



RULES CHANGE AND THE AMERICAN DREAM:

Ruleschange.org

*A call for solutions reporting about
capitalism and the common good*

“There is one and only one social responsibility for business,” Friedman wrote in that article and in his book, *Capitalism and Freedom*. “To use its resources and engage in activities designed to increase its profits so long as it stays within **the rules of the game**, which is to say, engages in open and free competition without deception or fraud.”

*-- Milton Friedman, 1970
(emphasis added)*



By William P. Densmore Jr.
And participants¹ in the Rules Change Project
October 31, 2015

¹ -- The particular assistance of John Boyer, Beth Lawton, Bill Baue, Marci Murningham and Hedrick Smith in gathering or identifying of materials used or cited in this report is acknowledged. Their mini-bios may be found at Appendix D.

America is not working for all of us.

When the elite Founding Fathers met in Philadelphia to craft the U.S. Constitution, most American communities were small. One could walk the town common, attend a town meeting and converse with fellow citizens face to face. Government was a tiny influence on daily life. Most corporations were local and had little influence on legislatures or elections.

Today, however, the two greatest concentrations of power in the American public square are government and corporations. While each provides important services and benefits to people, much of the American public is worried about the potential of each for unchecked influence. Whether they are more concerned about government or corporations depends upon their politics.

An Associated Press-University of Chicago-NORC poll [released in Jan. 2014](#), found few Americans had faith in the current political system, with the government receiving low marks on its performance in upholding the nation's fundamental principles. For example, 55 percent believe the government is doing a poor job of representing the views of most Americans while only 9 percent say it is doing a good job. A majority of Americans believed that American institutions such as churches, small and medium-sized businesses, and charitable organizations were doing "the right amount," when it came to fixing problems the government cannot -- while similar numbers believed big business, labor unions, and wealthy individuals are not.

Throughout our history, Americans have often acted to reduce concentrated power. This is one such time. Changes in the way we govern and interact with both government and corporations are required to revitalize our democracy, level the global economic playing field and sustain earth's life-giving resources. If we don't address these fundamental problems, many fear we will enter a period of increasing political and social instability, accelerating inequality, authoritarian control, and environmental destruction.

It's time to deliberately examine the rules by which Americans practice capitalism for the common good. That examination requires that we imagine walking in others shoes. Some see our nation as divided by different perspectives:

- Many Americans believe in an American Dream rewarding hard work and ingenuity. They have seen their parents and grandparents prosper, and believe they will too, pulling themselves up by their own bootstraps.

What does "rules change" mean?

The term "rules change" is meant to conjure a sports metaphor.

Imagine taking a time out to examine how the rules of the game – the game of capitalism and free markets – have evolved.

The idea is not to completely change the game, but to see if rewriting some rules, or interpreting them differently, might make the game fairer to all our nation's stakeholders – not just shareholders, but employees, customers, communities and the Earth itself.

- Many Americans also believe that sometimes a helping hand is needed, and seek to offer one individually or through the support of families, charitable organizations, or more broadly, through our government.
- There are also Americans who are dispirited and cynical, lacking knowledge or resources to find or reach their own bootstraps. They don't know how to reach the first rung of the success ladder. Many have lost faith that anything can help.

The Rules Chicago Project will *report, teach* and *convene* to foster a national "time out" to rethink the playing field for corporations, people and democracy. This work will aim to seed a conversation about shared priorities, values, purpose and democratic ideals -- including action ideas to support capitalism for the common good. The project should:

- Report
- Teach
- Convene

- Seek a systematic intellectual framework for getting America back on track -- regulatory, business and ethical -- so everyone has a better chance of thriving.
- Find the concepts and strategies that will guide a successful, systematic resetting of rules of the game for the long run.
- Spotlight stakeholder capitalism that is rooted in communities, inclusive of and fairer to the many constituencies comprising America, not just economic elites.
- Adjust the political system so it is more functional and fairer and not dominated by money or politicians trying chiefly to stay in office.

"There is a real need for a clearing house of information," Pulitzer Prize-winning author and journalist Hedrick Smith advised in March, 2014. "One of the first things to do is to create a source of information flow, a source of contact and a means of organization and communication." Smith has begun something that partially fills the gap. (See Page 9).

ORIGINS OF THE RULES CHANGE PROJECT

The 2013 Summit

The Rules Change Project dates to 2012.

That fall, some 35 people, mostly from Massachusetts and Washington, D.C., agreed to come together [May 3-5, 2013 at the University of Massachusetts-Amherst](#) to begin discussion of what came to be called The Rules Change Project. They were politicians, constitutional, legal and corporate-governance scholars, policy strategists and activists and advocates, media and engaged citizens. Key conveners included U.S. Rep. Jim McGovern (D-Mass.), the UMass Donahue Institute, [Common](#)



[Cause](#), the [New Economy Coalition](#), [UnitedRepublic.org](#) / [Represent.us](#), Free Speech for People, the Institute for Policy Studies, Responsible Wealth / UFE and Gross National Happiness USA. The discussions were informal, with no intention of forming a “new group.”

Our [aspirations](#), [vision](#) and resulting [work plan](#) focused on whether it might be possible to establish a clearing house for information about groups working at a variety of efforts that could foster economic “rules change.” It was an open coalition seeking to help launch a national conversation about how we govern, regulate, manage and interact with corporations. And about their relationships with government, and with their stakeholders — employees, customers, communities, the environment — in addition to stockholders. We wanted to cross lines, exit silos and listen — to create a time-out space for partisans across the playing field to find common ground on rules — rather than face ongoing gridlock and perceived unfairness in the game. We wanted to look at how government and business can collaborate to meet the needs of all stakeholders — employees, customers, citizens, communities and the environment — not just stockholders. We wanted to bring together silos of thought in a reflective, collaborative, national timeout for corporations, citizens and democracy -- to assess two decades of mainstream thought on corporate regulation, governance and global-resources impact.

Key informal background collaborators have included the [School of Public Policy](#) at George Mason University and the [Aspen Institute’s Business & Society Program](#) (read about Aspen’s [corporate-governance work](#)), the F.B. Heron Foundation, *WashingtonPost* columnist Steven Pearlstein ([“Is Capitalism Moral?”](#) and [“Social Capital, Corporate Purpose and the Revival of American Capitalism”](#)) and Hedrick Smith, author of the 2012 best-selling book, [“Who Stole the American Dream.”](#)

“Whether they are worried about the power of government, the power of corporations or diminished public participation in civic affairs, millions of Americans are starting to think the rules of the game need to be reinforced or changed,” Mark J. Rozell, then acting dean of George Mason University’s [School of Public Policy](#), wrote in 2014.



Studying two decades of books led to a rules change “taxonomy”

The concept of [“Rules Change” categories](#) dates back to work in the 1990s by Chuck Collins, and two organizations he helped found, United for a Fair Economy and Responsible Wealth.

In 2003, a retired corporate executive from Worcester, Mass., William P. Densmore, began to review ideas in dozens of books and to construct a [taxonomy](#) of corporate rules change ideas. At the time of his death in Jan., 2013, Densmore had developed an early version of the white paper, [“Restoring Democracy and Changing Corporate Rules.”](#)

Rules Change aims to promote cross-silo knowledge, ideas and collaboration [on issues such as](#) election reform, corporate personhood, success measures and corporate governance accountability, money and politics, media responsibility, workplace opportunity, marketplace action, [global competition](#) and environmental sustainability.

Both Aspen researchers and Smith have come to an important conclusion – that looking at and profiling examples of what’s changing in communities and corporations is as important – perhaps more important -- than theory or DC policy analysis.

“We have hampered ourselves by focusing too much on theory and ignoring the fact that a lot of things we should be learning from are actually happening already,” Miguel Pedro, of the Aspen Institute, observed in July, 2015. “I feel like a lot of us are in the weeds.” He describe Aspen’s deep dive into the workings of one technology company, and found a company that embedded concepts of sustainability and mission focus within operational excellence. Knowing that, said Pedro, was more important than what the company is saying to investors or even its customers. “Sustainability reports end up on the socially responsible investor’s desk but not on the traditional investor’s desk. The sustainability people are feeling siloed – and they do it to themselves. Investor relations handles the big financial report and the marketing people the sustainability report. That doesn’t make sense.”

SIX CATEGORIES, FIVE FRAMES FOR RULES CHANGE RESEARCH

Thus, the Rules Change Project seeks input from individuals and groups working on topics such as:

- Reducing or revealing the influence of money on Washington
- Non-partisan redistricting
- Changes in a “too-big-to-fail” banking system
- Corporate governance and sustainability
- Alternate success indicators besides GNP
- Economic policies to rebuild a middle class

Rules Change is organized to look at [six categories and five frames](#) spotlighting policy agendas of diverse groups that share the goal of a more just and sustainability society. Those categories include influence, measurement, ownership, accountability, governance and sustainability.

Organizers of the original Rules Change Summit at UMass Amherst in April 2013 chose five “categories” of rule changes to help prompt discussion. As a result of discussions at the 2013 UMass event, a sixth category, “Sustainability” was added. In creating a national discussion, through reporting, teaching and convening, The Rules Change Project is looking for examples of grass-roots, generally non-partisan or [transpartisan](#) efforts within these categories:

- **[CATEGORY ONE: Influence:](#)** — Personhood, corporate money and politics — Reconsidering the role of corporations in public policy, including charter reform. Overview by [John Bonifaz](#), co-founder, Free Speech for People — [\(AUDIO\)](#); or [\(PDF SLIDES\)](#)

- **CATEGORY TWO: Measurement:** — Alternate success measurements, including internalizing externalities, genuine progress and gross domestic happiness indicators, corporate performance. Overview by [Jim Boyce](#), director, Program on Development, Peacebuilding, and the Environment, Political Economy Research Institute, UMass-Amherst — [\[1\]](#); or [\(PDF SLIDES\)](#)
- **CATEGORY THREE: Ownership:** — New models for business ownership, including co-ops, B-corps, L3C, including community role, limits to growth and size. Overview by [Lynn Benander](#), president & CEO, Co-Op Power [\(AUDIO\)](#); or (SLIDES)
- **CATEGORY FOUR: Accountability:** — Considering the market and community impacts on broad stakeholder groups such as employees, communities, customers, shareholders including wages, profits and taxes (loopholes, offshoring, capital gains, estate/inheritance). Overview by [Marcy Murningham](#), founder, Murningham Post — [\(AUDIO\)](#); or [\(PDF SLIDES\)](#)
- **CATEGORY FIVE: Governance:** — Public and shareholder influence over executive pay by disclosure or regulation: regulated adherence to world sustainability measurements (see category 2, Measurement), improved transparency. Overview by [Jennifer Taub](#), assoc. professor, Vermont Law School [\(AUDIO\)](#); or [\(PDF SLIDES\)](#).
- **CATEGORY SIX: Sustainability:** — Transitioning local communities to less fossil-fuel dependent food, transportation and housing systems. Initiatives to include global environmental and ecological sustainability into measurements of corporate performance.



AUDIO:

- [BILL BAUE EXPLAINS THE FIRST FIVE CATEGORIES](#)
- [CHOOSE AUDIO ABOUT ANY OR ALL THE FIRST FIVE CATEGORIES](#)
- [VIEW SLIDE SHOWS \(PDFS\) for first five categories](#)

Within the six topical categories, The Rules Change Project seeks to ask questions and conduct research guide by five conceptual frames:

- The influence, power, and voice, of money: Implementing campaign finance reform, *Citizens United v The Federal Election Commission* and the First Amendment. Reviewing the role of corporations in public policy, including charter reform.
- Regulating, governing and owning business: Balancing the power of government and corporations – their purpose and long-term impact on all stakeholders – the environment, communities, employees – and investors. Co-ops and alternative ownership.
- Engagement, advocacy and solutions: Moving from confrontation and partisanship to dialogue, deliberation, transparency and solutions – in the media and in politics.
- Finding equality and justice for all: Measuring success and happiness – and a widening wealth and income gap. The impact of health care, taxes, wages and trade.
- Securing a sustainable world and sustainable communities: Measuring and creating incentives for investors and governments to focus on restoring an ecological balance across food, energy, transportation and habitat.

THE NEED FOR REPORTING

“A new economy is building quietly in cities and states across the country, in a thousand and one innovative experiments with business, policy, and commitments to stable communities and a healthy environment,” writes Univ. of Maryland political economist [Gar Alperovitz](#) in his new book, ["What Then Must We Do?"](#) He continues: "But this vast decentralized energy towards a better future is almost entirely off the radar of the mainstream press – they just don't cover it."

Because of the decline of mass-market advertising and the shifting of it to online venues such as Google and Facebook, vast tracts of American public policy are no longer covered by the mainstream press. Thousands of reporters' jobs have been lost over the last decade. On the other hand, social media, topical blogs and other technology innovations have made it vastly easier to reach and engaged with niche audiences.

“Can we make more transparent to the public what is going on in the policy/organizing world around ‘rules change’ issues and potentially get the public excited and engaged?” asked [Lew Daly](#), research/policy director at Demos, said in a March 13, 2014 discussion. “I have a little sense of tension between the fight for our political system and the fight for systematic change in our economy. I thought the rules-change concept was a synthesis of those two things.” Daly also directs the [Sustainable Progress Initiative](#) at Demos.

There appears to be a healthy tension between the opportunity to change through policy change in Washington and the opportunity to (1) change through marketplaces, in the way we (2) relate to and govern corporations, and (3) how we behave and organize as communities. Some people see Washington as unchangeable from a policy point of view

without a change in [Citizens United](#)² – the influence of money and the [gerrymandering](#) of “safe” districts. So that’s why it’s important to be thinking of multiple fields of play where rules changes are possible – policy, governance, markets, communities. The power of the “rules change” meme, we hope, is that it is inclusive of all of those.

Thus the promise of The Rules Change Project is to employ digital and niche approaches to find and spotlight innovation. Our efforts will focus on providing a public clearing house for general public education about “Rules Change” as a framework for economic and social improvement, encompassing **dozens of specific initiatives that might not otherwise be seen as related**. These efforts, subject to funding, might include:

1. An inventory, or “map” of existing initiatives; the “Rules Change” ecosystem (See Appendix C)
2. Online and social-networking resources
3. Resource-center documenting key changes in last 30 years showing corporate assault – whether intended or inadvertent -- on American Dream.
4. Tracking, observation and reporting of key leverage points
5. Public education through academic and other partnerships

Looking across the [six categories and five frames](#) of the Rules Change project, our reporting might focus on questions such as:

- Who speaks for a generation of Americans facing economic uncertainty?
- Does the “voice” of money speak too loudly in Washington?
- Can American democracy survive growing income and wealth gaps?
- Are the ways we measure growth and success out of step with sustaining a healthy planet and just communities?
- How might we “map” and follow the projects and people concerned about making shareholder capitalism work better for all stakeholders?

EMPOWERING CITIZENS: FIGURING WHERE TO START

In 1962, when he was age 89, the famed British philosopher and mathematician [Bertrand Russell](#) gave an audio interview to Chicago author and radio essayist Studs Terkel.³ “Why do people, the great majority of people, the world over, feel as helpless as they do, as impotent as they do? Feeling that the individual, I, John Smith, John Doe, says, ‘I can’t do anything about it.’ ”

And Bertrand Russell replied on tape to Terkel: “That’s just a mistake, they can, an individual if he has the pluck and the independence of mind can do a very great deal. After all, here we sit in a news organization and whatever and simply by expressing an opinion, which is known to be unbiased, an individual can affect a very great deal and this powerlessness of the individual is a form of cowardice. It’s pretence. It’s an alibi for doing nothing.”

² -- <https://supreme.justia.com/cases/federal/us/558/08-205/>

³ -- As transcribed from a rebroadcast Tues., Nov. 13, 2007, on the Pacifica radio program, Democracy Now.

In 2015, how do you combat that sense of powerlessness? *Washington Post* economics columnist and George Mason University scholar [Steven Pearlstein](#) suggested one approach in March, 2014:

“ . . . [F]ocus on gathering a set of really smart writers and thinkers around one publication/blog and making it as lively, as good, as influential as possible, read by as many people as possible. It could host a great annual conference every year in some spectacular place that, in time, lots of people and press want to attend. It could repurpose its studies and articles to be distributed through other distribution channels. You could get its writers/thinkers on as many panels and TV shows and op-ed pages as possible, and having a common platform for social-media communication ”

Such an approach may be forming on two fronts.

First, a promising initiative with the Aspen Institute to “tell real stories of people coming together to effect change” is getting started under the name [The Pluribus Project](#). It’s founder and chair is Stephen Heintz, president of the Rockefeller Brothers Fund. It’s key idea: The American political system has grown increasingly unresponsive to the center, and focused instead on those with power and money. This leads, Pluribus Project organizers say, to a pervasive sense of powerlessness. Innovative story-telling strategies “could help cultivate a narrative of civic empowerment and inspire greater participation in public life,” the project’s website says.

Second, “Whole Stole the American Dream” author Hedrick Smith later in 2014 launched a website, [Reclaim the American Dream](#) focused on giving citizens examples and basic knowledge for taking action. Since his book’s publication, Smith has been criss-crossing America, speaking at dozens of colleges and universities. He’s found a deep reservoir of ordinary people eager to help [fix the system’s weaknesses](#) – but they told him they don’t know where to start. Smith has set out to help them, with a plain-speaking website that identifies the [key issues](#) needing work as:



- [Amend the Constitution to overturn Citizens United](#)
- [Enact public campaign financing](#)
- [Increase disclosure of campaign finance](#)
- [Reform “gerrymandered” congressional districts](#)
- [Foster inclusive capitalism](#)
- [Raise the minimum wage](#)
- [Relieve student debt](#)

“There is very little sustained grassroots civic action in the United States right now, except on the Keystone pipeline, gay issues and the Tea Party,” Smith said in March, 2014. “I think that reviving the practice of civic action (independent of political campaigns), is essential if the political, economic and social rules in the United States are going to be changed in any significant way.”

And Smith believes political reform – reducing the influence and power of money in elections and fixing gerrymandering, are the gating issues. “All the rest of your rules

[changes] are going to have to wait until those two reforms are moved along,” Smith wrote in June, 2105. “Economics may be what’s messed up, but getting to a fix on the economic system requires passing through the wicket of political reform first.”

Change in 2015 president race

Subjects which were once taboo in mainstream American politics – income inequity and changes in corporate governance – are remarkably evidence in both GOP and Democratic campaigns in 2015.

Early in his quest for the GOP nomination, Jeb Bush talked about rebuilding the middle class. And on July 24, 2015, Hillary Clinton repeatedly [denounced what she termed evidence of “quarterly capitalism”](#) in a speech at New York University pushing for greater stock-buyback and compensation disclosure, more worker training, a higher minimum wage, and a “return to an old-fashioned idea, that companies’ responsibility to their shareholders also encompasses a responsibility to employees, customers, communities and ultimately to our country and, yes, to our planet.”

U.S. Sen. Bernie Sanders, D-Vt., as a Democratic primary candidate is popular among some younger voters with language such as this, excerpted from an Oct. 19, 2015 appearance on the PBS’ Tavis Smiley Show:

The middle class is disappearing. We have massive income and wealth inequality. Middle class families are finding it harder and harder to send their kids to college. We have a corrupt campaign finance system. Childcare system is dysfunctional in America. Climate change is an issue that has to be dealt with if our kids and our grandchildren are going to live in a habitable planet.

DEMOCRACY, OLIGARCHY OR THE “NEXT SYSTEM”

In her use of the “quarterly capitalism” term, Clinton may have been taking a cue from Dominic Barton’s March 2011 Harvard Business Review essay, [“Capitalism for the Long Term.”](#) as interpreted [by Black Rock CEO Larry Fink](#) in April, 2015. Or from Cornell law professor Lynn Stout’s 2012 book, [“The Shareholder Value Myth”](#) – or Steven Pearlstein’s Sept. 2013 *Washington Post* article, [“How the cult of shareholder value wrecked American business.”](#) Clinton certainly did *not* take a cue from Chicago school economist Milton Friedman, who’s Sept. 13, 1970 *New York Times Magazine* article helped instigate a decades-long boardroom and business-school focus on profits above all:

“There is one and only one social responsibility for business,” Friedman wrote in that article and in his book, “Capitalism and Freedom.” He added: “To use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud.”

Clinton’s speech [may have been inspired](#) by [The Democracy Collaborative](#), a Maryland economic think tank led by [Gar Alperovitz](#). Working with project co-chair [Gus Speth](#), he unveiled March 30, 2015, [“The Next System Project.”](#) backed by more than 300

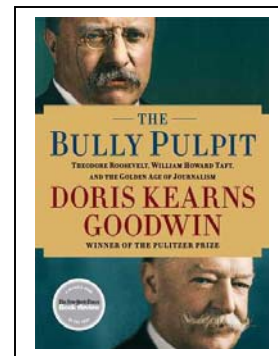
supporters, including at least 35 of the most prominent progressive-left economic and environmental scholars and activists. For years, Alperovitz has argued that capitalism has failed; now he and colleagues are trying to develop a coherent argument for a replacement that is neither capitalism nor socialism but something different that will emerge from careful analysis. “There are real alternatives,” the group argues on its website. “Arising from the unforgiving logic of dead ends, the steadily building array of promising new proposals and alternative institutions and experiments, together with an explosion of ideas and new activism, offer a powerful basis for hope.”

Corporations play by rules that may need to be changed. The “rule change” framing comes from meat-packing industry heir [Chuck Collins](#), co-founder of [United for a Fair Economy](#), [Wealth for the Common Good](#), and now director of the [Program on Inequality and the Common Good](#) at the Institute for Policy Studies in Washington, D.C.

As the history of the United States demonstrates, market-based capitalism can produce goods and services efficiently. To function fairly and as intended, market-based capitalism requires appropriate “rules of the game” with government oversight and enforcement. Beginning in about 1980, government oversight has eroded. It has become clear that rules are often vague or non-existent and are often not enforced. The public has come to fear that the game is rigged.

The new willingness to question the operation of capitalism may have started with Occupy Wall Street’s popularization of [the Christopher Ketcham’s notion](#) of a “1%” economic elite. Or it may have been fueled by [an April 2014 scientific study](#) by Princeton University researchers Martin Gilens and Benjamin I. Page, which asserted the United States is an oligarchy, not a democracy. ([DOWNLOAD PAPER](#)) Whatever you call it, the underlying economics of growing inequality creates fertile ground, according to historian Doris Kearns Goodwin. In a Nov. 27, 2013 radio interview on Boston station WBUR’s “On Point” program, she drew parallels to the era she wrote about in her book, [“The Bully Pulpit: Theodore Roosevelt, William Howard Taft and the Golden Age of Journalism.”](#)

I think there really is a reason for the similarity now. Just as the industrial revolution created that gap between the rich and poor and left the ordinary people struggling, so the digital revolution has done the same -- billionaires rising up, huge companies merging and acquiring. Ordinary people feeling squeezed and the middle class feeling squeezed . . . I think the country is mobilized to want change. You hear 80 percent of the people unhappy with what's going on in Washington, and Washington has cordoned itself off from the popular will, in part from the redistricting situation, which has to be dealt with, in large part because of the money, the amount of time it takes the congressmen and senators to raise the funds that are needed, which means the special interests have control. Somehow, campaign finance and the money is still the poison in the system -- much more than it was back in 1906. In 1906, Teddy passed a law [the Tillman Act of 1907 – 34 Stat. 864] that prevent corporations from giving money to political campaigns -- that's what was overturned in Citizens United."

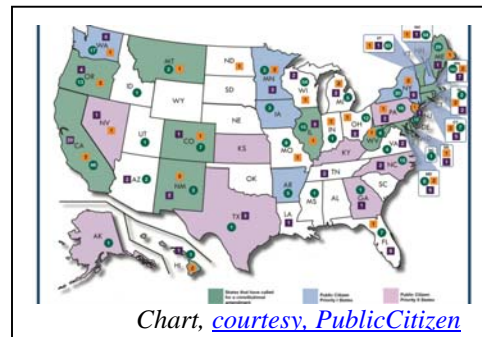


WHAT IS BEING DONE – REPRESENTATIVE EXAMPLES

1. Citizens United – campaign finance

Among the rules-change issues percolating, the one most often cited as a precursor to other changes is some modification in the effect of the Supreme Court's 5-4 decision on Jan. 21, 2010 in [Citizens United v. Federal Election Commission](#) – either through a constitutional amendment or a new case in which the court modifies its decision striking down most regulation of campaign spending.

Many groups are focusing state and local attention the effect of Citizens United decision. Those most focused on the issue are [Free Speech for People](#), [Move to Amend](#) and [Money Out Voters In](#), [Democracy21.org](#), the [Campaign Legal Center](#) and [Public Citizen](#) are also active. In the short run, their focus would appear to be on activating the apparatus for constitutional amendment as a means of public education.



Despite the Citizens United ruling, other groups such as [UnitedRepublic.org](#), [Common Cause](#) and Harvard Law School Prof. [Lawrence Lessig](#)⁴ (on leave as a presidential candidate), continue to focus on ways to make political influence with money at least more transparent. UnitedRepublic has been working on ballot initiatives in several cities.

READ: [Hedrick Smith's Progress Report on Amending the Constitution](#)

2. Legislative boundaries redistricting

An increasing number of congressmen and women run with no or token opposition because their district lines have been redrawn in state-sponsored partisan processes to isolate minority voter blocks. Experiments to change the re-districting process are underway in California and a few other states. [Michael P. McDonald](#), associate professor, University of Florida, non-resident senior fellow, Brookings Institution is documenting this activity as principal investigator of the [United States Elections Project](#). This is also a focus issue for [Common Cause](#).

The law is unsettled. On June 29, 2015, the U.S. Supreme Court [narrowly ruled](#) in [Arizona State Legislature v. Arizona Independent Redistricting Commission](#), [Case No. 13-1314](#) that an independent commission created by Arizona voters in 2000 had authority to draw congressional district boundaries. But the two parties continue to assert district lines are the exclusive province, under the U.S. Constitution's [Article I, Section 4, Clause I](#), of state legislatures -- unless modified by act of Congress.

READ: [Hedrick Smith's Progress Report on Grassroots Reforms Fight Gerrymandering](#)

3. Corporate, regulation, and short-termism/ownership

⁴ -- ["I'm Trying to Run for President, but the Democrats Won't Let Me,"](#) Politico, Oct. 1, 2015.

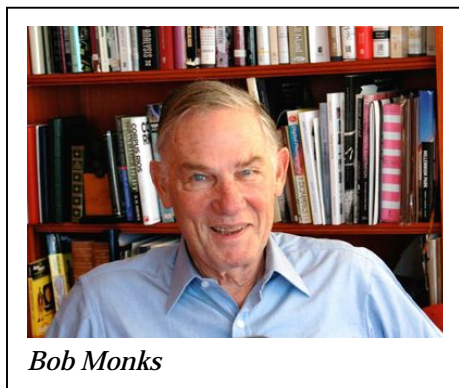
The [Drucker Institute](#), the Capital Institute, the [Purpose of the Corporation Project](#), Demos, the [Interfaith Center on Corporate Responsibility](#) and the [Aspen Institute's Business and Society Program](#) are among the most visible actors in efforts to create incentives for corporations to focus management beyond short-term profits, along with the [Center for Sustainable Organizations](#), the [Global Reporting Initiative](#) and [Net Impact](#) and the [Sustainability Accounting Standards Board](#). The [Volcker Alliance](#) is focused improving government oversight of Wall Street as well as [the responsiveness of government](#) generally.

Working in July, 2015 on Hedrick Smith's [Reclaim the American Dream](#) website, undergraduate research Kate Kennedy compiled from various sources an [11-point list of policies](#) to encouraging corporate governance reform through policy changes requiring political action.

Among groups working on alternate ownership or governance or charter reform are [B Lab](#), through its Certified B Corporation community, Sir Richard Branson's [The B Team](#) the [Fourth Sector Network](#) the [Cooperative Development Institute](#) and the [Tellus Institute's](#) Marjorie Kelly, author of "[Owning Our Future](#)."



From his perch on the coast of Maine, an octogenarian steeped in the ways of Wall Street investing and governance is fighting a battle for change. In his book, [Citizens DisUnited: Passive Investors, Drone CEOs and the Corporate Capture of the American Dream](#), shareholder [activist Robert A.G. Monks](#) offers a "call to arms" to American citizens to defend our capitalist democracy. He's [convinced change](#) is going to have to come from within the structure of corporate America – but resulting from pressure from stockholders. He fears markets don't have collective power and government regulators are completely outgunned. So he thinks only owners – shareholders – have a the ability to provide effective oversight.

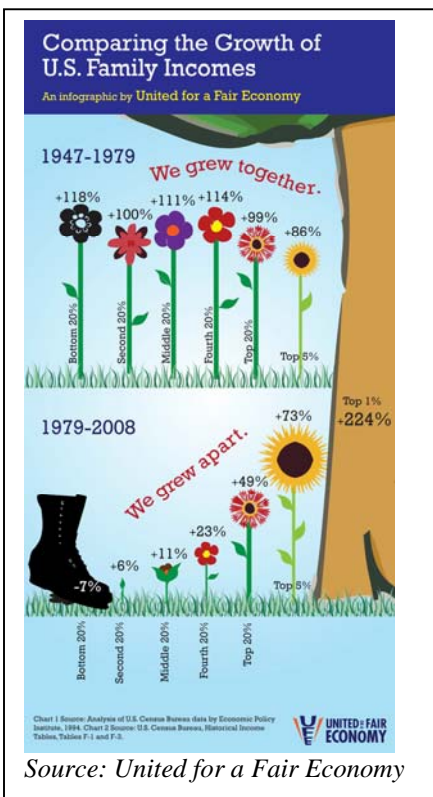


Bob Monks

"What I've ultimately concluded is that the only thing that can be done has to be done by a small sliver of shares held in a class of institutions that are not conflicted and have the motivation – and that is universities and foundations," Monks said in an April, 2013 interview. "And while they're not the largest shareholders, they are actually quite large."

[Stephen M. Davis](#), a scholar at Harvard Law School and the Brookings Institution, is of the nation's experts on [corporate governance advocacy](#) . and has written about the problem of [management short-termism](#) and "[Mobilizing Ownership: An Agenda for Corporate Renewal](#)."

4. Inequality, jobs and wages



In the windup to a presidential election year, there’s lots of discussion on the minimum wage and [income inequality](#), particularly with a Democratic primary candidate – Bernie Sanders – taking it on as his signature issue, and citing a celebrated 2014 book by [Thomas Piketty](#), “[Capital in the Twenty-First Century](#).” This is one of [Common Cause’s](#) key issues. One of the historical progressive-left experts on the subject, [The Institute for Policy Studies](#) (IPS), has developed a news-focused web service, [Inequality.org](#). “Yes, this is class warfare,” John Cavanagh, IPS director, commented during a Nov. 16, 2011 phone call about the Occupy Wall Street protest. “But it’s been class warfare for decades, it’s just that for the first time there’s a little fight back from the class that’s been losing so broadly.” The *Wall Street Journal* was [tracking the wage gap](#) as early as 1999, and Pulitzer Prize-winning [reporter](#) David Kay Johnson tackled it in his 2014 anthology, “[Divided: The Perils of our Growing Inequality](#).”

Rebuilding America’s infrastructure is broadly proposed as a job-creation initiative by groups such as the [Bipartisan Policy Center](#) the [Center for American Progress](#), presidential candidate [Bernie Sanders](#), by for Rockefeller Foundation president [Peter Goldmark](#), Barack Obama’s [White House](#) and the [Regional Planning Association](#).

On wages, the Boston-based United for a Fair Economy is known for its annual “[State of the Dream](#)” reports [and family-income comparison](#). Princeton University economist [Alan B. Krueger](#), former chairman of President Obama’s Council of Economic Advisors, is [a storehouse of wage comparisons](#) and impacts, and MBO Partners [annually reports](#) on the status of independent workers.

READ: [Hedrick Smith’s progress report on raising the minimum wage](#)

5. Climate and environmental sustainability

The Boston-based [Better Future Project](#) is working to advance a transition to post-carbon fuels in partnership with [350.org](#). [The Center for a New American Dream](#) is focused on getting Americans to shift consumption to improve quality of life, protect the environment and promoting social justice. Founded by “[Plentitude](#)” author and Boston College sociologist [Juliet B. Schor](#), It’s particularly focused on promoting the “sharing economy.” It joins the old [Center for the Advancement of the Steady State Economy](#) (CASSE).



6. Other legislative ideas – and Congress itself

In 2013, Rules Change participants developed for U.S. Rep. James P. McGovern a list of suggested legislative priorities, including:

- [Increase public funding of campaigns](#)
- contributions
- [Raise the minimum wage](#)
- Reinstate in IRS Form 990 itemization of portfolio endowment holdings
- Pressure FEC, SEC and IRS for timely disclosure regulations
- Federal charters for especially large or multi-national corporations
- Sustainability standards and reporting for federal procurement vendors
- Required identification of 501(c)4 donors
- Mandate government reporting of non-GDP “success” indicators

CHANGING OUR POLITICAL CULTURE

Much as we would like to think that policy change is possible in Washington, there are those who think something else has to come first. And one of them, the head of the William and Flora Hewlett Foundation is betting \$50 million that he’s right. In July of 2014, Hewlett Foundation President Larry Kramer announced the \$9-billion foundation was undertaking a special three-year initiative – to try and re-invigorate the process of deliberation, negotiation and compromise in the U.S. Congress and elsewhere.

“Decreasing willingness to negotiation and compromise is the political behavior that defines greater polarization,” Kramer said in a Commonwealth Club speech shortly after announcing the [\\$50-million Madison Initiative](#), named after the nation’s early president who warned against “the mischiefs of faction.” Kramer, a former Stanford Law School dean added: “If we cannot do that – cannot restore the ability of elected officials to reach sensible accommodations around such differences – cannot make and get behind the decisions needed to govern a complex society and economy in a post-industrial world, then it’s not clear that our constitution system has much of a future.”



The Hewlett Foundation initiative is focused on the same problem as the older nonpartisan [NoLabels.org](#), formed in 2011, whose executive director, Margaret Kimbrell, says her present goal is for a new spirit of goodwill and cooperation after the 2016 election. Fifteen months into the Hewlett initiative, the foundation has [reported little publicly](#) other than that it is working with 60 Madison Initiative grantees. In his

Commonwealth Club talk, Kramer said the foundation planned to explore four areas in a resolutely non-partisan way:

- Changing the parliamentary rules on Congress to restore power to committee chairs, regular procedural rules, bipartisan rather than single-party factual briefings and add opportunities to build personal relationships among members.
- Seek to increase voter turnout, especially in primary elections, with a possible goal of producing less polarizing general elections.
- Strengthen each of the two parties; with a goal of reducing the amount of time candidates must spend to raise campaign cash.
- Enrich media coverage of Congress.

NEXT STEPS

During 2016: A roundtable summit in NYC; ‘solutions’ reporting, done collaboratively

Working with partners, the Rules Change Project intends during 2016 to convene an invitation-only roundtable summit designed to bring together silos of “rules change” activity and promise. We’ll aim to include scholars, public officials and other citizens who represent health care, teaching, science, faith communities, small business, farmers, entrepreneurs, unions and public workers.

The working title: “Capitalism Under Fire: Can Changing the Rules Reclaim the American Dream?”
The subtitle: “Cross-silo conversation for business, government and the public.”

The gathering will seek to unite 20-30 people -- a combination of “Rules Change Giraffes” who are making a difference at the local and practical scale, not just in DC policy circuits, plus a selection of representatives from a draft “steering committee.” At this gathering and beyond, we want to help them unite in ongoing common, civic dialogue about corporate governance, regulation, measurement and ethics . . . and political and governance reform -- elections, money, justice, inequality, trade and taxation.

The working title:
“Capitalism Under Fire: Can Changing the Rules Reclaim the American Dream?” The subtitle: “Cross-silo conversation for business, government and the public.”

To focus conversation, one or several convening questions might appropriately be established. Some possibilities:

- "Why is capitalism under so much fire (and what do we do about it)?"
- "How do we coordinate actions that make capitalism work better for all?"
- "How do we move conversation from conference rooms to living rooms?"

- "What rules changes could foster a more 'socially efficient' financial system?"
- "What is the role of the media in covering -- or fostering -- solutions?"

SOLUTIONS REPORTING

There is a bright line between two large fields of "rules change." They are the:

1. Relatively obscure and nonpolitical corporate responsibility / governance world that groups such as Aspen inhabit, which also studies the relationship among governments and corporations, and among corporations and their stakeholders (owners, employees, customers, communities).
2. Mainstream public-policy realm, which is politically charged, and polarizing, and all maps back to the key challenges of gerrymandering, Citizens United/money-in-politics and climate change/sustainability.

The two are deeply related, but it is as if they are on different trains. No. 1 needs to be broken out of the shadows into more mainstream public thought and action; No. 2 needs to have the acrimony dialed way back, with the creation of safe harbors for cross-policy, cross-political discuss -- the "time out" meme of the Rules change vision.

A goal of Rules Change outputs – its reporting, teaching and convening – should be to gently and patiently bring those two worlds into an information commons that allow each to see into each other's world. A ["solutions" based](#) approach to reporting should be useful in this way.

[Tina Clarke](#), a veteran of both Washington, D.C., issues lobbying (with Green Peace) and now a key "Transition Towns" organizer, described the opportunity for Rules Change shortly after the Amherst gathering in 2013. Her perception then about the openness of the public to consider changes in "the system" is born out by the 2015 pre-election presidential race discussions. Clarke wrote:

A goal of Rules Change outputs – its reporting, teaching and convening – should be to gently and patiently bring those two worlds into an information commons that allow each to see into each other's world. A ["solutions" based](#) approach to reporting should be useful in this way.

The important points to emphasize are three:

1. *There is openness in the public, and especially among a much, much broader group than many think, to discussing these issues - including even the word "socialism;"*
2. *It is accordingly time to get very serious about some of the challenging substantive and theoretical issues involved; and*

3. *There are also many on-the-ground experiments, and projects and developments that suggest practical directions that are under way, but also that a new politics (whatever it is called) might begin to build upon them if it got serious.*

Digital media has made it possible for every advocacy group to maintain an “always on” and interactive communication with constituencies -- without having to be run through the filter of mainstream or trade journalists. But the resulting cacophony of messages is segmented and siloed. The best approach for the Rules Change Project’s collaborators may well be to assist groups seeking a more “clearing house” or network approach, supplementing the best communication efforts underway with the values, principles and purposes of journalism which seeks to spotlight collaboration and solutions.

CODA: WHAT IS THE ROLE OF “TRUST”?

This report has defined “rules change” in terms of how we (1) manage, regulate and do business with corporations and (2) how we go about controlling the way our government works for the good of us and the planet. But there is a third dimension we haven’t mentioned – and that is how we work with each other. And the key word here is trust. We can make new rules that intend to govern boardrooms, legislative chambers and elections. But what if the rules that govern our behavior – our personal motivations – don’t change?

We can make new rules that intend to govern boardrooms, legislative chambers and elections. But what if the rules that govern our behavior – our personal motivations – don’t change?

Is there a link between rising income inequality and a decline in the “social capital” of trust? The answer is not simple. There is a link in the sense that they are tracking together over time as income inequality has risen globally, so has surveyed mistrust in institutions and people. It’s not clear if inequality causes mistrust, or vice versa, or if there are other more important factors affecting each or both.⁵ There are studies [here](#), [here](#), [here](#) and [here](#). There are [many ways to measure economic inequality](#), Pew Research’s Drew DeSilver wrote in a Sept. 22, 2015 report. “Surveys, though, show a wide partisan gap in views of whether inequality is a problem that should be addressed,” DeSilver wrote, adding: “For instance, an [NBC News/Wall Street Journal poll](#) in January found that, while 67% of Democrats identified reducing income inequality as an ‘absolute priority,’ just 19% of Republicans did.”

In September 2014, San Diego State University psychologist Jean M. Twenge was lead author on a study that [reviewed two survey databases](#) of American adults and 12th graders – data from nearly 140,000 participants between 1972 and 2012.

⁵ -- See [Lane Kenworth](#): “[Is income inequality harmful](#)” (see section on “Trust”) in which Kenworth, a sociologist at the University of California San Diego, writes: “Higher income inequality is, according to some, corrosive of generalized trust. One hypothesis is that visible inequality leads people to think cheating must be rife. ‘When 1 percent of the population takes home more than 22 percent of the country’s income,’ writes [Joseph Stiglitz](#), ‘reasonable people, even those ignorant of the maze of unfair policies that created this reality, can look at this absurd distribution and be pretty certain that the game is rigged.’”

Twenge and her colleagues [found a consistent statistical correlation](#) between rising income inequality and poverty and levels of social distrust. But they couldn't prove which was the cause of the other – or whether other factors were at play. Both surveys included questions designed to measure trust in other people and questions intended to gauge confidence in large institutions.

Twenge and her colleagues were interested in understanding how cultural change over the last 40 years has affected social capital – which they define as the cooperative relationships that are critical to maintaining a democratic society. Public trust plays an important role, they say.

“With the rich getting richer and the poor getting poorer, people trust each other less,” Twenge said in comments to the media on her research. “There’s a growing perception that other people are cheating or taking advantage to get ahead, as evidenced, for example, by the ideas around the ‘the 1%’ in the Occupy protests.”

An erosion of trust is at the center of famed “Bowling Alone” author Robert D. Putnam’s latest book, [“Our Kids: The American Dream in Crisis,”](#) published in March, 2015. Putnam asserts that Americans always trusted our society-produced equality of opportunity. But says social networks are now shrinking, and lower-class kids are less trusting than their upper-class counterparts because their social environment is pervasively less trustworthy.

“The data show that non only is there declining trust in government, there is declining trust in other people,” Putnam told a *New Yorker* interviewer in December, 2013. Left out poor kids, he said, “are deeply, deeply cynical about the whole world . . . basically they don’t trust anybody.” As a result, he told *New Yorker* writer Amy Davidson in a news item entitled, [“Economic Inequality: A Matter of Trust?”](#) some young adults were becoming “extremely alienated from democratic politics.”

Logically, however, it would make sense to try and improve levels of social and business trust and see if that affects rising inequality – or attempt to reduce inequality and see if we become more trusting over time. Or try to do both at the same time.

Business analysts understand declining trust as a challenge, and some, like investment advisor [Charles H. Green](#) writing [at Forbes online in Nov. 2011](#), accept income inequality as one culprit. “Simply put: Can ‘good’ corporate behavior generate enough trust to overcome income inequality? Or are such attempts doomed without fundamental change?” he asked.

While the empirical evidence of the precise link between inequality and trust remains unclear, and perhaps partisan, the Rules Change Project should report, teach and convene based on the conviction that fairness is a building block of trust and that one way to assess fairness is through the application of transparency, dialogue, collaboration and negotiation.



Dr. Jean Twenge

In 2005, Robert F. Kennedy Jr. received the William O. Douglas Award from the Sierra Club for service to the environment. In [his acceptance speech](#), he said that maintaining a balance in our democracy between communism and fascism required an informed and activist public. Either on its own, or merely as a catalyst for others, The Rules Change Project seeks to help in the role of informing, and encourage activism.

-- END OF REPORT --

"And we what we have to understand as Americans is that the domination of business by government is called Communism. The domination of government by business is called Fascism. And what our job is to walk that narrow trail in between which is free market capitalism and democracy. And keep big government at bay with our right hand and corporate power at bay with our left."

-- Robert F. Kennedy Jr., Sept. 17,
2005

Links to profiles of six “Rules Change giraffes”

- VIDEO: From civil rights to Russia to America’s economy — Hedrick Smith seeks to help “Reclaim the American Dream”
- VIDEO: From civil rights to Russia to America’s economy — Hedrick Smith seeks to help “Reclaim the American Dream”
- In Oregon, did “first lady” Cylvia Hayes stick her neck out too far on poverty, health and genuine progress — or consulting?
- BOOK: The “myth” of shareholder primacy stands at the brink of intellectual failure, Stout writes
- Ron Shaich’s “Panera Cares” experiments with “pay-what-you-can” to help with food insecurity
- Millionaire entrepreneur Nick Hanauer’s message to plutocrats: “The pitchforks are coming”

APPENDIX B

Rules Change Project 2016 convening: Representative list of invitee groups

List here in bullet point form are group classified as appropriate to consider inviting representatives to a 2016 steering committee convening. Please review the following spreadsheet for a list of potential individual invitees to the Rules Change steering committee (as opposed to these invitees to the 2016 convening):

[Campaign Legal Center](#) (CLC) Established by Trevor Potter, with main focus on campaign finance reform.

[Center for Economic and Policy Research](#), Washington, 202-293-5380, progressive think tank; Dean Baker, co-director. .

National Coalition for Dialog and Deliberation -- Marla Crocker. A companion invitee to NoLabels.org (John Huntsman) and the Hewlett Foundation because of their focus on fostering negotiation and compromise.

[Americans for Prosperity \(AFP\)](#) is committed to educating citizens about economic policy and mobilizing those citizens as advocates in the public policy process.

[Center for Urban Renewal and Education \(CURE\)](#): CURE is a non-profit think tank that addresses issues of race and poverty through principles of faith, freedom and personal responsibility.

[Leadership Institute](#) -- Provides training in campaigns, fundraising, grassroots organizing, youth politics, and communications. The Institute teaches conservatives of all ages how to succeed in politics, government, and the media.

[New Economy Working Group](#): An informal think tank-media-business network alliance working to distribute and root economic power in people and communities, support the cooperative sharing of resources, and give priority to building the community wealth essential to the health and well-being of all

[Common Security Club \(also know as Local Circles\)](#): A network of locally based groups, situated in communities and congregations, that help participants learn more about today's economic and ecological challenges, undertake mutual aid and shared action, and become part of a larger effort to create a fair and healthy economy that works for everyone.

[United for a Fair Economy](#) -- A national group working to raise awareness about how concentrated wealth and power undermine the economy, corrupt democracy, deepen the racial divide, and tear communities apart.

[The GINI Project](#): An interdisciplinary effort that draws on economics, sociology, political science, and health studies to examine the social impact of growing inequality.

Cornell University Center for the Study of Inequality -- Endeavors to foster basic and applied research on social and economic inequalities, as well as the processes by which such inequalities change and persist.

Columbia University Center for the Study of Wealth and Inequality Takes as its mission the investigation of income and wealth, along with exploring the dimensions of societal inequality in these household resources.

Stanford Center for the Study of Poverty and Inequality Works to orient social policy to increasing economic output while restraining the rise of debilitating and counterproductive forms of inequality.

University of California at Berkeley Center for Equitable Growth Focuses on the linkages between inequality and economic growth, the impact of government policies on the distribution of economic well-being, and how public attitudes on equity and fairness affect the policy process. Led by economist Emmanuel Saez.

[Generation Progress](#) - Is an initiative of the liberal-progressive Center for American Progress, which seeks to educate, engage and mobilize millennials.

[Main Street Alliance](#) - Based in Seattle, a network of groups interested in the interests of small businesses and their owners, on issues such as finance, health care, immigration, tax fairness, jobs and money in politics..

-- B Team / Arianna Huffington, Richard Branson ([see key speakers sheet](#))

-- Corporate Reform Coalition <https://www.youtube.com/watch?v=W7TKjWlV9jI>

-- [Center for Economic and Policy Research](#), DC 202-293-5380 / Dean Baker baker@cepr.net

-- Foundation for Enterprise Development, Mary Ann Beyster, prexy

-- IssueOne.org – Nicholas Penniman @issueonereform 202.888.6769.
(co-chairs: Bill Bradley, Bob Kerry, Alan Simpson)

-- Center for Economic Development

-- Echoing Green

-- CERRES

-- Sustainable Business Network (SBN) – Katrina Kazda

-- LivingCities.org

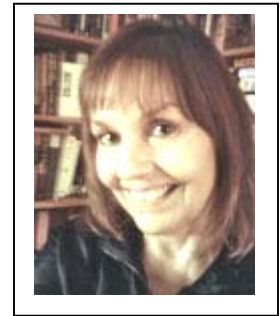
- MissionMarkets.com market for funds for impact and sustainable investing
- RootCapital.org / impact investing
- Tom Owens and TheCaraProgram.org -- breaking poverty cycle
- The Philanthropic Initiative (TPI.org) (Maggie Alexander was at 4thsectordc)
- <http://www.wallstreetwithoutwalls.com/> Connecting Wall Street to communities
- Wharton Social Impact Initiative <http://socialimpact.wharton.upenn.edu/>
Sherryl Kuhlman managing director at 4thSectorDC

APPENDIX C

Sorting out groups and issues: **Could Murningham's subway visual metaphor help?**

There are dozens and dozens of policy efforts underway, many at the grassroots, which are seeking to document or effect "rules change" in the way corporations and government connect and affect the communities and the public sphere.

But many groups don't have a reliable source of information about what others' are doing, making it difficult to collaborate. Also, people "on the outside" who are concerned about the direction of our economy have a hard time seeing where they can most effectively engage and make a difference.



Working with Rules Change collaborators in 2013, [corporate governance](#) expert [Marcy Murningham](#) came up with a way to visualize such relationships. How do we make it easy for people to get on moving trains of action, she wondered? The answer – a graphical subway-map metaphor:

- Each stop would represent a node of activity
- Stops in similar policy are linked by the same colored line
- Many stops serve multiple lines
- There could be "depots" -- civic depot, democracy depot, etc.
- Each station has a "platform" -- what it stands for
- Each stop has a short-form video about it and other educational materials
- Each stop has tiered levels of sophistication, to be accessible to wonks, the public, students, adults and youth

"It's a way for people to gear up their knowledge and make better decisions in this mish-mash of initiatives that all have shared goals but it is just happening so fast that nobody knows what each other is doing," says Murningham.

MORE: HOW MAPPING MIGHT WORK:

<http://mediagiraffe.org/wiki/index.php/Ruleschange-mapping>

HERE is a sampling of groups identified for trial mapping, in addition to the summit-invitee groups:

- Alliance for Democracy <http://www.thealliancefordemocracy.org/>
- Center for Political Accountability <http://www.politicalaccountability.net/>
- Center for Popular Economics <http://www.populareconomics.org/>
- Citizen Works <http://www.citizenworks.org/>
- Common Cause-Money in Politics <http://www.commoncause.org/>

- Community Environmental Legal Defense Fund <http://www.celdf.org/>
- Corporate Action network <http://corporateactionnetwork.org/>
- Corporate Reform Coalition (partners) <http://corporatereformcoalition.org/>
- Free Speech for People <http://freespeechforpeople.org/>
- Liberty Tree Foundation <http://libertytreefoundation.org/>
- Move to Amend <https://movetoamend.org/>
- Participatory Budgeting Project <http://www.participatorybudgeting.org/>
- Program on Corporations, Law & Democracy <http://www.poclad.org/>
- Public Citizen-Government Reform <http://www.citizen.org/Page.aspx?pid=533>
- Reclaim Democracy <http://reclaimdemocracy.org/>
- United For the People <http://www.united4thepeople.org/>
- United Republic <http://unitedrepublic.org/>

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APPENDIX D

Examples of reporting ideas for Rules Change Project follow-up

Here is a sample of the sort of stories the Rules Change Project could undertake directly or in collaboration with others.

Money, speech, elections and governing

1. MISSION IMPOSSIBLE? CITIZENS UNITED AND CAMPAIGN FINANCE REFORM

Following the Citizens United Supreme Court decision, an ever growing flood of campaign donations has made its way into state and federal political campaigns which most citizens feel powerless to change or reform. Though many national organizations are trying to address this issue, why has a critical mass of concerned, active citizens yet to be realized?

2. ENFORCING THE RULES: THE FEDERAL ELECTION COMMISSION

In the 1970s, the Federal Election Commission was a saber-toothed enforcer of freshly minted campaign finance laws. But a series of U.S. Supreme Court decisions have narrowed its scope – and appointments so partisan – to the point that few people have any idea of why it is needed or what can be done to reform it. How its original mission – carrying out a popular desire for transparent elections – be achieved in today's Washington without new authority or – at least – new focus?

3. ALEC AND CLOSED-DOOR POLICY: GOOD OR EVIL?

The American Legislative Exchange Council (ALEC) has existed since the 1970s to bring together business leaders with state and federal legislators to discuss and draft bills addressing a wide range of issues affecting the economy and society. Most of the meetings are behind closed doors. Few citizens have ever heard of ALEC, the lack of transparency associated with activities has drawn scrutiny in recent years. But can all policy be made in public? Can Washington be fixed behind closed doors?

4. EXPOSING DARK MONEY: WHY DOES IT MATTER?

Critics say the growing receipt by candidates and policy groups of so-called “dark money” – very large political contributions made by unidentified donors threatens to transform our democracy into a plutocracy. What facts support this concern? Is it fair to equate anonymous money with anonymous speech, and give it First Amendment protection? Citizens need to better understand what options are possible for appropriate changes in financial-disclosure law and regulation.

5. CHALLENGING DYSFUNCTION: BIPARTISAN POLICY CENTER & NO LABELS

The Bipartisan Policy Center and No Labels are two organizations founded by former members of Congress to forge greater civil dialogue and cooperation at all levels of government, state and federal, which few citizens know about. Who's paying attention? Why or why not?

6. ELECTING MORE WOMEN: WHAT WILL IT TAKE?

Compared with other democracies, the United States has relatively few women in elective office, something most citizens are not aware of. What are the impediments preventing more women from running for elective positions, and what can be done about them? Why does gender matter?

Business rules for the 21st century

7. CORPORATE GOVERNANCE / TAXING, MEASURING SUCCESS

Some citizens feel powerless to affect what they perceive as excessive executive compensation or corporate policy decisions that seem to primarily and first benefit stockholders above customers, employees, communities or the environment. Yet there are efforts brewing to change how we tax, govern and regulate corporations, how we teach executives – as well as how we measure “success.” A wrap-up.

8. DATA FOR CHANGE: CONTEXT REPORTING

Recently developed metrics for measuring corporate social responsibility and community service provide citizens with critical information previously unavailable to make informed decisions about which companies they prefer to patronize or invest in. For example, Context Reporting has developed a Data For Change model intended to broaden public awareness and involvement in accessing and generating these metrics.

9. ARE WE FAILING THE NEXT GENERATION?

For decades, MBA programs across the nation have placed a priority on maximizing shareholder value in the short term, which is increasingly being questioned by students embarking on careers in business and finance. Are contemporary business and law schools failing to adjust to these concerns, and what can students do to engage their professors in a more robust debate concerning the values implicit in how these issues are taught?

Link: <http://www.ft.com/intl/cms/s/2/e392f12c-adac-11e2-82b8-00144feabdc0.html#axzz2qtOKJWZO>

10. DOES REGULATION HAVE TO BE BAD? CONSIDERING THE VOLCKER ALLIANCE

Former Federal Reserve Chairman Paul Volcker believes fervently that well administered governmental regulatory agencies play a critical role in overseeing vital aspects of our economic, financial and political life. But they are in need of reform. Yet most citizens dimly understand how they function or what can be done to improve them.

11. CORPORATE SUSTAINABILITY: PROTECTING THE COMMONS

If investors and the public begin to value businesses based upon their long-term commitment to maintaining livable communities and a livable Earth, many corporations will not last. What do we mean by “corporate sustainability?” Take a tour of multiple efforts to define the term by measuring specific corporate inputs and outputs – and telling the public in clear, apples-to-apples comparisons.

Wealth, economy and community

12. WHAT DO WE MEAN BY A NEW ECONOMY? MOVING BEYOND LABELS

Capitalism, socialism, oligopoly, plutocracy. Let's unpack the labels. The need for business to focus more on the long term, for fairer distribution of wealth throughout society and responding to environmental distress has been argued in academic circles for decades. How do we describe the needed rule changes – in law and in how we treat each other – without resorting to old fashion concepts that smack of “positions.” What drives a sustainable economy and how might we drive there?

13. INCOME INEQUALITY: WHAT CAN / SHOULD BE DONE?

If Occupy Wall Street achieved one thing, it helped millions of Americans to focus on the “wealth gap.” A growing body of thought argues that when the super rich get richer and the middle class shrinks, our consumer-driven economy begins to implode –feeding a growing cycle of inequality. Who and what are working to break the cycle and how do we move to a post-consumer, post-carbon, free-market democracy?

14. FINDING LINKS: A SUBWAY MAP FOR RULES CHANGE?

Change does not happen in a vacuum, and it begins one person, one group at a time. Who is tracking the links among groups working for change in the way America's government and business affect communities? Marcy Murningham has been working on the idea of a Civic Stewardship Mapping Project – the first effort to provide an open-source, online, rich visual view of the lines, platforms, connections and route to rules change – including online tools and resources to engage and support local “communities of practice” she calls Civic Stewardship Leagues (CSLs).

APPENDIX D

About the author

Bill Densmore, is principal convener of The Rules Change Project. He is a consultant and researcher on the future and sustainability of journalism, and an expert on Internet information technologies and business models. He is a consulting fellow to the **Donald W. Reynolds Journalism Institute (RJI)** at the Missouri School of Journalism. He is author of the white paper, "**From Paper to Persona**" and the report, "**From Persona to Payment**." He's a founding member and director of **Journalism That Matters, Inc.** and also served on the boards of the New England Newspaper & Press Association and **Shires Media Partnership, Inc.** **Densmore Associates** provides project and event management services, writing research and market intelligence to companies, universities and individuals concerned with the changing media ecosystem.

In a career spanning news writing, journalism, publishing and entrepreneurship, Densmore has founded one and cofounded two technology companies. A career journalist, Densmore has been an editor/writer for The Associated Press in Boston, Chicago and San Francisco and for trade publications in business, law, insurance and information-technology in Boston, Chicago and New York. He co-owned and published the Advocate newsweeklies for the Berkshires/southwestern Vermont, from 1983-1992. Densmore holds a B.A. from the University of Massachusetts-Amherst in environmental policy and communications. He lives in Williamstown, Mass. / wpdensmore@gmail.com / 617-448-6600.

Collaborators

The author acknowledges with appreciation work of the following collaborators identifying and contacting individuals and organizations relevant to Rules Change categories, and recommending topics for inclusion in the Rules Change web site – and for their general domain advice and expertise.

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