



Rules Change: <http://ruleschange.org> Resetting the Playing Field for Corporations, People and Democracy

Creating action ideas for capitalism and the common good

May 3-5, 2013 / Univ. of Massachusetts-Amherst Donahue Institute

- **NEW: 60-second audio backgrounder on summit**
<http://tinyurl.com/rc-audio-file>

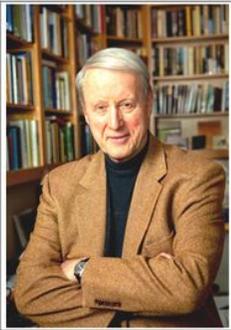
"Rules Change: Resetting the Playing Field for Corporations, People and Democracy," is a three day gathering May 3-5 organized by the UMass Donahue Institute at the request of U.S. Rep. James P. McGovern, D-Mass., and four other non-profit policy groups. McGovern will be a special guest at the event. "Rules Change" is for people concerned about inadequate oversight of large public corporations and financial institutions, and big-money domination of Washington politics. This gathering will provide a forum for seeking common ground on:

- Rules change citizens can inspire in policies and governance and
- Behavior changes they can make in their communities and marketplaces.

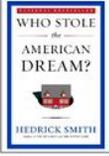
We'll provide a forum for the latest thought and action plans, including the potential to permit limiting, via constitutional amendment, some corporate political campaign spending.

"Rules Change" is planned as a deliberative process to find common ground on action steps that will adjust the rules of the game, not completely change the game. We hope to produce an unemotional, rational consideration of benefits and losses of each proposed rule change, including a rethinking of what we mean by [global "competition."](#)

FIND OUT
Who Stole the American Dream?
Join a talk and discussion with Pulitzer Prize-winning author Hedrick Smith



**Fri., May 3,
Bowker
Auditorium
UMass
7:30 p.m.
FREE**



INFO: <http://www.ruleschange.org>
Co-sponsors: The Donahue Institute, New Economics Coalition, Responsible Wealth, Institute for Policy Studies, UnitedRepublic.org. Co-sponsored by Common Cause. Special guest, U.S. Rep. James P. McGovern.

BACKGROUND

WHO: UMass Donahue Institute, the New Economy Coalition, UnitedRepublic.org, Free Speech for People, the Institute for Policy Studies, Responsible Wealth / UFE, Gross National Happiness USA, the Marlboro MBA in Managing for Sustainability, and individuals. Between 30 and 70 participants, including politicians, constitutional, legal and corporate governance scholars, policy strategists and advocates, media and engaged citizens. Co-sponsor: Common Cause. Keynote speaker: Hedrick Smith, author/journalist: "Who Stole The American Dream?" / Special guest: U.S. Rep. Jim McGovern, D-Mass.

- WHERE: University of Massachusetts, Amherst
- WHEN: Fri.-Sun., May 3-5, 2013.
- FORMAT: Friday evening plenary situation analysis by key operatives; Saturday work on pre-convening task-force proposals in multiple categories, open-space dialog; facilitated effort to achieve specific policy recommendations and action; Sunday wrap-up/next steps.
- CONTACT: Bill Densmore, principal convenor for the Donahue Institute: wpdensmore@gmail.com / m: 617-448-6600

FIVE CATEGORIES OF CHANGE

- **CATEGORY ONE: Influence:** -- Personhood, corporate money and politics -- Reconsidering the role of corporations in public policy, including charter reform.
- **CATEGORY TWO: Measurement:** -- Alternate success measurements, including internalizing externalities, genuine progress and gross domestic happiness indicators, corporate performance.
- **CATEGORY THREE: Ownership:** -- New models for business ownership, including co-ops, B-corps, L3C, including community role, limits to growth and size.
- **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).
- **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.

WHO SHOULD ATTEND?

"Rules Change" is for public officials, authors, policy analysts, researchers, scholars and concerned citizens who are concerned about inadequate oversight of large public corporations and financial institutions and big-money domination of Washington politics, this gathering will provide a forum for consider rules changes, and assessing possibilities for consensus.

FRAMING THE SUMMIT

When the Founding Fathers met in Philadelphia to craft the U.S. Constitution, American communities were relatively small. You could walk the town common, attend a meeting house or a town meeting, know and converse with your fellow citizens face to face. Government was a tiny influence on your daily life and what corporations existed were generally small and local.

Today, the two greatest forces in the American public square are government, and corporations. While each provides important services and benefits to people, the American public -- and President Obama -- are each worried about the potential for unchecked influence.

In this gathering, we'll take a look at how this is changing participatory democracy, and how the rules of participatory democracy and corporate governance may need to change as a result.

One barrier may be a perception that proposed changes are new or radical. <p> In fact, dozens of books have been written over 20 years that address key principles of policy rules changes. These changes will lead to a more just and sustainable free-market, capitalist democracy.

For more, see the essay, "Restoring Democracy and Changing Corporate Rules." (<http://www.newshare.com/rules-change.pdf>)

YOU'RE INVITED . . . TO A CIVIL ACT

You -- corporate leader, public official, author, policy analyst, researcher, scholar, student or concerned citizen -- are invited to join a bold and urgent effort to rethink our politics, economy and communities. For the first time ever, civic and business leaders are convening to **open the silos** that threaten to strangle our great, 250-year American Dream. For three days, May 3-5, at the University of Massachusetts-Amherst we intend to test the proposition that **collaborative congress** can invent new rules, new measurements and new inspiration for economic justice.

We're calling this timely gathering: "Rules Change: Resetting the Playing Field for Corporations, People and Democracy." We'll get started Friday with a critical address by Pulitzer Prize-winning author/journalist [Hedrick Smith](#) answer the question: "Who Stole The American Dream?" and suggest [what to do about it](#). Then well spend Saturday formulating ideas around [five key change categories](#), and find common ground and possible action steps in a Sunday morning wrapup.

The Rules Change Project is **not a new group**, but a collaboration among many. Our goal: Mainstream rule changes that redefine the relationship between corporations and society. We will focus on three approaches: (1) Top-down policy solutions, (2) bottom-up new models for business development and governance, and (3) internal changes coming from within corporations themselves. We're committed to **cross silos and politics** -- to bring policy wonks, engaged citizen-activists and corporate change-agents into dialogue with each other. Collaborations formed at Rules Change will help launch on-going work that moves beyond rhetorical boundaries.

President Obama [declared](#) in his State of the Union address: "The patriots of 1776 did not fight to replace the tyranny of a king with the privileges of a few or the rule of a mob. They gave to us a Republic, a government of, and by, and for the people, entrusting each generation to keep safe our founding creed." At Rules Change, we intend to ensure that all people -- *real people* -- are treated justly, and can pursue lives marked by **freedom, health and happiness**.

If you believe, as we do, that the American republic is not fully meeting this responsibility, what might be done? There is no single path so we are asking each delegate to help us with one of at least five approaches. We've identified [five key categories of "rules change"](#) -- and an equal number of supporting categories -- to start. [Dozens of authors, scholars and policy experts](#) have written for years about these categories, and their prescriptions are remarkably similar. And yet little changes? Why?

We think the first step is the hardest -- recognition that there are many ideas for politic, policy, marketplace and community change which are not at all radical and simply **require attention and action** from thought leaders.

It's just mentioned as part of the Friday evening, May 3 proceedings:
<http://newshare.com/ruleschange/news.pdf>

The [video](#) also is listed in the program detail for the conference:
<http://newshare.com/ruleschange/program.pdf>

The basic release is now up on the Five College Calendar:
http://calendar.fivecolleges.edu/FiveCol/calendrome.cgi?span=event&ID=316073&day=3&month=May&year=2013&state_values=

As well as on the UMass News Office website:
<http://www.umass.edu/newsoffice/activists-gather-umass-chart-newly-balanced-vision-us-economy>

Here's a link to a downloadable PDF poster/flyer for Hedrick Smith's talk:
<http://newshare.com/ruleschange/poster.pdf>

TALKING POINTS

The key overall point: System insiders, some wise elders of corporate America, in unflinching terms and dire warnings, are among people standing up and saying: "The rules must change." It's time the rest of us listen -- and act.

For talking points, you might want to read the 10 recommendations that Hedrick Smith makes at the end of his book to pick up some of the themes the senator might want to emphasize:

<http://newshare.com/ruleschange/ten-steps.pdf>

Also, the famous corporate-proxy activist Bob Monks has a new book just out. We're going to feature him in a live Skype session from his Cape Elizabeth, Maine, and here are some of his key points:

<http://www.ragm.com/>

<http://www.ragm.com/citizens-disunited/>

<http://tinyurl.com/rc-invite>

FAQ

Q: What you hope will be accomplished at the conference

The UMass event won't be large -- 40 or 50 people. It's intended to be an experiment, a test of whether there are people who want to come together and talk about changing the way we govern corporations and influence markets -- and about how corporations influence us. There are more and more people asking the question: What might the corporation owe to society in exchange for its charter to do business? As we closer to the event, some of the organizers are becoming optimistic that the idea of "rules change" -- not ending the game called capitalism, but sort of calling a time out and examing -- as Elizabeth Warren would say -- how we can make the game fairer for everyone -- not just for shareholders, for for employees, customers and the communities where corporations are based -- and fairer for the planet.

Q: Why Cong. McGovern requested the conference

This is a grassroots effort. An elderly constituent, a person with a deep background as a businessman and civic leader, came to me because he was concerned about the way our democracy is working. He had started writing a white paper called, "Restoring Democracy and Changing Corporate Rules." His idea was that for decades very mainstream people have written books with sensible ideas for reform, but nothing's really happened. McGovern suggested he put a conference together, but he said; "Don't do it in Washington, nobody will pay attention, there are conferences there everyday." Since McGovern's district was then expanding to include UMass Amherst, it made sense to do it there. .

WHITE PAPER: <http://newshare.com/ruleschange.pdf>

Q: What the key takeaway message of the conference is

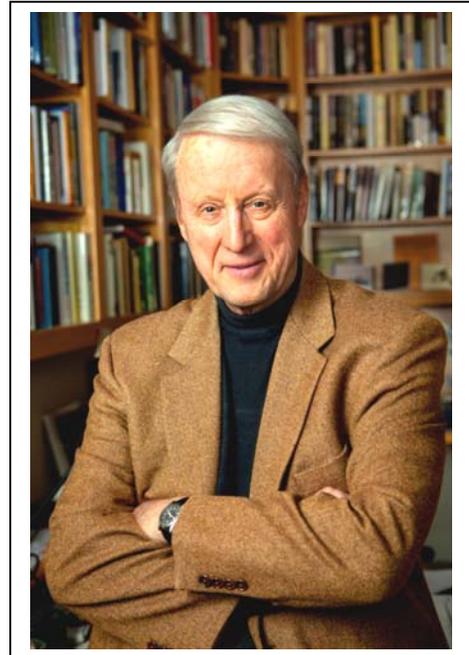
The way the Rules Change Summit is organized, the ideas and outcomes will be the result of the thinking and meeting which goes on next weekend. So if there is a takeaway message, we'll all going to have to wait and see what it is.

HEDRICK SMITH

Q: Why did you invite Hedrick Smith and Bob Monks to open the conference?

In his bestselling *The Russians*, PULITZER PRIZE WINNER Hedrick Smith took millions of readers inside the Soviet Union. In *The Power Game*, he took us inside Washington's corridors of power. Now, in *Who Stole The American Dream?*, Smith takes us across America to show how seismic changes, sparked by a sequence of landmark political and economic decisions, have transformed America.

Smith is a distinguished, mainstream journalist and PBS documentarian. To have him conclude, after years of careful research, that the growing influence of business and corporations is closing off the American Dream and squeezing the middle class -- and to take the time to write and use the word "stole" in the book title, suggests a change in the political dynamics of America.



[WHO STOLE THE AMERICAN DREAM?](#) Is not only an eye-opening account of how we became Two Americas, or how the nation became mired in lop-sided economic inequalities and starkly unequal and gridlocked democracy over the past 30 years. It' is also a penetrating analysis of why the U.S. economy and the middle class are stuck in a rut today and why Congress is blocking moves to create jobs or make America more globally competitive.

Harvard Business school professor Jay Lorsch calls the "essential reading." Huffington Post called it "a sweeping, authoritative examination" of the last four decades and "one heck of a story by one of the great journalists of our time."

Today, Smith is right on top of the latest developments and has ideas on how to break out of our economic rut and restore middle-class prosperity.

<http://www.hedricksmith.com>

BOB MONKS

Smith, Bob Monks, age 78, is a scion of a Yankee family -- ministers and doctors -- who has had every type of role in law, corporate leadership, banking and investment. He is mainstream, Harvard educated. And like Smith, he has concluded, in stark language, that American democracy cannot last much longer unless the rules change. Here is the first paragraph of his new book, just being published this month:

<http://www.governmentcapture.com/>

EXCERPT BELOW FROM:

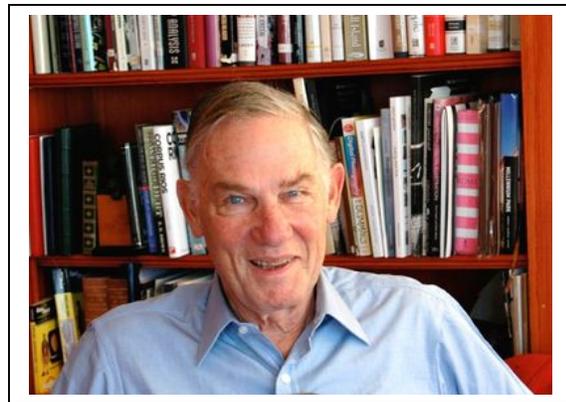
http://www.governmentcapture.com/main_text_home.html

"American corporations today are like the great European monarchies of yore: They have the power to control the rules under which they function and to direct the allocation of public resources. This is not a prediction of what's to come; this is a simple statement of the present state of affairs.

"Corporations have effectively captured the United States: its judiciary, its political system, and its national wealth, without assuming any of the responsibilities of dominion. Evidence of government capture is everywhere."

Monk's Six Symptoms of Government Capture:

1. The "smoking gun" is CEO pay.
2. Retirement risk has been transferred to employees.
3. Corporate money now controls every stage of politics -- legislative, executive, and ultimately judicial.
4. Government Capture has been further implemented through the extensive lobbying power of corporations.
5. The most powerful CEOs are above the reach of the law and beyond its effective enforcement.
6. Government capture has been perpetuated through the removal of property off shore, where it is neither regulated nor taxed.



Monks continues:

"Government cannot and will not hold corporations to account. That much is now obvious. Indeed, the dawning realization of this truth is what has informed the Occupy movement, but only the owners of corporations can create the accountability that will ultimately unwind the knot of government capture.

"The essence of the problem is quite straightforward: a failed system of corporate governance. So is the cause: the unwillingness of trustee owners of America's corporations to assert their responsibility, legal duty, and civic obligation to monitor and oversee the corporations they invest in. Fiduciary institutions own 80 percent of the outstanding shares of corporate America and thus bear at least 80 percent of the responsibility for present circumstances as well as 80 percent of the onus for saving the system itself. And the largest institutional investors . the Bill and Melinda Gates Foundation, Harvard University, and others . must take the lead because (a) they should and (b) all other courses have failed."