



If you look at every advance in prosperity and wealth creation, what you'll find is that there has been a large public investment in a new technological platform

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COS: What are two or three experiences or important contexts in your life that led you to the place where you are now and to the work that you are doing now?

Peter Teague: There're so many things. After college for a couple years **I lived in a small African village in the Peace Corps.** I think that was really important. I was a lawyer, so I actually went and worked for Citibank. **I worked on Capitol Hill, both on the House side and the Senate side.**

The one critical thing that I can't leave out is that as a gay man, **as a gay boy and then a gay man, I think I was always a little bit on the outside.** And that's been particularly true as I've done environmental work, starting when I was 24, 25, working for Leon Panetta when he was in the House. We were doing some of the most significant environmental work of the '80s, fighting the oil companies, and my colleagues were in the Sierra Club, NRDC, all the major, mainstream environmental groups.

The reason I'm mentioning this is that **I never felt like I was a member of the club.** I was sympathetic, I felt like they were my colleagues, but I never felt like I was really an insider. I always maintained a certain distance from that. It wasn't a

place to be out, at least in the '80s. So while there were gay people in the movement, that was pretty quiet. It was a movement that culturally was pretty macho. It was all about wearing Gore-Tex and being an outdoorsman and all that kind of stuff. So I think that was critical.

I left Capitol Hill and moved into philanthropy. I spent about five years at the Tides Foundation, which is a classic old-school bastion of liberalism, really focused on doing things fairly orthodox. You want to support grassroots organizing, then there is a set of assumptions that everyone is expected to share about the importance of the grassroots. All wisdom comes from the bottom. You really want to support work that feels good, that makes you feel as if you're supporting people with whom you want to be in solidarity. Those are going to be primarily African American, Latino, Asian people who are seen as on the margins. You're bringing your white, liberal consciousness to be of assistance and to be in solidarity.

In many ways it's an exercise that's about feeling righteous, about feeling good. I don't think it's necessarily effective, frankly. I spent the first five years in philanthropy funding things that are really losing battles, and we knew that we were losing, and we knew that we were losing very, very badly. I think that was in some ways less important than the fact that we were forming a **community of consciousness**, a community of caring, of mutual support. A little tribal, almost. And it was more important to be a member of the family than to be actually in the world, changing things. Though the effort was always about changing things.

So I think that **my outsider status, my outsider mentality, has always allowed me to look at these things, be a little bit more of an observer, and a little bit critical**—ultimately in philanthropy to say, "This is simply not working. This isn't getting us anywhere. We may feel good about it, but it's actually not producing change." And so I think what was really a critical, formative place for me that made me ask, **how do we actually begin to effect change in the world rather than how do we feel good about ourselves?**

COS: Listening to you I can see how important the view of the outsider is. If you only know systems or communities from within, from inside, being in the midst of them, and not from the other side, which is what it feels like when you're not a part of the club, then you haven't really understood anything about social reality today. In a way, that is almost a critical pre-condition to becoming literate in the type of problems we face, isn't it?

Peter Teague: Yeah, I think that's really right. **And I think it's clearly true that change is going to come from the margins.** People who are in the mainstream, who are a member of the club, have a harder time identifying the assumptions, the shared assumptions. If you're on the margins, it's easier to see them and it's much easier to challenge them because the assumptions are not a part of your core identity.

COS: The risk of letting go of the current situation is not as challenging as when you are in the center of the system and invested in all these things that you hold on to.

If you look at the current situation from the places that you operate in and the places you are connected to, what do you see going on?

Peter Teague: This is something I've been aware of for the last ten years or so. In philanthropy, it's what I think of as the **problem of categories and the problem of fragmentation.** We have categorized ourselves into smaller and smaller areas of expertise. I work primarily on environmental issues. We have people who work on water, air, toxics in soil, agriculture. We've set all these categories. And then within each category, we got into ever smaller areas of expertise.

I've had groups come in and talk to me about the problems of waste produced by chicken farming, and then people come and talk to me about waste produced by hog farming. And literally the hog people don't talk to the chicken people. There's no connection, even though the issues ultimately are identical, the issues of power are the same. In fact, many times they're dealing with the exact same corporate actors, and yet there's no conversation between them.

I've gone over to NRDC [Natural Resources Defense Council], probably one of our most robust, largest environmental organizations. **The people who are working on oceans have no idea what the climate people are doing, and vice versa. There's no conversation within the institution.**

We institutionalize the fragmentation. The universities are set up this way. The foundations that are funding the work are set up this way. The organizations are set up this way. The Congress itself, the committee system, is designed to emphasize fragmentation rather than an ecological worldview.

So being in a foundation which is set up the same way that all the others are is a huge challenge. I think it's also just obviously an individual challenge for us. **How do you think systemically when we've been trained not to?**

COS: How does that show up in our current situation?

Peter Teague: After many years, Congress has finally begun to move on climate legislation, and the House Energy and Commerce Committee reported out a bill last month. This is a huge step. **As the analysis of the bill becomes final, you realize that it is a bill that's likely to produce negligible environmental benefit, to effect a massive transfer of wealth from taxpayers to corporations, corporate actors, to create a massive set of interests in a new status quo that we are constructing.** This suggests to me that it will be very difficult to change this regime if it ever is enacted into law. And I think it's doomed to fail.

If you looked at this objectively—**if we wanted to stabilize the climate, effect a transition and a transformation in the global energy economy so that we are committed to the project that the Chinese and the Indians are embarked on to lift hundreds of millions, maybe billions, of people out of poverty, and do that in a way that stops climate change or slows it—you would never do what we're doing. It wouldn't make any sense.** The policies that are now being put in place would make no sense if that were actually a project.

So you think, Well, it doesn't look like it's about what it's about. It doesn't look like this is about stabilizing the climate. **It doesn't really look like it's effecting an energy revolution. It looks more like you are simply rewarding the economy's incumbents.** So why would environmentalists and progressives be endorsing it? I've been puzzling about this.

This is where I think the fragmentation shades over into tribalism. We go along because our tribe is going along, and we're being told by the high priests of our tribe, the people at NRDC and EDF [Environmental Defense Fund] and the mainstream environmental groups and the Obama administration and Democrats in Congress, that this is the way we should go. And so groups are lining up.

What strikes me is that the groups are not particularly interested in doing an analysis. They're not interested in looking at the analyses that are being done, nor are they interested in conducting their own. What they will tell you is, "Well, we're reserving judgment. We'll decide at some point over the summer whether to

formally endorse the bill or not." I say, "Okay, what kind of analysis are you doing to inform that decision?" They're not doing any analysis.

This is what leads me to think that we're really dealing with tribalism where it's our tribe against their tribe. We know who the bad guys are. If they're against it, we must be for it. The people that we trust are for it; we should be for it. And this is, I think, another aspect of the root cause. **I think there's an anti-intellectualism.** There is a resistance to any kind of real analysis that might actually begin to puncture our assumptions and our identities.

Frankly, I don't quite know what to do in this moment as a funder because even as I go to the people that we fund and are large supporters of many of these groups, it's as if a wall comes up when I ask people what kind of analysis they are doing, if they have considered the analysis that shows that the bill will actually allow a very large increase in emissions between now and 2030. **When you talk about the massive benefits that are going to the coal industry, the oil industry, etcetera, and the scraps that might be going to doing things like creating green jobs or going into clean energy innovation, there's just really no interest in even having that conversation.**

I'm interested in the mental models that create this situation, our unwillingness to think through but simply to accept what the leaders are telling us to do.

COS: So let's now dive deeper into the root causes that you started to discuss. You mentioned anti-intellectualism. That would be one. And that comes with a certain resistance against analysis that could challenge our own core identity, right?

And then I heard you say something about an intellectual style that cuts every whole into pieces, the fragmentation that we see in universities, in government, in the NGO sector. What other root causes do you see?

Peter Teague: I'm obviously not a cognitive scientist, but **I'm struck by how these problems seem to be both cognitive and emotional.** We have adopted and been conditioned to certain mental models. **Prior to 1980, it was possible to have a conversation about alternatives to Reagan-ite, Thatcher-ite capitalism. What strikes me now, even in the wake of the collapse of that system, is how prevalent and how dominant those mental models still are and how bipartisan they are. As I talk to environmentalists, as I talk to progressives and Democrats and liberals, we basically assume that markets will solve the problem.**

Now, we may want more regulation. We may want a modestly increased amount of public spending. But basically we believe that markets will solve all of our problems. And I find this astonishing.

I met with a member of the Danish parliament who's a speaker for the Greens on environmental issues, and she said to me, "Ultimately global warming is going to be solved when business really gets involved." I don't think that that's incorrect, but what strikes me is that it's so one-dimensional. There's not a larger conversation about all of the factors that might go into a solution. We have this single-minded fixation on the market as the single thing that will solve the problem.

We have a whole generation of progressives, environmentalists, and so on who really can't even conceive of a very significant role for government beyond as regulator. People want government to regulate. **But to think about government as a partner in innovation, to think about government as investing in the enabling infrastructure of a different kind of economy, that conversation rarely happens.** There are a few people around the edges, around the margins of the conversation, who want to talk about that.

When Hillary Clinton was in Beijing last week talking to the top Chinese leadership, the leadership were basically saying in the international framework agreement on climate that they want to see the U.S. and the other industrialized nations **invest 1 percent of GDP in technological innovation to effect a revolution in our energy economy.** And that is seen by Nancy Pelosi and others in the administration and environmentalists as a non-starter. We're not going to have that conversation. But we can talk about setting up a cap-and-trade system that will send the right market signals so that the market will solve the problem.

We're saying that the driver of this conversation is the need for the U.S. to be able to go to Copenhagen with something credible, having passed a cap-and-trade system, so that we can get an international framework agreement. **But we're not being serious about closing the gap between the American position, the European position, and the Chinese position.** The only way I can see to do that is for the U.S. and the Europeans and the Japanese to commit substantially more resources, public resources, in innovation to help the Chinese solve their problem. And that conversation is not being had.

You would think, "Well, I understand why the energy industry doesn't want to do that, and I understand why conservatives have an ideological position opposing public investment," so why is it that Greens and progressives and liberals don't want to entertain that conversation? And that's where I come back to the mental model. **We have been so immersed in the Reagan-ite, Thatcher-ite view of the world that we can't even imagine another conversation. And that's, I think, quite stunning. We've gotten to the point where that ideology has become so dominant that even after we see its collapse, we continue to hold onto it.**

COS: It also probably relates to other experiences in our lives. Just because something crashes, like the Reagan economic project with the meltdown of Wall Street and the global economic crisis, our deeply held assumptions don't fall apart unless we consciously confront them. These deep assumptions have been almost hard-wired, and they're not going to change unless we have a conscious public conversation around that.

If you look at the history, at what created the World Wide Web, the Internet, the IT industry, and so forth, there are major examples of successful public investment projects, as you have pointed out, that have created the foundation for a new core technology to emerge. And yet that's not what is dominating the discourse now.

Peter Teague: And if you raise it, what people will say is, "Where's the money going to come from?" They'll say, "Maybe we'll get some money out of the revenues from a cap-and-trade system." They've just given all the money away. **Obama was demanding \$15 billion for investment in innovation. We're going to get between 1/30th and 1/20th of that amount—that's it—in this bill. And Obama's endorsed it.** He demanded \$15 billion. He's going to get something less than \$1 billion. That's a tiny increase over and above the status quo. And he seems not to notice. It's amazing.

We're saying, "Where would the money come from?" **The Treasury Department is preparing to transfer trillions to bail out insolvent banks. But here we get back to the problem of categories. If you go and talk to an environmentalist and say, "Hey, what are you doing about the bank bailout? All the money that we need to effect this transition to a clean energy economy, to solve global warming, they're giving it away to the banks." And they will say, "That's really not my problem. I don't deal with banking.** That's a different category." Same conversation if you go to the people who are concerned about health care reform, "What about the give-away to the banks?" "Hey, that's not my category."

It's an astonishing set of barriers we've erected in our minds to prevent us from seeing the problem or the solution.

COS: I hear you describing two different factors. There's the intellectual impediment, the intellectual fragmentation of the project and the identity wrapped around one silo rather than the whole thing, but then the other factor that you mention is the organized interest of the incumbents, who then use the mechanisms that they have to get the biggest piece of the pie. And I guess that's probably when we look at GM, at Detroit, at Wall Street and so forth where all the hundreds of billions are going. That's probably the other factor. There's also a political and a power dimension, right?

Peter Teague: I think that's exactly right. The conversation about ideology and market fundamentalism misses the central point, which is **we simply have a corporate capitalism that is not ideological.** It is simply about corporate interests, and the **corporate interests are completely happy to take massive government subsidies if it serves their interests, at the same time that they're happy to argue strenuously against government regulation as an interference in the marketplace** and a counter-productive interference in the working of the market.

Ideology is simply there to serve the purpose of the corporations, which is to make as much money as possible. And I think you're seeing this with the Obama administration. **The Obama election, while in many ways a positive thing, really serves to mask the underlying truth, which is that we have a government run by and for the corporations.** And whoever we elect as President is a little bit marginal to this larger project of serving the corporate interests.

You can see in the health care reform debate how astonishing it is that the debate is really about how we preserve the interests and protect the interests of the health insurance companies. That's a critical and a very large and probably perhaps the driving aspect of that entire debate. In the same way that the conversation about climate change is largely driven by how we hold harmless the oil companies, the coal companies, all of the old energy incumbents. How do we make sure that they actually prosper through the process of supposedly addressing the problem of climate?

Everywhere you look corporate interests are paramount. They're always going to be met before the needs of the taxpayer, the citizens, etcetera. So what worries me about the Obama election is that it simply obscures that fact. It makes

liberals feel as if we've won. Progressivism is now on the march; we are triumphant. And in fact, Wall Street could ever ask for a better friend. Obama's doing basically what they've asked. They've now organized themselves so effectively that it looks like any kind of serious effort at reform of regulation is probably off the table, even after the lack of regulation led to the economic collapse, the entire global economic collapse. **They're so powerful that we can't have an honest conversation about regulating them seriously.**

COS: If you look at the economy, the corporate and economic sector consists of totally different parts. There are the big, well-organized interests, a few industries, who reap major benefits from their political leverage. And then there is a huge other part which does not benefit from that, and that's by the way where most of the jobs are created. It's the small and medium-sized industries, or it's industries that are in the making, like the green and renewal, all the industries that aren't yet organized by major players that easily can self-organize to maximize their political influence.

The political system is set up, it structurally puts at a disadvantage every group that has many players or that doesn't self-organize in an easy way.

Peter Teague: In almost every interview I've done, and on the trip we did to Vermont, there seems to be a **very deep concern about gigantism, that when institutions get beyond a certain size they become non-democratic, they become non-transparent, non-accountable.** And so there's this problem, **how do you get to a scale where you can effect change at a global level, but do it from the perspective of institutions that are small enough that they can be accountable, transparent, and democratic?**

COS: That's a great example of why we probably need to rethink and extend economic theories to reflect the dimension of scale and the impact on the democratic process.

What blind spots do you see in current economic theory that influence the issues you've mentioned?

Peter Teague: Something that Ted Nordhaus said in my interview really struck me, which is that we have been operating for about 30 years on a theory, a Chicago school theory, that public investment would drive out private investment. The idea would be that you need to minimize the amount of public investment in public goods so as to maximize the amount of private investment in the economy.

And Ted's point is that the Chicago school is completely wrong, that in fact there's a way in **which public investment pulls in private investment**, and that the lack of public investment in public goods actually means that there are insufficient opportunities for private investment to create real wealth. **So what we've seen is a chronic under-investment in public goods for 30 years, and private capital really has not had enough places to go, and so as a result we get these bubbles—the housing bubble, the tech bubble and so on—where we put our money into speculation and investing and investing and investing in money, creating more money, rather than in actual wealth creation.**

That's a blind spot. **We haven't had a serious conversation about the optimum level of public investment in public goods so as to create broadly shared wealth and prosperity, so as to meet the needs of modernity.** Modernization, modernity, has a really bad name, particularly in the circles I travel in. The environmentalists basically see modernity as a sign of our fall from grace, a sign of our fall from harmony with nature, and they're just yearning to return to some past where we are living more harmoniously.

And I think that it just ignores the fact that **modernity has been a great thing for most of us.** Most of us are alive now because of it. And it allows us to live lives where we can individuate. We can pursue our own individual aspirations as human beings. **And we need to be grateful for all of that and figure out how to continue the project of modernity, bringing more and more people into it.** I've lived in an African village. We can't romanticize that. There are nice things about it, but honestly nobody, particularly women, wants to live that way. It's pretty terrible. You work constantly just to survive. Your children die.

The idea that we would romanticize that and talk about that as a state we need to return to is nonsense. As much as we decry it, the fact is the Chinese government has lifted hundreds of millions of people out of rural poverty in terrible situations. People are in a much better place than they were. For all of the pollution and all the problems that we know about, the alienation, all of it, I still think that this is the project. Whether we like it or not, frankly, this is going to be the project. And I think we need to figure out a way to do that that's environmentally sustainable. That we figure out how to de-materialize what we think of as prosperity.

So I think these are all blind spots in the system. **I don't think we know very much about the public policies that create innovation. That is a huge blind spot in the system. I don't think that we know very much about how we are**

going to accommodate 9 billion people on the planet in a way that meets basic standards of human dignity and human aspiration, in a way that's both ecologically and socially sustainable. I don't think that current economic thought tells us very much of anything about how to accomplish those goals.

COS: If you look at the current situation and all the forces at play, what possible scenarios do you see playing out over the next three to five years?

Peter Teague: We are in this state of stasis and decay. We're not going to see the Marxian collapse, but we're stuck with institutions that are incapable of solving the problems. Over the last few months you've become aware that **the Obama project is not about transformation. It's really about trying to return to a status, which looks to me like an impossible task.**

As you read the mainstream press you get the impression, "Oh, this is working." They're saying the recession will end this year or maybe next, but it's going to end, and people are going to start shopping again. **And there's this notion that we can just return to life the way it was. And I think that that is a fantasy.** We're surrounded by the media and all this information telling us everything's going to be rosy.

My sense is that's going to continue. The media are going to tell us everything's getting better, we're coming out of the recession. We're going to be in this state of stagnation. **We seem to be dedicated to policies that are almost guaranteed to produce Japan's lost decade of low growth and high unemployment.** We're dealing with food crises and water crises and health crises and crises in education and on and on and on and on.

It doesn't look like any of those get resolved in any meaningful way. To the extent that we get health reform in the U.S., it will be very modest. It will keep the incumbents firmly in place. **It won't do anything to shake up the oligarchy that's running the health care system. I think the same with energy and climate.** We'll get a nonsensical policy solution that doesn't solve anything, gives very negligible environmental benefits, if any, etcetera.

So that looks like the way of the next few years, to me. Now, I think there's a huge political danger in this for the Democrats, just thinking domestically. I think that they are setting themselves up for it. **If the Republicans can organize themselves,**

the Democrats are creating huge targets because of the failure to really resolve the problems.

But that's what I see for the short-term, foreseeable future. Maybe some modest liberal reforms, but I don't think they're going to amount to much.

COS: So *what strategies could address some of the root issues that you mentioned?*

Peter Teague: We need to have a conversation about a history that we seem to have forgotten in this country. I'll just talk about this country because it's a history I know a little bit about. **If you look at every advance in prosperity and wealth creation, what you'll find is that there has been a large public investment in a new technological platform.** Whether it was the canals or the telegraph or the railroad, each of these actually led to enormous increases in national prosperity and wealth.

And the huge advantage is that **you have government making investments that private capital will never be engaged in.** Public investment tends to lead to more broadly shared prosperity and wealth coming out of those investments, right up through the 20th century, **when we saw the investment in the inter-state highway system, the investment in the Marshall Plan where we literally helped rebuild the economies of Europe and Japan.** It's so encouraging to look back at this really very recent history and realize that an entirely different way of thinking about the world is possible. **All our parents and grandparents had a very different understanding about public goods and shared investment and shared prosperity.**

I don't think that those things are impossible. You can get very discouraged and say, "Well, it's always the corporations who are going to win. The bigger is always going to be able to beat up on the smaller. Violence at the end of the day is going to prevail." But that hasn't always been true. I look back to that history, and I say, "I do believe that we have a collective memory of those kinds of investments. We have a collective memory that says, "Wow, we actually can come together, we can solve the big problems." There's a lot of pride in an American story about innovation, a can-do spirit coming together. All of that's there, ready to be tapped into. And I think it's been a huge political mistake not to do that more seriously. Rhetorically Obama won because he tapped into that. That was fantastically encouraging, and the reason that I'm discouraged and disappointed now is that the

billions that were to be spent on that project are being given away, and nothing's being said about it.

There's an opportunity here to recast and restructure our thinking about health care, about energy and climate, about the banking system. We should be talking about some sort of nationalization of insolvent banks. There's no reason that the taxpayers should be expected to prop up these insolvent banks. I'm not an economist, but **it's got to create massive distortions in the market if the message you're sending to investors is that there's no risk** because the taxpayers will always bail you out. And the larger your institution, the more guaranteed that will be.

So you get these massive institutions too big to fail, which are competing with smaller institutions that are actually operating in a more honest and principled way, and those institutions cannot compete with organizations for whom there is no risk.

So on those three things alone, we need to have a new conversation. You've pointed out in health care that the real drivers of health risk, poor health outcomes, have to do with how much you like your job, how satisfied you feel in it, your social status. These things are not even on the table when it comes to talking about health care. Again, we're back to the problem of categories. We've constructed a category for health care reform, and all we can talk about really is insurance. We're not talking about the actual drivers of health outcomes in the health care debate, which is crazy.

In some ways, I think these things just need to fail. I think the health care debate needs to lead to some sort of failure. The energy and climate debate will lead to some sort of failure. And once we have failure that is acknowledged, perhaps then we can have a different conversation.

What we all assumed was that the failure happened last fall and we would be having a different conversation now. That's what I'm grappling with. **How do you have a failure the entire world can see and that the entire world is suffering through, and not have it produce a different discourse?**

And what concerns me is that in each of these areas we are not going to have big, obvious failures of the bank bailout, energy and climate, health, education, etcetera. **We're simply going to have an ongoing, unresolved mess.** So if you

never get the huge, giant, colossal failure that leads to rethinking, that's why we're probably going to be in for a very long period.

The opportunity of that long period is that the project we're working on, and that others around the world are going to be working on, is imagining a different future, putting out into the world different ideas and different visions of what the economy might look like, and promoting those ideas. Because I think for more and more people, it's going to become obvious that what we're doing is not working.

Bottom line, what strikes me is how incredibly strong these mental models are. Even in the face of collapse, we'll hold on to them.

COS: This prolonged period of crisis here, crisis there, but none strong enough to really grab the complete collective attention to go to the root issues. The moment that you approach it with the old mental model, then a month later the next crisis hits you. That's a terrible scenario, but it's very stable because there is no built-in mechanism for transforming it.

If you were to advise Barack Obama on a few key strategies or actions that he could take that would in fact transform the current situation, what would you say?

Peter Teague: I would talk about having a different kind of conversation that brings reality into the conversation on energy and climate, health, and the banking system. I think that those three things are critical. As we talk about transferring hundreds of billions, perhaps trillions of dollars to the incumbents, to the old economy, we're giving our future away. This is a tragedy of epic proportions.

We've seen a lot of attempts over the past several months by people to have that conversation with the administration, and they don't want to have it. They're very clear. They are dedicated to the path they're on. I think Joe Stiglitz and Bob Kutner and Simon Johnson and others have tried valiantly to have that conversation, and I don't think there's an opening for it.

So I don't think that I would have the conversation with Obama, actually. I think I would have the conversation with the leaders of the institutional left, such as it is—the labor unions, the think tanks, the various advocacy organizations. What Obama has told them, I think he's quite clear about this himself, is that **he needs a coherent, powerful, well-organized left with ideas to make him do the things he wants to do.** What's notable to me in this moment historically is that that

doesn't exist at all, so that **as the banks go in and are robbing the Treasury, stealing our future, the unions have nothing to say about it, the environmentalists have nothing to say about it, and so on.**

There's no institution on the left that is speaking out and saying, "This is simply wrong. There's another way of going about this." You have individuals who are doing a great job, but it's not enough. They don't have any power in the system.

The left has to say, "We have got to develop a coherent vision in order to have an analysis and a critique and offer an alternative," and it just doesn't exist. I think it's astonishing. That's what we're about, right?

COS: I think that's a very powerful starting point, and actually you are the first interviewee to say that. What you are saying is that in order for a President to be effective with this type of agenda, you actually have to bring together a new coalition of people who want to be part of the future that you described.

What do you see as the two or three main focus areas of that type of conversation?

Peter Teague: I think in many ways it comes back to economics. You had that quote about how most practical men are in thrall to the ideas of some long dead economist.

COS: Keynes said that, yeah.

Peter Teague: The Keynesian quote. And that just feels right to me. It feels like the fact that labor, for example, seems to have no theory of the economy—I've been told this by labor leaders. They have no theory of the economy. **Labor economists have no theory of the economy that's different than the classical liberal economic theory.** All of the blind spots that we've talked about, all of the blind spots that others in the interviews have identified, are not being addressed in a serious way by the people who are, I think, influential with the left, such as it is.

Just as a side note, I think even the language of "left" and "right" is probably outdated and probably not very useful. What I mean by that is that I would hope that we would develop a formation of some sort with significant power that was interested in this notion of public investment in public goods, **of an economy that is structured and constructed to work for the broad mass of people rather than just the corporations that has as its central focus and principle ecological**

sustainability. By definition perhaps ecological sustainability includes the social and the economic.

But I think that we've got to dedicate ourselves to a whole-systems approach, and that's going to take time. Inevitably then, historically Barack Obama is a transitional figure. I think he is going to do his best to prop up the old system, and he'll probably succeed through personal charisma and intelligence for four or eight years. I think he will be a very, very popular President. All of that. I think we will personally like him. But I don't think that the formation exists to make him a great President. I don't think he can be a transformational figure because the formation doesn't exist to make him that. The moment is certainly his to seize, but I think what we've seen so far is that he's not that.

So I think this project, and I'm hoping many, many others around the world that are similarly focused on imagining a different future, envisioning a different kind of economy, and beginning to popularize those ideas, that we can do this quickly enough so that we seize the opportunity presented by the moment.

In a way, advice offered to the President right now is not particularly useful because he can't hear and he can't act on it without that formation in place.

COS: It's really more a question of forming the movement rather than giving the advice to the President.

Peter Teague: I think so.

COS: What you described really rings true to me. I think you talked about the moment, the now-ness of this kind of historical moment, and I see that in so many people, that longing. There is an awareness that there's an old system that's sooner or later going to die and another system that we need to create, and yet no one really knows how to do it.

Now, if that's the project, what do you think are the most important research questions that we need to explore?

Peter Teague: I think it's critical to identify those blind spots. I think that we need a much deeper understanding of how public policy can drive innovation, how innovation in turn can create broadly shared prosperity. **If we begin by challenging ourselves to think about the overall challenge of this**

century as creating a planet on which 9 billion people can live in an ecologically sustainable manner, a social and economically sustainable manner, that meets basic human needs and provides opportunities to meet needs of human aspiration and dignity, that's the project. How do we do that?

I don't think it's a simple question of how we reduce carbon emissions or how we reform the health care system in the U.S. or any of that. I think that there's a very, very big challenge here, an enormous challenge, an unprecedented challenge, and frankly one we're not really focused on yet.

As I have the conversation with environmentalists, they certainly don't think of the challenge that way. They think of it really as how we preserve ecosystems, how we limit carbon emissions, etcetera. But I think that this is the challenge. All of it requires an enormous amount of research. Again, I tend to focus on the questions of public or shared investment in innovation because I think innovation is one pathway through.

I think there's a whole other challenge here, and it's perhaps a spiritual challenge. That is, **how do we dematerialize what we think of as prosperity? How do we get to a point where we are living better, fuller, richer, more satisfying and fulfilling lives in a way that is decoupled from the question of how we acquire stuff?** I think we have this very dangerous connection between acquiring more material stuff and happiness. We know that beyond a certain point, once your material needs are met, the accumulation of more stuff has very little to do with happiness. But I think we've got to break that connection because we can't support 9 billion people on the planet if we all think that the way to human fulfillment is having a lot of things.

I don't think that you do that by exhorting people to live simply. You do that by presenting a compelling vision of a world in which fulfillment is achieved in other ways. That's a big challenge. I think the religions are failing us there. I think religion has a role, a very significant role potentially, to play. Religion is, I think, now in the business of exhorting people to be better, and I don't think that's particularly helpful.

COS: That really touches on not only how we think about the economy but also how we think about who we are as human beings and what we create.

Peter Teague: I keep coming back to that, and just the question of what the economy looks like. **I think you have to begin with the question, what is the purpose of the human being? Who are we?** If we think of ourselves as co-creators in the business of co-creation, as being this amazing product of this billions-year-long process of evolution, that we are now consciousness embodied, observing creation and creator, how amazing. That we are literally stardust. **The fact that we would allow ourselves to be convinced that we are simply consumers and producers of waste is just cosmically hilarious and ridiculous.**

There is such an amazing conversation to be had with people who are spiritual, religious leaders. It's a whole field of research, **because the basic project of religion is what is.** What is the purpose of a human being? Who are we? What's this all about? And I think we've gotten lost. My minister gave an Earth Day sermon, and she told us to install better light bulbs and be sure to clean up our trash on the street, **and I told her it was a terrible sermon. I said, "You missed the entire point."** So that's an ongoing conversation.

But I think there's a beautiful future. We know that. **There's a beautiful future if we can only allow ourselves to receive it.** Julian Sinclair is one of the people we interviewed, a rabbi in Israel, and he said he was telling the story of a man who went to receive instruction from a very famous rabbi. So he was seated at a table across from the rabbi, and surrounded by other rabbinical students. **The old rabbi held out an apple, and this man didn't know what to do, so he went to grab the apple, and the rabbi pulled it away. And all the students said, "No, no, no, no, no."** So again the old rabbi held out the apple, and again the man said, "I don't know what to do," so he goes to grab the apple, and the rabbi pulled it away. Still he didn't know what to do. He said finally it dawned on him. He realized the point was *[he forms his hands to a holding space just below the imaginary apple]* to just make ourselves able to hold and receive God's abundance, to receive the abundance of the universe. **That's what our purpose is, to mold ourselves into something capable of receiving this overwhelming, unimaginable abundance.**

And if we were having a conversation, if the churches, if the synagogues, if the mosques, were having that conversation with us about how to make ourselves capable of receiving abundance in that way, I think we'd be at a really different place. I think that's another piece of interesting—I don't know if "research" is the right word, but inquiry for sure.

COS: That's a really evocative image. Isn't that exactly the problem that we have in our institutions, that we respond to crisis situations by grabbing the apple rather than making this other, deeper gesture that shifts our attention to a deeper level.

Peter Teague: Yes. Yes. That's it.

COS: And that in a way really is the essence of the transformation that we have described and how these different levels relate. So if you were to advise our joint research effort and team here, if we wanted to investigate that kind of shift that you just described, where would we go? Where do you see communities or institutions or small groups or whole countries making that shift, places we might investigate and thereby learn more about it?

Peter Teague: I think that there's evidence of this new future. The seeds are out there. I think we know that. We also know—we've had this experience together—that the seeds are fragile. Probably we should be going to Spain and looking at the **Mondragon co-op movement**. We should be looking at the small examples, I think, that exist in this country in cities. We should go to Chicago and Cleveland and Los Angeles and places where they are attempting now to build a future, literally to build a future, with green buildings and thinking about how you employ unemployed people in those projects and so on.

But the reality is that the evidence is scant. It's small. It's fragile. It's nascent. And we just have to accept that. Roberto Unger has this wonderful notion that the human predicament is that we are creatures that live in a finite world but contain infinity. And so the infinity is here. **The work of imagining the future is really in our heads. It's talking to brilliant, beautiful people who are imagining it.**

I don't think a whole heck of a lot of it is out there in concrete form. There's some of it. But my sense is that this initial stage of inquiry will be a journey of conversation. It's what we're doing, right? It's talking to brilliant people who are imagining a future, and for us the act of receiving right now is simply about listening. **Probably less seeing, more listening.**

COS: My feeling is that this conversation has come full circle. In talking about the spiritual dimension of the crisis I heard you reconnecting to the economic crisis and how we live together with 9 billion people and take care of everyone's needs. That there's no way of addressing that without really rethinking the economy from a deeper level, as you said, which involves the dematerialization of prosperity and the question of who we are as human beings.

Peter Teague: That's right. The last time I was in Cambridge I shared the Buddhist meta-practice, those simple four things: *May we be safe, may we be happy, may we be healthy and strong, and may we live our lives with ease.* And when I think about that, when we think about that in a universal sense, it's all human beings, it's all living things, it's our entire earth, our entire universe. That we be safe, happy, healthy and strong and live our lives with ease. That to me is the context for the conversation about the economy because the economy is only a means by which to achieve those four things. That's the whole conversation. That's not a fragmented conversation.

COS: Thank you Peter!