



E2M

A Second Economic Model

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E2M FAQs

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E2M- A Second Economic Model

Foreword

Let's begin by being clear that this document is about implementing strategies to create the broad based changes that will allow people and communities to attain the economic power they need to make local, national and global changes to benefit the common good.

It is written for those who are finished listening to perpetual discussions about the need for world change and who are ready to do something that will achieve measurable results.

It is for the hopeful and especially alienated, but vibrant and powerful youth who demand more than they see. It is for those who may feel that our current situation is not hopeful but have not given up on the possibility of finding hope. It is for those tiring, yet still dedicated elders who want to find their second wind. It is for believers and doers.

We believe that enough is enough; the status quo is not acceptable. The economic direction and control of our planet belongs in the hands of the people and communities, not huge corporations whose primary purpose is to make as much money as possible for relatively few stockholders. Economic power in the hands of communities will bring the socioeconomic and environmental harmony that is crucial to the health of the planet and its people. This is why we have decided to make an effort to achieve significant economic change in the world rather than to sit by witnessing the gradual withering away of any remaining hope for a true economic democracy responsive to the needs and desires of the people.

More and more of us, on all financial, intellectual and social levels are beginning to realize that things are not well and something must be done, and soon. This document

explains how surprisingly simple and straightforward it is to bring about the economic paradigm shift whose necessity is made so apparent by current events. This document will show exactly how to achieve significant and sustainable change with less effort than you would expect.

After the brief time it will take you to read this document, we believe there will be no doubt in your mind that the world is indeed changeable and that you, even as an individual, can be an important part of that change.

You will see how we have already created the foundation of an economic model in western Massachusetts that could easily become self-replicating regionally, then nationally, then internationally.

You will see how one person became three, then eight, then twenty, and now many. You will see that great possibilities arise when the time is right. You will see how moves can become movements.

We extend our hand in welcoming you to join in an undertaking that may, quite possibly, elevate you to levels of optimism and hope you have not experienced. We hope to illuminate a bright light within your being. If you join us, your light will brighten our light, and eventually there will be a beacon that will extinguish the darkness we see around us. This is our promise. It will take only you and others like you to assure that we keep this promise.

So we invite you into our very bright world with the words of noted anthropologist Margaret Mead.

***“Never doubt that a small group of thoughtful, committed citizens can
Change the world - indeed it is the only thing that ever has.”***

E2M – A Second Economic Model for Millennium 2000

Introduction

After graduating from the University of Massachusetts, Amherst in 1969, I spent over thirty years inventing and selling innovative products and technologies. I engaged in numerous commercial disciplines as I conceived new technologies, brought them to reality in the laboratory, acquired nine worldwide patents, and built factories to manufacture the products. I employed over 450 people and dealt with thousands of companies while selling my inventions globally in partnership with ITOCHU, which was the largest company in the world in 1992. I ended my commercial endeavors in 1999 after the collapse of the Asian economy seriously impacted ITOCHU and my own company, Neon Technology Corporation, a manufacturer of flat-glass neon displays.

I believe I have a very clear understanding of the economic and commercial model that is the foundation of American commerce. However, what I once reveled in I now re-examine. When I left my life in the factory, I gained much more time and saw much more clearly what was happening in the world around me. I now agree with many people of all backgrounds who feel that, as a consumer society, we are headed in the wrong direction.

I see our society working harder and harder for less. Two parents work just to keep up. Single parents face serious obstacles. The kids are paying the price. Household debt levels are at historic highs. Consumerism grows, fueled by constant barrages of messages that say “buy, buy, buy.” The have-nots have even less. Huge corporations, economically larger than many countries, now possess unprecedented levels of power and influence. An unsustainable economic system demands double-digit rates of corporate growth compounded annually on a planet that has finite resources. Millions of people work hard to create increasing amounts of wealth for relatively few stockholders. One percent of the American populace owns more than forty percent of all private wealth. Important social programs are being eliminated due to a lack of tax dollars. It takes years to raise a few million dollars to heal the elderly, but within two weeks, an auto tire manufacturer can find \$500,000,000 to replace 13,000,000 bad tires. Other corporations spend billions to buy their competition. The power of the vote is diminished next to the power of the dollar. Democracy suffers.

I could go on but I won't. We need to focus on solutions. The problem is so large that it is easy to feel powerless as individuals to solve it, but we are not. Change is possible. The solution is within our grasp. This document will explain how we can create those changes, but first, a bit of history to bring you up to date.

In the early hours of January 1, 2000, the first day of Millennium 2000, in a studio behind my home in Easthampton, Massachusetts, I began to write the first words of a one-page document. It was my personal manifesto and commitment to create economic change in a world that needs change. That same morning, I established an Internet domain at E2M.org as the repository of all information relating to my one page document.

That document eventually became one of the first pages of a lengthier document titled "E2M, An Economic Model for Millennium 2000" that I authored in March of 2000 then posted as a "manuscript" at www.e2m.org. It describes, in lay language and in great detail, how we can create an economic model that can allow capitalism to achieve its highest purpose. That purpose is to use commerce to serve the common good and to create the socioeconomic and environmental harmony we desperately need in today's world.

I printed twenty-five copies of the manuscript and passed them out to friends. A socially responsible management consultant and an ethicist joined me to form E2M.org to advance the ideas in the manuscript.

Soon after, elected officials, seasoned executives, and entrepreneurs became interested and joined the E2M.org Board of Directors. The Western Massachusetts Alternative Economic Development Council then asserted its strong support for the E2M agenda. Before long the president of a nationally renowned local college expressed positive feelings and provided us with the facilities to make two public presentations. A number of entrepreneurs asked if their companies could be E2M certified.

The E2M working committee was formed to forward the E2M agenda and create the infrastructure described in the E2M manuscript. One component of the infrastructure, the E2M Regional Economic Council (REC), is an entity that represents the best interests of the western Massachusetts community. Community Trust, Inc. a non-profit organization voted to act as the fiscal agent for the E2M REC and to accept corporate equity and other funds designated for community uses.

A student at the University of Massachusetts, Amherst joined us to increase our campus visibility. E2M presented two forums at the University gaining the support of additional students and faculty. Students for Sustainability, a subcommittee of a Faculty Senate committee voted to recommend that the University embrace E2M and the Student Government Association, representing 25,000 students, passed a resolution supporting collaboration between the University leadership and E2M.org.

During the last week of January, 2003 the entire upper level management at the Franklin County Community Development Corporation voted to provide up to \$500,000 for the funding of E2M companies.

In May, 2003 the Student Government Association representing over 25,000 UMass-Amherst undergraduate students embraced E2M by passing a resolution to work with the administration, faculty senate, and graduate student senate to develop programs and policies that would enable the University to benefit from the E2M model.

Due to its tremendous movement forward since January 1, 2000, a number of individuals, groups, and institutions requested that we write an update on the status of E2M. As we are writing this update, it becomes much more evident to me that E2M has made extraordinary progress in a relatively short time. Yet the movement of E2M is about to accelerate even more as interest grows considerably.

Although I authored the original E2M manuscript, I do not feel that E2M is a creation of mine. E2M was always there waiting to be discovered by someone, anyone, with the correct lens of experience. E2M is no longer about me, our board of directors, the working committee, or the others who are joining us; it is developing an identity of its own.

E2M no longer requires any pushing from us. It is now, in fact, pulling us. E2M is developing more natural momentum as it begins to grow on its own. It will soon attain the ability to self-replicate. For that reason, we believe E2M is destined to become the movement that we are hoping for. As one of our board members aptly noted some time ago, "We are simply doing something that wants to happen anyway." Time has proven her right.

Those of us who have been with E2M the longest realize it does not belong to any one of us. Its possibilities are too great; it cannot belong to anyone. We think of it as a gift that can change the world around us. We hope you'll agree and come with us to wherever it is going to take us.

Michael Garjian
Founder, E2M.org
March 14, 2003

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E2M Frequently Asked Questions (FAQs)

1. How are the following FAQ's formatted?

The FAQ's are formatted in a conversational manner. Questions are first answered briefly, and then followed by a more detailed response.

The short answers in boldface italics can be read in about 15 minutes and are intended for those with limited time. Below the short answer is a non-italicized answer of more detail for those who are interested in an in-depth understanding of E2M.

2. What is E2M?

E2M is an economic model that uses capitalism to better serve the common good. It has three components.

E2M is a refreshing new philosophy of Community Conscious Capitalism based on the belief that entrepreneurs and investors can better serve themselves when they also work to benefit the common good.

E2M is a certifiable business standard for a new breed of community conscious entrepreneurs who want to be successful while contributing to the common good by including their employees and their communities in the shareholding or profit sharing structure of their companies.

E2M is an infrastructure that consists of regional economic councils that represent their local communities, much like charitable foundations. These councils work together with entrepreneurs, employees, business enterprises, educational institutions, socially responsible investors, and other individuals to use commerce to create wealth and economic power for the community.

3. What is so different about its philosophy of capitalism that allows E2M to forward the extremely bold claim that it could change the world?

It's very simple: the current predominant philosophy of capitalism stresses high profits and maximum growth in commerce to satisfy the needs of relatively few investors. E2M seeks adequate profits and sustainable growth to benefit the common good.

The current economic investment criteria demand highest possible profits and maximum growth for the benefit of a few stockholders. These criteria are not sustainable in a world of finite resources. It causes corporations and their management to continually focus on showing maximum short-term profits to justify their existence to investors. But profits are not enough for investors; they demand growth in profits too. If corporations and their managers do not “hit the numbers” that investors demand, they end up out of business or out of a job. If it is a matter of survival, as it is under the current criteria, corporations and management will do anything they can to meet the criteria. This includes producing unnecessary products for the sake of creating sales, barraging our society with more and more advertisements to grow sales, and continually consuming ever-decreasing resources to produce the products that will deliver the investors a return. It also requires corporations to continually cut costs. This results in poorer quality products, layoff’s of long time employees to show better profits, and more recently, even the false reporting of billions of dollars of non-existent sales and profits as it becomes increasingly obvious to corporate managers that the current investment criteria are unrealistic.

Corporations, their management, and employees are victims of unrealistic investor demands driven by greed and the desire to get as much as one can as soon as one can. This could be part of our human nature. E2M makes no judgments on that; it is just the way it may be. But we cannot let that human failing lead us all down the path we are on.

We need new community conscious investment criteria that accept adequate profit and growth for the purpose of serving the common good. Widespread institution of such criteria could allow corporations to “throttle down”, show less profits if necessary, and even reduce rates of growth and the excessive consumption of global resources. Corporations could concentrate on producing high quality, socially necessary products to serve their employees, communities, and investors while at the same time, doing the things necessary to preserve our ever decreasing resources and degrading environment.

To institutionalize these community conscious investment criteria, we need a long-term investor with billions and billions of dollars of broadly distributed, sustainable investment funds that will always be there so long as commerce and corporations exist. A sparse scattering of community conscious individual investors will not solve the problem because their economic resources are not large enough, sustainable enough or reliable enough. But there is one investor that is able to overcome the limitations of greed based individual investment. There is one investor whose selfish interests are compatible with the community conscious investment criteria we so desperately need to institutionalize. That investor is the community itself! Given huge amounts of investment capital, the community will do what is necessary to keep employment stable, produce high quality products, reduce resource consumption and pollution to a minimum, nurture entrepreneurs and corporations whose mission it is to serve the community and its people, and usher in a new era of community conscious capitalism. To do this, however, requires that the community possess very large amounts of money to invest. And this is what E2M does. It places the income producing, wealth-concentrating tool of capitalism in the hands of the community. Using capitalism, the community can easily create billions of dollars of wealth for itself so it can become the investor we need. E2M does this by creating business standards and the infrastructure that allows the community to use capitalism in a new and historically promising way.

4. What are the E2M standards and E2M certified business enterprises?

The E2M standard simply calls for entrepreneurs to include their employees and community as owners in their companies.

This standard certifies enterprises as E2M compliant if they gift the community with 5% to 20% of their corporate stock. If they are a sole proprietorship or partnership they must gift 5% to 20% of their profits or 0.5% to 2% of their gross sales, whichever is more.

Corporations must make another 5% to 20% of their stock available for purchase by their employees under a stock purchase option agreement while sole proprietorships and partnerships must share 5% to 20% of their profits with employees.

The entrepreneurs and/or investors who start the enterprise decide how much to make as a stock or profit contribution. The remaining 60% to 90% of stock/profits, which are not dedicated to the community and employees, are distributed among the entrepreneurs and investors in whatever manner they choose.

5. Who is the community and what is the infrastructure referred to in the E2M model?

The community is the regional area in which the E2M certified business operates. A Regional Economic Council is that part of the infrastructure that represents the community and acts in its best interests

E2M calls for the establishment of highly independent and decentralized economic regions represented by Regional Economic Councils (RECs) of about thirty individuals. These RECs, with input from the local populace, will define the “community” and act in its best interests. The RECs would act much like a foundation whose purpose it is to receive income and accumulate wealth to serve the economic and social interests of the region it represents. The membership of the REC’s would constitute a demographic cross section of the local region. In addition to E2M certified companies and REC’s, other components of the regional infrastructure are REC sub-committees, local

educational institutions, non-profit organizations, charitable or philanthropic organizations, financial institutions, investors, and individual volunteers. Western Massachusetts is the first such economic region where E2M.org is now finalizing the creation of the E2M Regional Economic Council.

There would eventually be a number of these regions throughout Massachusetts, the United States, and possibly the world. Thomas Jefferson referred to such regions as “economic wards.” Each region could use its economic power independently or they could act collectively to implement dramatic national or international socioeconomic and environmental agendas to benefit the common good.

6. Does E2M seek to displace capitalism?

Absolutely not.

E2M is based on the belief that capitalism, if properly used, is the most powerful tool available to achieve economic health and democracy for all individuals, entrepreneurs, employees, investors, business enterprises and communities on a local as well as global scale. E2M embraces the most basic tenets of capitalism, which include freedom, democracy, and the ability of individuals to follow their dreams, lack of government oppression and an economic system open to all. E2M provides the options that will allow capitalism to achieve its highest possible purpose – to serve both individuals and the common good.

The E2M model will grow within and co-exist with the current model of capitalism. Just as an unhealthy mother can give birth to a healthy child, so to will E2M emerge as the healthy child of capitalism.

7. How does the community use the tool of capitalism to create wealth for itself?

The community creates wealth for itself through its relationships with E2M certified business enterprises.

As community members purchase goods and services from E2M certified companies, the community’s holdings in these enterprises grow in value and create income for the community.

As more companies become E2M certified and community stock holdings increase, the community receives more income from dividends, profit sharing, equity appreciation, and sale of stock.

In very typical situations, E2M companies could each return from \$1,000 to more than \$25,000 per year to the community. Some companies making such returns to the community could be bakeries, clothing stores, gas stations, food markets, and other similar enterprises. Companies that mass market products throughout a region could provide even greater returns to the community. These could be food products, computer services, publishers, chain stores, and others.

In grand slam situations, technology startups and other similar enterprises, which develop into public stock offerings and become listed on regional or national stock exchanges, could result in community holdings worth in excess of \$10,000,000 to \$50,000,000 dollars over a period of 3 to 7 years.

Employees of E2M companies will decide where to spend 50% of the funds delivered to the REC. Of the balance, the REC will spend 75% locally in its own region, 20% nationally, and 5% internationally. The national portion is to help the E2M model spread the wealth and to self-replicate around the nation. The international portion helps develop the lines of international communication and monetary flow upon which a worldwide, community-based economic net could grow.

8. How does the community use this wealth?

The money will be used for community sustaining purposes, to form more E2M companies, or to purchase existing companies for conversion to E2M standards.

As more and more of the community’s purchases are directed towards E2M companies, thus increasing profits, the value of these companies grows and creates more wealth for the community. The community, in effect, can insure that its investments grow in value, unlike traditional stock investments that are highly volatile.

As the community pro-actively grows wealth for itself and the entrepreneurs, employees, and outside investors in E2M companies, it becomes more of an economic force. As a result, more and more opportunities will arise for the community. By leveraging money and opportunities, the community can expand its interests and holdings. This is exactly the same mechanism that allowed 1% of the entire US population to own more than 40% of all the private wealth in America.

The community, however, will use its wealth to fund educational, youth, medical, affordable housing, recreational, financial aid, and other programs that benefit the good of all rather than that of relatively few stockholders and individuals of wealth. Community wealth will be used commercially in a spirit of sharing and collaboration rather than in the current highly competitive dog eat dog mentality that pits people against people, entrepreneurs, and companies against each other. This will increase product quality, establish a more efficient commercial sector, and infuse a new spirit and purpose into the corporation that is currently lacking but highly sought after today. This is what we need to

do to restore social, economic, and environmental harmony to our regions, nations, and planet.

9. Why does it make great business sense to establish an E2M certified enterprise?

A number of reasons, but let's start with financing.

An E2M certified enterprise is eligible for loans with interest rates as low as 1% and for entrepreneur friendly venture investment funds. Traditional venture capitalists look for returns of 10 to 20 times their investment, if not more. Businesses that cannot achieve sales of \$50,000,000 to \$100,000,000 annually within three to five years are not interesting to venture capitalists. Oftentimes any venture funds that are invested come with contractual exit strategies that allow the venture capitalist to exit the company by selling it to a larger investor or strategic industrial partner. This often results in the uprooting and moving of the original company, the layoffs of the employees who made the company sale possible through their hard work, and the removal of the original entrepreneurs from high level decision making positions.

The E2M REC's venture fund would be happy to see an enterprise create new jobs and achieve adequate profits and sustainable growth by producing and selling quality products at fair prices. Such a company could produce an excellent lifestyle for the entrepreneur while at the same time empowering its employees and community.

10. Aside from benevolent funding possibilities, are there other benefits to E2M certification?

E2M certified companies could be far more efficient and competitive.

Because the employees have the ability to share in the company's success through profit sharing or stock purchase plans, they will be a much more motivated, efficient, stable, happy, and reliable workforce. This helps the company become much more competitive and profitable through the realization of greater efficiency and lower cost resulting from the elimination of the high rates of employee turnover, training costs, and dissatisfaction which plague many of today's enterprises.

The employees of an E2M company also vote on how the REC will spend one-half of the money it earns from operations of the company. If the employees choose to fund the medical bills of an uninsured child with a serious illness, then they know that they are working for a higher purpose than to just make a buck for himself or herself or the company. It is well known that people are motivated more by knowing that they are doing something important and appreciated than they are by money alone.

11. How can the community guarantee the success of an E2M certified company?

The community can guarantee the resounding success of an E2M company by simply purchasing its products.

The best part of E2M certification is that the company has the support of the community because the community owns part of the company and shares in its profits.

The purpose of an E2M company is to make an adequate profit while sustaining its owners, employees, and doing good for the community. The community can ensure the success of any company if it is selling a quality product at a fair price.

A good example of this at work is Newman's Own brand of salad dressings and sauces that sell for \$3 to \$4 per bottle. Because Paul Newman donates profits from these products to charity he has massive community support and sales. Such support has been so significant and extraordinary that Newman's Own has been able to contribute over \$100,000,000 to worthy causes during the past several years of its operations.

In addition to sales to the community, E2M companies will trade with each other, local educational institutions, and individuals and companies from outside the area who support the E2M agenda.

12. OK, that's one good example, but can purchases by individuals in the community support thousands of E2M certified companies?

Actually, individual purchases of goods and services by members of the community can support hundreds of thousands of companies!

Individual consumer purchases make up more than 70% of the entire US gross domestic product. This equals more than \$7 Trillion in buying power. This would be enough to allow 100,000 companies to achieve annual sales of \$70 Million each!

The consumers of America decide, through their purchases, who possess the economic power in America. They could completely restructure the economic power base and distribution of wealth in their regions, and in fact throughout the entire US, just by buying from E2M companies! This is what E2M is all about.

13. Are there any other reasons to become E2M certified?

Yes, there are many more than space allows, so let's look at just a few more reasons.

Many companies come and go. Failure among start-up companies is the rule rather than the exception. Success can be fleeting in the entrepreneurial world. Sustaining success is oftentimes harder than achieving it. More than a few companies failed shortly after their greatest successes. Given the fact that an E2M company is producing a product that the community needs and actively purchases, the potential to sustain success is tremendously increased.

E2M companies who choose to contribute greater portions of their stock and/or profits to the community may realize even greater opportunities. As local, state, and federal governmental entities come to the realization that E2M companies are hybrid public/private enterprises that can do great good, they may provide significant opportunities to these companies. As the trend towards privatization of governmental initiatives continues, E2M companies will play a very significant role due to their community service mission. In the future, we may even see tax breaks for E2M companies and their investors.

Finally, E2M companies could have, as a resource, access to the academic, technological, and research departments of public universities. The purpose of public institutions is to serve the public. They can achieve this purpose by providing their intellectual resources to new or established E2M companies and by breeding E2M companies. The technologies that will impact the economies of the future are being created every day in the research departments at public institutions that could make a significant community contribution by creating E2M companies to commercialize these technological discoveries.

14. There is great incentive for startups to become E2M certified at the time they are formed, but how about existing companies?

Existing companies can choose to become E2M compliant over a period of up to ten years.

Owners of some existing small businesses have oftentimes invested years of significant time, money, and very hard work to build their enterprises. Publicly traded corporations may already have thousands of stockholders each with a personal agenda. It is very difficult to expect these enterprises to immediately turn over stock under E2M standards.

Therefore, E2M transitional status allows companies to receive E2M benefits by becoming E2M compliant through stock transfers and creation of employee stock options and/or profit sharing plans over a period of up to ten years.

15. Those are real business advantages to being an E2M company. Any more?

Yes, they are. However we have only been discussing the dollars and good sense advantages to being E2M. The non-material reasons to be E2M are even more compelling because they are positively life changing.

Anyone starting or working in an E2M company realizes that companies need to make a profit to survive. Yet companies have been making profits for hundreds of years and the world is still a very difficult place where billions of people still live in despair and hopelessness. It is now well accepted that the hoped for "invisible hand of business" that would lift all people up does not exist. However, with E2M, that hope can be rekindled.

Once you bring E2M into your life as an entrepreneur, an employee of an E2M company, a member of an E2M working committee or a supporter of E2M, you come to the realization that you are truly part of the solution rather than part of the problem. As E2M takes on more clarity, as it inevitably does over time, you realize that even difficult problems can have easy solutions. Once this realization becomes part of your being, the impact of the darker parts of life becomes tremendously diminished. The news of the day, the pictures of despair, and the malaise that sometimes appears become less of a diminishing influence as you realize they are symptoms of a problem which has a definite cure.

Creating economic power in the hands of the community is the greatest step possible on the path to eliminate many of the socioeconomic and environmental challenges we must overcome. Once done, we can begin to attain regional, national, and global harmony as we enter a new age of spirit and technology.

Those of us who have been embracing E2M choose not to curse the darkness; we choose to light a brilliant light to extinguish that darkness. As we have watched that light begin to grow brighter, our lives have changed for the better as well. We see E2M as a beacon of hope that can absolutely transfer economic power into the hands of the community. Once you realize that you are an important part of this transformation, your life will change dramatically and you will never look back.

16. Who will be responsible for monitoring and linking E2M certified enterprises?

E2Mnet.com, the Internet based organization linking all E2M participants, will issue and monitor certifications.

E2Mnet is still being formed as of the writing of these FAQ's. It will be an E2M certified enterprise. It will connect all local, regional, national, and international E2M participants, including REC's, companies, members of the buying public, investors, financial institutions, educational institutions and others. It will be the Internet home for all E2M entities. It will certify, monitor, and de-certify E2M entities when necessary. It will link all E2M participants so they may do business, communicate, invest, and act in concert with each other. It is the "womb" where the E2M model will grow.

17. What control does the community or REC have over E2M companies?

They have no control over E2M companies.

When a company gifts stock to the community, that stock is non-voting stock. This is because the community does not have the proper information to tell the generous entrepreneurs and investors who start E2M companies how to run their businesses. Entrepreneurs, as a breed, would also be very reluctant to gift control of their companies away.

However, if the community becomes an investor by purchasing more shares in addition to the gift shares, those shares would be voting shares. The level of control, ownership, and other issues relating to that investment would be negotiated just as they would be with any other outside investor in a company.

18. Under E2M, the community could accumulate billions of dollars of wealth. We all know large concentrations of money can create significant problems related to corruption and undue influences. What measures will protect the E2M infrastructure from this danger?

The E2M model does not excessively concentrate wealth; it is a highly decentralized model that spreads the wealth widely.

Although the E2M philosophy is one of caring, sharing, and good will, it is not blind to the dangers of excessive concentrations of economic power. This is why the "community" in the E2M infrastructure is highly decentralized into many independent economic regions. There could be from 500 to 1,000 such regions in the US alone. The first such region is now being formed in western Massachusetts by E2M.org, the organization whose mission it is to establish the first E2M region as well as chartering other regions throughout the United States and world.

19. How will E2M insure that the Regional Economic Council does not become corrupt or become dominated by a few powerful individuals?

The REC is structured in a way that avoids concentrations of power or influence.

Each region's REC is accountable to the public and administered by a moderately sized board of 15 to 30 members who demographically represent the community and who serve voluntarily under one year term limits. The REC's members will be nominated by individuals in the community with final approval by the E2M.org Board of Directors. The meetings of the REC are open to the public so there will be less chance of corruption. The membership is constantly changing so no one will have the time to create excessive concentrations of power or influence. Subcommittees, whose membership will be open to the public, will also do much of the work of the RECs. These subcommittees will be open to public scrutiny.

20. Considering that the possibility for corruption has been mitigated to the extent possible within a region, how does E2M prevent one region from becoming excessively powerful or corrupt?

E2M.org will establish regions with similar wealth creation capabilities. These regions will be required to support each and spread their wealth.

E2M.org will establish regions based on factors that include geographic location, population density, amount of economic activity, and other elements. The intent is to establish regions with similar wealth creation capabilities. One region may encompass more than one state while other states will have multiple regions.

The employees of E2M companies vote on where to spend one half of the funds contributed to the community by their company. Of the remaining 50% held by the REC, 75% must be spent locally, 20% nationally, and 5% internationally.

21. Aren't E2M goals the responsibility of the government?

It should not be the responsibility of the government to take care of the people; they can take care of themselves given the resources E2M helps them acquire.

Government should provide defense, certain physical and administrative infrastructures, and some social agendas.

E2M creates a community infrastructure that the government may partner with to serve the best interests of the people. The community, however, will be most effective at using its resources to attain social and economic justice, equitable distribution of wealth, and respect for the environment. Based on the social, corporate and environmental malaise which is apparent in today's world, many observers believe the government is not efficient enough in impacting these areas. One prominent political aide also points out that because the pace of change is increasing so rapidly, the government cannot respond quickly enough. RECs could move much more quickly when necessary.

Our initial contacts with elected officials saw great enthusiasm. The government can use all the help it can get in creating a healthy society. It welcomes a strong financial partner who serves the same purpose it does— to benefit the common good.

We feel many more people would run for elected office and many current elected officials would be happier if they could serve their constituents with less interference from financially powerful private parties whose interests oftentimes run counter to the best interests of the community.

22. What are the global implications of E2M?

We have been focusing on the local implications of E2M. As local regions develop, they will help establish a widespread national E2M network. The international network will follow. The international growth of E2M could even exceed that of the US where the traditional economic model is well established. Formerly communist nations have indicated a desire to embrace capitalism but they do not want a very small percentage of their populations owning most of the wealth. These countries could embrace an E2M model where community and worker portions of company ownership are greater than in the US model.

As E2M grows, there are significant broader implications in a number of areas. Planned obsolescence of commercial products could be replaced with long lasting products of the highest quality. The scope and rate of research and development could be less negatively influenced by private agendas related to profit. Global resource usage could revolve around the concept of using as few resources as necessary to provide an acceptable quality of life for all peoples, thus replacing the current exploitation of resources as a means to produce as much profit and growth as possible. The length of the workweek could begin to lessen as corporations become released from the demand to squeeze as much time out of each employee for the purpose of profit maximization. Control of important technologies relating to plant, biological and genetic patents, cloning, artificial intelligence, robotic mechanisms, nano-technology, medical implants and weaponry would be impacted by community rather than private or even anonymous funders. An economic net could begin to form around the globe creating strong economic partnerships among all. As regional communities begin to work globally with each other, they achieve local economic stability, sustainability, people to people understanding, collaboration, and an increase of harmony. As this economic net becomes well established globally it provides the fertile economic soil necessary as we enter this new age of technology and spirit.

23. How can I help?

Email us at info@e2m.org. If you are in western Massachusetts we'll find a place for you immediately. If you are out of this area, we will work with you to form an E2M infrastructure in your area. You can make tax-deductible donations to CTI/E2M and mail them to E2M.org, Box 188, Easthampton, MA 01027.

E2M PRINCIPLES & GOALS

E2M desires to achieve changes within the economic system on local levels. We understand that upon showing progress, E2M may be compelling enough to begin to expand and gain acceptance on a grass roots basis. If it attains that level of credibility and growth then an economic E2M net will develop with linkages between all E2M companies and those they serve.

Whether E2M remains a local phenomenon or eventually becomes broad based, it would be appropriate to point out some of the core beliefs drawn upon in the conception of E2M.

1. This journey of humankind, in which we all participate together, is moving into a great new era in its history. As we move along we will encounter forks in the road that will lead to such dramatically different paths that an assessment of the past would be advisable before moving ahead to quickly. We believe we are at one of those forks as it relates to our economic model.

It is a goal of E2M to offer alternative options for the future.

2. There is much to be said positively as it regards our current situation. Much has been achieved

yet there is much that can be improved. There are significant social, economic, and environmental issues that demand immediate attention before we move too far ahead. The social and environmental challenges can best be met if the economic issues are addressed.

It is a goal of E2M to create simple economic solutions to help address the more complex social and environmental issues.

3. Many of us are better off now than we were just a few decades ago, yet there are many others

who are not. We are all aware that hunger, illness, and poverty are the major social issues that we face. Unfortunately, the increasing amounts of energy we each expend to meet our personal needs and self-interests limit that energy available to personally address external socioeconomic issues. Most of us want these problems to be solved and would welcome a means to help if we could do so understanding that personal constraints do exist.

It is the goal of E2M to provide a means for each of us to effortlessly link our self-interests to the interests of many others. Not only can we achieve this without jeopardizing our self-interests, we can do this while advancing those self-interests.

4. It would be difficult to bring everyone along together in a great new era without addressing the

existing disproportion distribution of wealth. In many cases, this disparity in distribution of wealth is a natural by-product of structural flaws inherent in the current economic model. Therefore we must provide economic options to modify the distribution of future wealth without dismantling the current economic system.

It is a goal of E2M to create an additional economic model, that provides for a re-distribution of wealth without attempting to dismantle the current economic model with which it will co-exist.

5. Disproportionate distribution of wealth obviously results in a wealthy class of people. Many of the

individuals who are beneficiaries of this uneven distribution have no alternative but to be beneficiaries. Their current wealth, by the nature of economics, attracts additional wealth and creates further inequities in their favor whether they like it or not. Like the rest of us, these individuals are also constrained by certain self-interests and oftentimes cannot see with clarity a means to help other than through their current charitable efforts. We should not expect them to just "hand over" their wealth; it legally belongs to them. Nor should we attempt to tax it away from them, as that in itself would be inequitable.

Some of the rich have gained their wealth through circumstance and others through years of very laudable hard work. Many of them would welcome a simple mechanism, which would facilitate their use of their wealth to improve the situation for others. Those with wealth have much to contribute and gain

Within the E2M economic model and we welcome their participation.

It is a goal of E2M to create alternative means for people of wealth to be empowered in their ability to contribute to the well being of others. This will be achieved by creating linkages, which will enable the wealthy to help bring along the less fortunate as they

together gain personally from the E2M model. The E2M model cannot exist without the wealthy and entrepreneurial classes.

6. Disparity in the distribution of wealth also facilitates the existence of a disadvantaged class.
Many

currently live in poverty as a result of circumstance and do not possess the financial or experiential resources to rise above their condition.

Although a very small minority chooses poverty as a lifestyle, it is inappropriate to negatively stereotype the poor. When provided with adequate educational, experiential and financial resources, they too have much to contribute.

It is a goal of E2M to provide the poor with the resources necessary to elevate themselves out of poverty. It is a goal to provide mechanisms that will remove the obstacles that limit the ability of the poor to significantly increase their asset base and financial condition.

7. Much of the responsibility for the existence of certain social, economic, and environmental

problems has been directed towards the business sector, with considerable focus on large corporations. Corporations are simply aggregations of people who work together in the manner they deem to be most effective in achieving the goals of the corporation.

Many of these people behave in ways corporately that conflict with their personal beliefs. We must create opportunities for them to work within corporate models whose missions address social, economic, and environmental issues. In such a corporate environment, these same people would thrive and become empowered to use their corporations as great engines to achieve the solutions necessary for the social, economic, and environmental advancement of all people and the land in which they live.

It is a goal of E2M to provide for the creation of alternative, socially conscious business entities whose mission it is to serve the needs of the customers, initiators, employees, investors, and community. It is a further goal to assist these corporations and their employees in the attainment of the financial, human, and intellectual resources necessary to achieve their missions.

8. Throughout distant and recent history, it has been shown that those societies which prosper most

are democracies embracing capitalism. Communistic or highly socialistic societies offer little in the way of motivation for their people to succeed. Therefore the most significant contributions to the advancement of humankind will come from democracies with some form of capitalism.

It is a goal of E2M to employ democratic principles and capitalism to achieve solutions to the social, economic, and environmental issues that we face. Although there exist certain principles and rhetoric within socialistic models that are compelling in their potential for human empowerment, it is the goal of E2M to achieve that empowerment utilizing the best components of capitalism within a democratic society.

9. The E2M agenda is not a political agenda. Although E2M desires the verbal support of our publicly

elected officials, we believe that the political arena has a separate and distinct agenda. It is important to allow our public officials to work for the benefit of their constituents. There currently exists an excessive and undue political influence from special interests with private agendas. E2M will not allow itself to become a part of that problem.

In order to protect them from any undue influence, our elected officials must be insulated from E2M. Therefore, E2M companies or bodies will not contribute to the campaigns of any elected public officials. E2M will not form any political party.

Areas of confluence will exist. Certain E2M bodies will operate under current legislation reserved for non-profit entities. As E2M achieves its goals, it is not unlikely that tax advantages may be suggested for entities operating within the E2M model or to investors supporting E2M entities.

There is much talk about broad based campaign finance reform. If such non-partisan reforms are implemented, it is not unlikely that E2M.org would consider modifying its standards to allow E2M support for these initiatives.

It is not the responsibility for E2M to replace any political initiatives or to fund any efforts that are typically within the domain of governmental bodies.

It is an E2M goal to maintain its social, economic, and environmental agenda. E2M will not become a politically motivated entity.