# THE FRAMEWORK FOR REGENERATIVE ECONOMICS: Designing Community Wealth, Solidarity, and Post-Growth Systems

## Part 1: The Structural Incompatibility of Capital and Ecology (The Foundational Critique)

### 1.1. The Capitalist Growth Imperative: Accumulation, Competitive Enclosure, and Financialization

Capitalism is defined by a core structural contradiction: the demand for perpetual, compounding accumulation is structurally incompatible with the finite biophysical limits of the planet. This imperative compels corporations to treat social and ecological welfare as externalized costs, or as new frontiers for potential enclosure and profit extraction. The system’s foundational mandate for growth overrides all other concerns, including long-term stability or sustainability.

The failure of contemporary corporate sustainability frameworks, such as Corporate Social Responsibility (CSR), Environmental, Social, and Governance (ESG) initiatives, and B-Corps, stems directly from this structural mandate. These practices inherently fail to achieve their stated goals because they must operate within the non-negotiable confines of profit maximization.1 Analysis confirms that firms are frequently required to reconcile contradictory processes, such as the need for resource efficiency with the necessity of maintaining market flexibility and output growth. When these goals conflict, ecological objectives are inevitably subordinated to the immediate imperative of competitive advantage and financial returns.1

The pursuit of efficiency under capitalist logic leads to a counterproductive dynamic: efficiency gains, rather than reducing overall resource consumption, often enable faster production and expansion, thereby increasing aggregate resource throughput—a phenomenon known as the rebound effect or Jevons' Paradox. If a firm successfully minimizes waste but is structurally required to maximize profit, the saved resources are immediately reinvested to accelerate market share or production volume. This structural mechanism dictates that efficiency becomes a tool for accelerating accumulation, not for achieving steady-state sustainability. Consequently, systemic sustainability requires the abolition of the accumulation imperative itself, which is the foundational mission of Solidarity Economy and Degrowth frameworks.

### 1.2. Ecological Limits and the Decoupling Delusion: Throughput, Thermodynamics, and Biophysical Constraints

The economic foundation for regenerative design rests on the scientifically supported evidence that continued economic growth is not globally sustainable, and that absolute decoupling—the separation of GDP growth from resource use and carbon emissions—is empirically unfeasible.2 Degrowth scholarship, rigorously supported by interdisciplinary and scientific studies, directly refutes the claims that technological progress can allow for indefinite GDP expansion without transgressing environmental boundaries. The critique is rooted in thermodynamic limits and the material throughput required by industrial production.

This impossibility of absolute decoupling means that the policy path of "Green Growth" is non-viable for achieving true ecological stability. If the non-decoupling argument is accepted as a biophysically grounded fact, then Degrowth—the planned, equitable reduction of production and consumption—emerges not as a mere policy preference but as a structural prerequisite for any functioning, long-term regenerative economic system. Therefore, implementation strategies focusing on democratic wealth redistribution (Solidarity Economy, Community Wealth Building) become essential mechanisms for managing the required economic contraction in a socially just manner.

### 1.3. The Social Reproductive Crisis: Feminist Economics on Unpaid Labor and Care Subsistence

Capitalist economics, particularly systems based on GDP accounting, systematically exclude and devalue necessary reproductive labor, such as care work and subsistence activities. This massive, hidden subsidy allows the productive sector to maximize profits by externalizing the costs of social reproduction.

Feminist economic critiques emphasize that regenerative models must structurally integrate and value care and subsistence labor as explicit economic inputs, moving away from models like the Solow growth framework, which focuses primarily on capital, labor, and technology.3 Practical alternatives, such as the use of Time Banks within the Solidarity Economy, attempt to de-commodify or re-monetize these relational, non-GDP-measured forms of labor by assigning equal value (hour-for-hour) to all forms of work exchanged.4 Structurally valuing care ensures that the basis of value creation shifts from extractive accumulation to relational maintenance, aligning with the core Solidarity Economy goal of "maintaining social life".4 Furthermore, municipalist initiatives, such as Barcelona En Comú, demonstrate how political power can be utilized to "feminize politics" by promoting essential non-market values like empathy, consensus-seeking, collective leadership, and explicitly valuing care work in governance.5

### 1.4. Global Hierarchies and Extraction: Core-Periphery Dynamics and Postcolonial Alternatives

The global capitalist framework depends on maintaining core-periphery structures through unequal exchange, facilitating the systematic extraction of wealth and resources from the Global South. Alternatives must explicitly address this global hierarchy. The Solidarity Economy, which has been developed extensively since the 1980s, particularly in Latin America, defines itself by its mission to build resilient networks of resistance to the "profit-over-all-else economy".4 These grassroots, cooperative economic structures are fundamentally designed to decentralize power and neutralize extractive dynamics at both the local and global levels.

A comprehensive comparison highlights the necessary paradigm shift from the status quo to a regenerative design:

Table 1: Structural Imperatives of Capitalist vs. Regenerative Economics

| **Core Imperative** | **Capitalist Economics (Growth Logic)** | **Regenerative Economics (Solidarity/Degrowth Logic)** | **Mechanism Example** |
| --- | --- | --- | --- |
| Value Creation Basis | Scarcity, Financialization, Exploitation (Extractive) | Shared Stewardship, Collective Labor, Reciprocity (Relational) 4 | Time Banks, Peer-to-Peer Networks |
| Ecological Relation | Throughput Maximization, Externalization of Costs | Planned De-Growth, Steady-State Throughput 2 | Cap and Share, Reduced Work Weeks |
| Ownership Structure | Private/Shareholder-centric, Absentee Ownership | Democratic, Multi-Stakeholder, Stewardship-based 6 | Worker Co-ops, Community Land Trusts (CLTs) 7 |
| Capital Allocation | Maximization of Return on Investment (Extractive Finance) | Patient Capital, Local Recirculation, Social Solidarity Funds 8 | Credit Unions, Anchor Institution Procurement 9 |

## Part 2: SOLIDARITY ECONOMY – The Framework

### 2.1. What Solidarity Economy Actually Is: Definition, Principles, Difference from Capitalism/State Socialism

Solidarity Economy (SE) is defined not merely as a set of isolated ethical businesses, but as a holistic, grassroots form of cooperative economics dedicated to connecting local alternatives into viable, large-scale networks capable of resisting the dominance of the extractive economy.4 SE positions itself as a distinct third pathway, purposefully operating beyond the limitations of the traditional state-market dichotomy.4

This framework arises in contexts where financial markets demonstrate repetitive failures and the state is in withdrawal, requiring fundamental change. Crucially, SE fundamentally reorients the purpose of economic activity. While capitalism is oriented toward profit maximization, the primary goal of the Solidarity Economy is "maintaining social life" and collectively generating sustainable livelihoods in relation to one another and to the Earth.4

### 2.2. Forms of Solidarity Economy: Worker/Consumer/Producer Co-ops, CLTs, Time Banks, Solidarity Finance

The Solidarity Economy is implemented through a diverse range of functional mechanisms that institutionalize non-market exchange and democratic control. These mechanisms include co-production, co-governance, crowd funding, collaborative consumption, and peer-to-peer production.4

A particularly vital mechanism is the Time Bank system. Time Banks operationalize the valuation of necessary, non-market labor by utilizing a non-monetary unit (the labor hour) as the basis of exchange.4 This system provides a practical mechanism to address the critique of undervalued care work (discussed in Part 1.3) by providing formal recognition and exchange value for these relational activities.

### 2.3. Solidarity Economy Principles (Emily Kawano): Detailed Implementation Patterns

The principles of the Solidarity Economy necessitate structural mechanisms that institutionalize equity and democratic control, thereby serving as defenses against elite or shareholder capture. Key principles mandate deep democracy, typically through participatory governance (e.g., one person/one vote), and equitable distribution of resources and wealth. Beyond social fairness, SE principles explicitly integrate the ecological mandate, requiring participants to adhere to standards of sustainability, thus fusing social justice with the Degrowth imperative established in Part 1.2.2

### 2.4. Solidarity Economy Ecosystems: Networks, Solidarity Supply Chains (Mondragon, Emilia-Romagna)

To achieve scale and resilience, SE initiatives must evolve from isolated efforts into robust, interconnected ecosystems. The Mondragon Corporation in the Basque country provides a long-standing example of this structural integrity. Mondragon, composed of 81 self-governing cooperatives across finance, industry, retail, and knowledge, mandates "Inter-cooperation" as a central principle.8 This principle functions as a mechanism for compulsory solidarity between cooperatives, providing mutual support and pooled R&D capabilities that enhance overall business efficiency.

The transition from isolated local efforts to a large, viable network demands structural rigidity. Without formal networking and internal solidarity finance, individual SE initiatives remain vulnerable "islands of socialism in a capitalist sea," constantly facing intense pressure to compromise cooperative principles and degenerate.10 Mondragon demonstrates that scaling requires formalized, mandatory structural commitment, such as shared finance and wage solidarity, to ensure the ecosystem can withstand the competitive friction of the surrounding capitalist economy. The implementation of solidarity is therefore a legally embedded and structurally enforced requirement for long-term survival.

## Part 3: DEGROWTH – The Transformation

### 3.1. Degrowth Theory (Complete): Planned reduction of production/consumption, Social justice + Ecological sustainability

Degrowth is defined as the planned, equitable contraction of economic production and consumption. It is necessary not for ideological reasons, but due to its foundation in scientific and interdisciplinary studies confirming the impossibility of decoupling carbon emissions and resource throughput from perpetual economic growth.2 Degrowth fundamentally challenges the embedded "drive for growth" that dominates the epistemological and ontological frameworks of many modern societies, demanding a complete philosophical shift in the understanding of human welfare and resource use.2

### 3.2. Degrowth Pathways: Redistribute wealth, Reduce working hours, De-commodify necessities, Expand commons

Implementing Degrowth requires managed contraction policies focused on maintaining social stability. These policies include the aggressive redistribution of wealth and labor. Crucially, reducing working hours (work-sharing) is essential to prevent mass unemployment during the necessary reduction of aggregate production and consumption. To ensure social justice, core necessities—including housing, energy, and food—must be removed from the volatility of the extractive market (de-commodified) through mechanisms such as Community Land Trusts (CLTs) and municipal ownership (remunicipalisation).5

### 3.3. Sufficiency and Conviviality: Illich, Sufficiency vs Efficiency

The Degrowth framework relies on a philosophical pivot from the maximizing goal of efficiency to the stabilizing goal of sufficiency. Sufficiency, the concept of "having enough," replaces the capitalistic obsession with doing more with less. This transition actively counteracts the Jevons' Paradox implicit in capitalist efficiency drives, which only accelerate overall resource usage.1 This perspective is strengthened by integrating Ivan Illich's concept of conviviality, which advocates for production systems designed to empower users and communities, rather than systems optimized solely for profit generation. This ethical framework ensures that technology and production align with regenerative values, offering a direct contrast to exploitative industrial and digital designs.12

### 3.4. Post-Growth Economics: Modeling, Full employment without growth, Transition pathways

Post-growth economic modeling must fundamentally reject the assumptions underlying traditional frameworks like the Solow model, which attributes economic growth primarily to increases in labor, capital, and technological progress.3 In a steady-state or degrowth economy, the goal of full employment must be achieved by severing its link to perpetual GDP expansion.

This structural separation requires policies that redistribute available labor differently, such as instituting reduced work weeks. Furthermore, the economy must revalue non-throughput intensive activities—suchg as care, education, and ecological restoration—which contribute to social and biophysical stability but do not necessarily generate GDP.3 In essence, the post-growth objective is to maximize societal resilience and social utility per unit of biophysical input, shifting the focus from maximizing economic velocity to maximizing long-term stability. Mechanisms within the Solidarity Economy, such as Time Banks 4, are engineered specifically to support the valuation and distribution of this non-throughput intensive labor.

## Part 4: COOPERATIVE ECONOMICS – The Structure

### 4.1. Worker Cooperatives - Deep Dive: Legal Mechanics, Governance, Surplus Distribution, Financing

Worker cooperatives are distinguished by the fundamental structural principle of 'one worker, one vote,' which ensures deep democratic participation in management.8 This mechanism institutionalizes a cooperative design strategy, where members are treated as partners, contrasting sharply with the exploitative mindset prevalent in traditional shareholder-owned firms.12

Structural integrity is reinforced by mechanisms like wage solidarity, such as the mandated cap on the ratio between the lowest and highest wages utilized by Mondragon.8 This practice ensures internal equity, strengthening cooperative identity and acting as a necessary defense against the competitive internal pressures that precipitate degeneration.10 Surplus allocation is mandated to prioritize patronage dividends or reinvestment into social reserves, rather than maximizing return on external investment, thereby preventing capital flight and locking wealth into the community.

### 4.2. Complex Ownership Models: Multi-Stakeholder Cooperatives (Users, Workers, Community) and Platform Co-ops

Multi-stakeholder cooperatives (MSCs) are complex organizational structures that integrate more than one member class, such as workers, users, and community investors, with shared governance responsibilities.6 This structural complexity is intentional, designed to balance potentially competing interests (e.g., maximizing worker wages versus lowering user costs) and preventing any single class from exploiting others. MSCs are vital structural tools for legally embedding the principle of reciprocity within the firm. By internalizing stakeholders who might otherwise be exploited, MSCs ensure that the firm's mission prioritizes collective interest over unilateral profit maximization.

The application of these principles in the digital sphere leads to Platform Cooperativism. Platform co-ops utilize democratic decision-making and shared ownership by workers and users to sell goods or services through digital means.6 This provides the necessary anti-capture digital response to the extractive, venture capital-driven models of digital capitalism.12

### 4.3. Cooperative Networks and Federations: Second-Degree Co-ops, Mondragon Detailed Analysis

Cooperative resilience requires horizontal and vertical integration through networks and federations. Mondragon Corporation operates 81 self-governing cooperatives across four synergistic areas: Finance, Industry, Retail, and Knowledge.8 This networked structure provides internal R&D capabilities, shared financing, and mutual support, which are critical for scaling without compromising principles.

Mondragon’s principle of Inter-Cooperation functions as a formalized, solidarity-based insurance mechanism. It pools resources and knowledge across the network, offering a non-capitalist solution to market risk. This mutual aid reduces the intense pressure on individual co-ops to adopt capitalist survival strategies, thereby significantly increasing their resistance to degeneration.10 This demonstrates that the scaling of regenerative firms must be predicated on collective institutional resilience, not individual competitive success.

### 4.4. Cooperative Finance: Building Resilience Through Credit Unions and Patient Capital Funds

Cooperative finance models are essential to break dependence on extractive capital. Mondragon’s Finance division manages internal solidarity funds, pooling capital reserves and surpluses from its member cooperatives.8 This practice creates a supply of patient capital that is reserved for internal investment, prioritizing long-term development aligned with social and ecological goals over maximizing quarterly ROI. Non-extractive capitalization is crucial for funding transition projects, such as establishing CLTs or launching new green industrial cooperatives, which often require longer time horizons and cannot guarantee the high, rapid returns demanded by conventional finance.13

## Part 5: COMMUNITY WEALTH BUILDING (CWB) – The Strategy

Community Wealth Building (CWB) serves as the strategic pathway for integrating solidarity and cooperative structures into mainstream urban economic development. CWB is focused on creating a resilient and inclusive local economy by redirecting existing wealth flows toward democratic, local ownership.9

### 5.1. Cleveland Model (Evergreen Cooperatives): Anchor Institution Strategy, Nonprofit Holding Structure

The Cleveland Model utilizes the anchor institution strategy, leveraging large, place-bound organizations (e.g., hospitals and universities) to shift their massive procurement spending towards local, democratically owned enterprises.9

The Evergreen Cooperatives network, central to the Cleveland Model, is built upon a crucial nonprofit holding company structure. This holding company owns and incubates the network of green industrial worker co-ops, which supply goods and services to the anchors.13 This nonprofit structure provides an indispensable asset lock, legally preventing the co-ops from being sold or converting to for-profit capitalist enterprises in the future. The initiative has demonstrated tangible success in targeting historically underserved communities, generating employee ownership primarily among Black workers and returning citizens.13

### 5.2. Preston Model (UK): Municipal Procurement, Democratic Ownership at City Scale

The Preston Model represents a policy-led municipal application of CWB, initiated after a private-sector revitalization plan failed in the wake of the 2008 financial crisis.13 The strategy began with progressive procurement mandates applied across large local anchor institutions, including local councils, universities, colleges, and emergency services.9

By focusing on harnessing wealth that is "already there," Preston successfully redirected approximately £70 million of anchor institution spending back into the local Lancashire economy.13 This redirection spurred significant local job creation (4,500 new jobs) and resulted in a dramatic reduction in city deprivation rankings, demonstrating that strategic, policy-driven procurement can effectively localize wealth and reshape an entire city's economic structure.13 Key principles involve leveraging anchor assets (land and property) and maximizing the benefits of the workforce locally.9

### 5.3. Municipalism and Fearless Cities: Remunicipalisation, Democratic Participation

Municipalist movements, such as Barcelona En Comú, demonstrate how political mobilization can institutionalize CWB at the governance level. These movements explicitly link radical democracy (crowd-sourced codes of ethics, transparency requirements, salary limits) with key economic policies, including the remunicipalisation of essential services like the city water company.5 By capturing local political power, municipalism provides the necessary framework to use public policy to shift procurement, reallocate public assets, and regulate markets in favor of solidarity and democratic models. This approach also actively seeks to "feminize politics," promoting collective leadership and valuing traditionally undervalued care practices in governance.5

### 5.4. Community Land Trusts (Economic Dimension): Capturing Land Value, Stewardship Fee Structures

Community Land Trusts (CLTs) are fundamental structural mechanisms within CWB, designed to ensure permanent affordability. The core function of a CLT is the legal separation of ownership between the home structure and the underlying land, which the CLT retains in stewardship for the community.7

Economically, CLTs are potent tools for capturing socially generated land value—value created by public investments (like infrastructure) or general economic activity.11 Through legal agreements, ground leases, and stewardship fee structures, the CLT captures this increasing value, preventing private speculation and asset stripping.7 This captured value can then be recirculated into community projects or maintaining the CLT’s mission. CLTs can also be layered with other models, such as cooperative housing 14, maximizing both democratic governance of the homes and permanent stewardship of the land base.

CWB provides the practical pathway for moving the philosophical goals of SE and the democratic structures of co-ops into mainstream economic development. It is the tactical use of existing institutional leverage (anchors and municipal power) to build a dense, protected ecosystem of regenerative firms capable of withstanding capitalist competition.

Comparison of Key Community Wealth Building Models

| **CWB Model** | **Lead Institution** | **Core Scaling Strategy** | **Key Economic Mechanism** | **Outcome Focus** |
| --- | --- | --- | --- | --- |
| **Cleveland (Evergreen)** | Nonprofit/Anchor Institutions (e.g., Cleveland Clinic) | Industrial Incubation via Holding Company | Nonprofit asset lock; Green industrial co-ops | Employee ownership; Mission-aligned industrial base 13 |
| **Preston** | Municipal Government (Council) | Progressive Procurement Policy Redirection | Supply chain localization; Anchor spending mandate 9 | Local job creation; Wealth recirculation; Reduced deprivation 13 |
| **Barcelona En Comú** | Political/Social Movement (Municipalist) | Policy Redirection; Remunicipalisation | Collective code of ethics; Re-internalizing public services 5 | Radical democracy; De-commodification of essentials |

## Part 6: SYNTHESIS – REGENERATIVE ECONOMIC DESIGN

### 6.1. The Integrated Framework: Ecosystem of alternatives, Components reinforcing each other

A truly regenerative economic framework is a coherent ecosystem where the component parts reinforce each other. Degrowth establishes the macro-boundary conditions (ecological and social limits) 2; Community Wealth Building provides the meso-level strategy for market creation and institutional leverage (anchor procurement) 13; and Cooperative Economics and Solidarity Economy provide the micro-level structural and governance blueprints (one person/one vote, inter-cooperation).8

Success requires the establishment of solidarity supply chains where every stage—from material sourcing to production, finance, and distribution—is democratically owned and governed. This integrated approach minimizes points of intervention by extractive capitalist forces, as exemplified by Mondragon’s integrated Finance, Industry, Retail, and Knowledge structure.8

### 6.2. From Capitalist to Regenerative Economics: Transition pathways, Dual power strategy, Scaling without capitalist logic

Transitioning to a regenerative economy requires scaling alternatives by creating protected, sheltered markets (CWB procurement 9) and institutionalizing resilience through mandated financial solidarity (Solidarity Finance Funds 8). This approach allows enterprises to achieve economies of scale and scope without ever adopting the accumulation logic that defines capitalism.

The transition utilizes a dual power strategy: simultaneously leveraging existing institutional policy levers (municipalism, anchor procurement) 5 while building robust parallel grassroots economic institutions (CLTs, Co-ops, Time Banks).4 These efforts gradually substitute the capitalist infrastructure with a network of democratic, solidarity-based alternatives.

### 6.3. Anti-Capture Economic Design: Mechanisms to prevent co-optation, democratic governance

Regenerative economic design must proactively address the constant risk of co-optation and degeneration. This requires preemptively designing against the "exploitative business strategy," where actors view users, resources, or communities as commodities to be exploited.12 Instead, design must embed cooperative strategies: transparency, shared success, and informed consent for all stakeholders.12

Structural locks are non-negotiable for preventing asset capture or mission drift. Examples include: the nonprofit holding structure utilized in the Cleveland Model 13, which provides a mission lock; the legal separation inherent in CLTs 7, which prevents land speculation; and multi-stakeholder governance models 6, which ensure equitable control. The design must minimize the ability for actors to "play the law" or exploit loopholes for profit, requiring enforceable structural mandates that make capitalist-style risk-taking economically non-viable within the regenerative system.

## Part 7: FAILURE MODES & OBSTACLES

### 7.1. When Alternatives Fail: Cooperative degeneration, Market integration pressures, Elite capture

The primary internal failure mode is cooperative degeneration. This occurs when economic pressure, particularly during recessions or intense competitive cycles, forces cooperatives to abandon core principles (such as wage solidarity or democratic participation) and adopt capitalist structures and practices to survive.10 Cooperatives, described as "islands of socialism in a capitalist sea," face immense friction from the external environment.

Even highly successful models like Mondragon have required constant reinforcement to maintain structural integrity. Degeneration often begins with subtle shifts, such as increasing wage differentials, prioritizing external capital investment over member equity, or weakening internal solidarity mechanisms.8 This demonstrates that organizational success is not guaranteed by good intentions but by mandatory structural commitments that legally resist market pressures.

### 7.2. Structural Obstacles: Legal/regulatory barriers, Capitalization challenges, Lack of infrastructure

Regenerative models encounter significant structural friction. They often struggle to access the patient, non-extractive capital necessary for scaling, forcing them toward traditional financial sources that demand capitalist rates of return and risk profiles.8 Furthermore, existing legal and regulatory frameworks are typically designed to support shareholder-centric firms, often imposing administrative or tax disadvantages on democratic ownership models (CLTs, MSCs). The lack of shared infrastructure (e.g., cooperative supply chains, shared administrative services) increases costs and vulnerability for isolated enterprises.

### 7.3. Co-optation Risks: "Social enterprise" as for-profit, "Impact investing" extraction, Greenwashing

The risk of co-optation is high. General corporate sustainability initiatives often fail because the structure requires profit maximization.1 This failure is replicated when "social enterprises" adopt the language of Solidarity Economy while retaining capitalist for-profit structures. Similarly, fashionable financial trends like "impact investing" pose a risk of becoming new forms of extractive finance if they prioritize maximizing financial return (ROI) rather than structural change and patient, mission-aligned capital.12

The central failure mode is not a lack of moral commitment but the relentless structural friction imposed by the wider capitalist environment. The design solution is institutional: CWB creates a protected local market (anchor procurement 9), and cooperative finance creates a protected capital supply.8 By maximizing internal vertical integration and resource pooling, the regenerative ecosystem can be structurally insulated from the destructive pressures of the external market, bypassing the degeneration threat.

## Part 8: IMPLEMENTATION TOOLKIT

### 8.1. Economic Design Patterns: Practical blueprints for launching regenerative enterprises

The implementation of a regenerative economy relies on the application of detailed, tested institutional design patterns:

Pattern 1: Community Land Trust (CLT) Structural Blueprint: Utilizes a legal framework to separate ownership of the land (held by the non-profit CLT) from the building structure (leased to the resident). This is enforced through a perpetual affordability covenant and a mandatory resale formula that restricts speculative profits.7

Pattern 2: Land Value Capture Fee System: A policy mechanism that implements special assessments or stewardship fees to capture increased land value generated by public investments (e.g., new infrastructure or zoning changes).11 The captured revenue is mandated for recirculation into community maintenance or public goods.

Pattern 3: Multi-Stakeholder Cooperative (MSC) Governance: Establishes a constitution with weighted voting protocols (e.g., allocating specific percentages of board seats and voting rights to workers, users, and community representatives) to ensure that decision-making balances diverse interests.6

Pattern 4: Anchor Institution Procurement Strategy: A methodical, multi-step process involving an audit of anchor institution spending, identification of high-potential redirectable categories (e.g., laundry, local food), and the drafting of binding progressive procurement standards.9

Pattern 5: Non-Profit Holding Structure (Cleveland Model): The establishment of a dedicated 501(c)(3) or similar non-profit entity mandated to incubate, capitalize, and provide shared business services to its network of worker cooperatives. This provides a legal mission lock and prevents subsequent conversion or sale for private gain.13

Pattern 6: Platform Cooperative Charter: The legal blueprint for digital platforms that mandate user and worker ownership, decentralized decision-making, and open-source protocols, ensuring that the technology serves the collective interest rather than the exploitative extraction of data and labor.6

Pattern 7: Cooperative Inter-Cooperation Mandate: A binding legal agreement, integrated into the cooperative’s bylaws, requiring a specific percentage of annual surplus (often 5–10%) to be mandatorily invested into a Solidarity Finance Fund or a Second-Degree cooperative.8

Pattern 8: Time Banking System Protocol: A functional design for a non-monetary, peer-to-peer exchange network where community members exchange services (care, skills) based on the unit of one labor hour, thereby de-commodifying necessary services.4

Pattern 9: Municipal Asset Remunicipalisation Strategy: The legal and financial blueprint used by local governments to reclaim control over essential privatized services (e.g., water, energy), shifting the operational mandate from profit maximization to public service and ecological stewardship.5

Pattern 10: Anti-Degeneration Bylaws: Specific legal clauses embedded in cooperative charters that define failure and prevent capture, such as mandatory wage caps (e.g., 5:1 ratio), limitations on external equity investors' voting rights, and required minimum democratic participation rates.8

Table 2: Key Institutional Design Patterns for Regenerative Transition

| **Design Pattern** | **Economic Objective** | **Core Mechanism/Function** | **Associated Framework** | **Failure Mitigation** |
| --- | --- | --- | --- | --- |
| Community Land Trust (CLT) | Permanent affordability; Land value capture | Separating land and structure ownership; Stewardship fee; Policy-driven value capture 7 | CWB, SE | Prevents speculation and asset flight. |
| Multi-Stakeholder Cooperative | Balancing user/worker/community interests | Weighted voting structures; Shared surplus distribution protocols 6 | Cooperative Economics, SE | Guards against worker-only co-op degeneration.10 |
| Anchor Institution Procurement Strategy | Local wealth recirculation and job creation | Targeted municipal and institutional contracts; Supply chain localization 9 | CWB | Builds local manufacturing resilience and democratic ownership base. |
| Solidarity Finance Fund (Second-Degree Co-op) | Non-extractive capitalization; Inter-cooperation | Pooling cooperative surplus/reserves; Mutual aid mandate 8 | Cooperative Economics, SE | Provides critical capital without external dependence. |
| Time Banking System | Valuing unpaid labor and community service | Non-monetary exchange unit; Equalizing labor value (hour-for-hour) 4 | SE | De-commodifies necessary social and care work. |
| Anti-Degeneration Bylaws | Preserving democratic mission | Legal caps on wage ratios; Restrictions on external capital voting rights 8 | Cooperative Economics | Prevents internal shift towards profit maximization. |

### 8.2. Financial Models: Non-extractive finance, Patient capital, Sustainability without growth

Regenerative finance models prioritize stability, resilience, and democratic control over rapid ROI. This includes the creation of revolving loan funds capitalized by internal cooperative reserves 8 and CWB redirected capital.9 These funds provide patient, long-term debt financing necessary for projects like green infrastructure and housing that are incompatible with traditional debt structures. The Solidarity Capital Mandate dictates that financial success is measured not by growth in capital assets, but by measurable increases in the stability and resilience of the local economic ecosystem, such as the reduction in wealth inequality and the expansion of democratic asset ownership.

### 8.3. Transition Strategies: Step-by-step pathways and timelines from idea to network

Transition success is a managed process of structural substitution that deliberately reduces the legal and financial friction for regenerative models while increasing friction for extractive models.

**Phase I: Local Anchoring (0-3 years):** The initial focus is on securing political will (via a Municipalist strategy 5) and conducting comprehensive audits of local anchor spending.9 Policy changes should be enacted to launch foundational CWB institutions, such as one core Community Land Trust 7 and the incubation of a key green industrial cooperative via a non-profit holding company.13

**Phase II: Network Density (3-7 years):** CWB procurement should be expanded to cover a critical mass of anchor spending (e.g., 15–20%). A regional Solidarity Finance Fund must be initiated, capitalized by mandatory contributions from maturing cooperatives.8 At the municipal level, the remunicipalisation of at least one essential public service should be executed.5

**Phase III: Ecosystem Resilience (7+ years):** The regional economy achieves a critical mass where the SE enterprises are mutually dependent and structurally integrated. The Solidarity Finance Fund becomes the dominant provider of local, non-extractive capital. The focus shifts to implementing broader Degrowth policy, such as municipal endorsement of reduced working hours and expanding the utilization of Time Banking systems.4 The system operates primarily on principles of inter-cooperation, structurally insulated from the volatility and extractive logic of the wider capitalist market.

## Conclusions and Recommendations

The analysis confirms that regenerative economics is not an abstract concept but a verifiable, implemented system based on interlocking structural frameworks. Capitalism’s failure is not merely ethical but thermodynamic, rooted in its necessary growth imperative and the biophysical limits of the planet.2 Consequently, sustainable systems must be designed for degrowth and based on collective, democratic ownership.

The synthesis of Solidarity Economy, Degrowth, Cooperative Economics, and Community Wealth Building offers a robust, working blueprint for regenerative governance. The key takeaway is that transition success hinges on managed structural substitution supported by policy. CWB (Preston/Cleveland) is the proven tactical approach for creating protected market space and capital supply, which allows structurally democratic firms (Co-ops/CLTs) to mature without succumbing to market pressures and degeneration.10

**Actionable Recommendations for Regenerative Economic Design:**

1. **Mandate Structural Integrity:** Incorporate Anti-Degeneration Bylaws 8, Multi-Stakeholder Governance 6, and Nonprofit Holding Company structures 13 into all new enterprise charters to legally prohibit conversion to extractive models.
2. **Establish Policy Friction:** Use municipal power to aggressively enforce progressive procurement mandates (Preston Model) 9 and enact land value capture policies (CLT framework).11 Policy must actively penalize extractive practices and subsidize solidarity models.
3. **Localize and Solidify Capital:** Immediately establish Solidarity Finance Funds, capitalized by mandatory contributions from anchor institutions and cooperative surpluses.8 This provides the critical patient capital required for long-term ecological and social transformation, eliminating reliance on extractive finance.
4. **Integrate Social Reproduction:** Implement and institutionalize Time Banking systems or similar mechanisms 4 to formally recognize and compensate non-market, social reproductive labor, aligning economic valuation with feminist principles.5

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