natural drainage areas? Well then, what does the sewage maintenance worker of the future have to know about water tables and evaporation cycles or whatever?

So, the starting point, to my mind, is education and a cultural and psychological and spiritual shift to understanding that we are in this together. All hands must be on deck. Every person is vitally necessary to make this thing work.

So, then, what do we have to do? We have to change urban schools. We have to invest more in education. We have to see schools as the lifeblood of communities. Well, while we are doing that, what's the energy picture in the schools? You know, can we put a mini generator there? And then, who is going to organize to get the mini generator in place, and what if the whole community comes around and is doing alternative energy, and is planning their usage collectively and thinking about how to sell energy back to the grid?

You know, suddenly you have the opportunity, starting with this crisis of energy...you know, skyrocketing energy costs, or responding to climate disaster or whatever it is. Suddenly you have this opportunity to remake the whole thing, including the human beings who are engaged in the process.

So the starting point, to me, is that. **All hands on deck. Everyone is precious on this earth and we have to figure out how to put it all together and save ourselves.**

COS: That would really put an enormous emphasis on reinventing the whole educational sector, right? But it's not just the education sector, as you said, it's also changing the role young people play and schools play in our communities, and making them more, putting them more into the driver's seat of change, right?

Dayna Cunningham: Yes, and **I focus on education because it's one of the core institutions where people gather, where there's an existing community.** Whether it's a healthy one is another question. But, you know, you have these sites that are ready to be leveraged, schools, churches, union halls. There are places where people gather that can be the starting point of a whole different way of thinking about the opportunity that's in front of us now.

The good news is we have a president who understands that part, and—despite the crisis—there is a level of optimism that we can do something. So I feel like there's an example being set. There are things on offer. And I dread what would've happened if McCain had won, because I think we would have been in a punitive place, you know, everybody looking around for who to blame for what's going on.

But, here we are—somebody is saying, “Let's get everybody working on this problem together.” It is a really important role for young people, and I think there's another very important piece which is something I learned from you, which is that **at the margins is the best innovation.**

You really need kids involved with gangs reinventing the schools. They are the best engineers of an engaging, smart, regenerative school environment because they have tested and noticed and observed and explored every possible failure of the system.

I think you can take that idea to every possible sector. I think there's going to be a need for all kinds of new small businesses and a whole different way of empowering people to create small businesses.

Minority businesses can tell you all of the weaknesses in the current system. We want to learn from that. You can go on and on.

And, so, to me it's thinking about crisis and opportunity in the fullest possible way. **In every possible moment of despair and dysfunction, there is some really, really interesting opportunity that we can use to turn the corner on this.**

COS: If you were to advise Barack Obama about three things he could do that would most help such a transformation to advance, what would you say?

Dayna Cunningham: I would create some sort of alternative space to explore a non-Wall Street alternative. That was a very convoluted way of saying create an alternative to Wall Street investment thinking as the only approach to saving the economy. That is fundamental to what is needed. So that's the first thing.

The second thing is to think about a strategy that **directly leverages the sites of community engagement for inventing.** The Obama campaign was brilliant for mobilizing people, and I think it's a very different set of institutional arrangements you need to engage people for the long haul. It's a great place to start that you've got all these people and they have the experience of being mobilized and being part of something, but now you have to think about long term. How do you sustain their interest and deploy it for deeper change?

And my sense is that they haven't figured that piece out yet. But now it is necessary to think very thoroughly about how to sustain the movement that you've built, not just extend the campaign.

The third thing is to think about how the money that you're now flooding into the streets will create jobs. I mean, **work really hard at clearing the obstacles to getting people meaningful jobs**. Because I think that's the immediate thing that will catch people's attention and sustain them long enough to get these other things moving.

COS: So, looking at that, what are the most important questions we should be focusing on and we should explore, that would help us most to move forward and to advance?

Dayna Cunningham: So, related to this thing about going to the sites of highest leverage, is the question, what are those institutions? Churches, schools, unions—I think change makers need to be actively involved with those institutions. Because we don't have a lot of time. We cannot start from scratch building something.

And we've got these mighty institutions that can work to support this change and to lead the change. It worries me, because these institutions have been not functioning at peak efficiency for a long time, but I think you've got to go there. You have to start there.

So first go to the points of highest leverage because we don't have a lot of time. Where there's already organization, where there's leadership development, there are numbers of people **where there's a sense of community, where there's an opportunity for collective conversation.**

COS: So we have these places, but as you said, they haven't been operating at, how did you say it, their peak performance? It's probably also with cross-sector groups, the change makers... Whenever you go into one of these institutions, you find people who try to change things and then other people who are just trying to do more of the same. And the change makers often need to reach out to each other across the institutions to connect and support each other.

Dayna Cunningham: That's right. And so here's the other thing. Connect on what basis? **How do you identify each other and connect yourselves, ourselves, around a common goal?**

I think ideas and theory, and discourse, are critically important now more than ever. We are lost if we don't think through together a critical appraisal of where we are and what can be done. The economic example is just one of many. **If we really in our hearts believe that we are stuck with the current model of capitalism, we are sunk.**

Now, how do you get beyond that? You have to have a space where you can think about it, where you can debate it, where you can struggle through it with other people who are also leading work and trying to figure out answers.

So, I just think **you can't underestimate the importance of theory and leadership and collective thinking about this moment.**

COS: What should we explore going forward?

Dayna Cunningham: There's the focusing on the institutions, focusing on theory and understanding the moment, and I think **focusing on leadership development.**

It's fascinating to sit back and consider the difference between Obama and Clinton. I think Obama is the president that Clinton wanted to be. It's early on and we'll see what happens, but I think the critical difference is though Clinton, like Obama, is a very smart man, as President, he was not grounded in a stance.

I think Obama actually has a stance. There are some goals he is going for, and I think it unleashes leadership and possibilities all around him. **So, that would be the third piece: it's the institutions, it's the theory, and it's the leadership.**

COS: So, where are the people and places that we should reach out to and connect with and investigate that would teach us most about the transformation that's in the making and where to take it?

Dayna Cunningham: I think it's the innovators at the sharpest edges. I think it's the Nelson Johnsons who are trying to figure out how, in one community that's been deeply divided, you can build a sustainability momentum that pulls everybody together, and reinvents everything from the local economy, to the culture that includes everybody instead of shuts out immigrants and gang members and African Americans.

That is a huge piece and it's what I'm most interested in. It's not the only piece, but I think it's often overlooked and it's what interests me most. **How do you pull in that most marginal perspective so you can see the greatest weaknesses—and possibilities-- in the system?**

And, so, the other thing about multi-sector is that you have that perspective at the table with a lot of other perspectives, and then I think you start getting somewhere.

COS: Anything else that our conversation didn't touch upon that you would like to share with us?

You have been part of the sensing journey that we took in a number of our research initiatives early this year. So, if you'll step back and look at these first couple of weeks of research and reflection and inquiry that we had as a group, **anything that strikes you on reflection that's interesting?**

Dayna Cunningham: A couple things. **If you were to translate your skepticism about the myth of endless growth into very specific economic arrangements, you'd have to reconsider the idea of compound interest.**

That I still haven't fully gotten my mind around. That just opened up an entirely new world, and I sort of feel like there's a chasm in front of me that I will quickly fall into because I don't know enough to go beyond that, but I know that that is the future direction. **What does it mean to create wealth, to have a model of wealth creation, that isn't based on this idea of compound interest?**

Trying to articulate what that might mean, for me, is like trying to talk without using words. It's somehow a kind of pinpoint opening, and what's beyond that is the universe.

The second thing is that going to see the sustainable **farm movement in Vermont, and getting a glimpse of the interaction of social capital in a community, and business development, was really fascinating to me.** I've seen that a lot in social settings, where you have a community that's trying to get something done and people will watch each other's kids and bring each other dinner, and take care of each other's grandmothers and such.

So, the concept of social cooperation has always made sense to me, and everybody has experienced it in some way living in a community. But seeing it in the business context and seeing how people were using it in a lot of different ways, a lot of layers of cooperation, really helped open up for me ideas about what's an alternative to competition in regenerative, sustainable, economic world.

And the third piece was going to see **Kapor Industries**, and seeing this fascinating hub of activity they have with these closely aligned and at times interrelated organizations—you know, small business incubator and investment company, and a foundation and an advocacy NGO—all working together in a variety of ways, based on some set of values and goals that the founders are trying to achieve, being agnostic about the way things must be done because they've always been done that way. All of that is out of the window.

And you have four floors of a building and all of these different kinds of enterprises are commingled in certain ways, because they're trying to get something done and they are using all means at their disposal. To me, that was a glimpse of the business organization of the future, if you think of business in its most bare sense as being organizations that create value.

That's in the Bay Area. That's **Mitch Kapor, and we met with Steve DeBerry. And within one building they have a foundation that gives away money to social issues. They have a not-for-profit advocacy organization that fights for education reform. They have a small business incubator that houses all kinds of interesting businesses that create social and economic value, and they have a private equity firm.**

COS: That's a really great example.

I think the three aspects that you mentioned are really critical, Everything you said resonates with my own experience. You touched upon the money, rethinking money from scratch, which eventually is rethinking money also in its basic terms.

If you think in the paradigm of ego-system consciousness, it's kind of the compound interest system, but if you think about it from an eco-system awareness paradigm, you actually come up with a different design of money.

The second and third point that you mentioned is about mission based venturing, a very powerful force in the world. Its really a new type of **entrepreneurship, communal entrepreneurship where people, the twenty-somethings of this generation, are so much more into creating their own venture than we ever have been, let alone the generation before us.** I think they're an important force in the world, and we saw they're really an interesting blend of creating their own business and pursuing a mission that's related to the social community.

Thank you so much, Dayna!