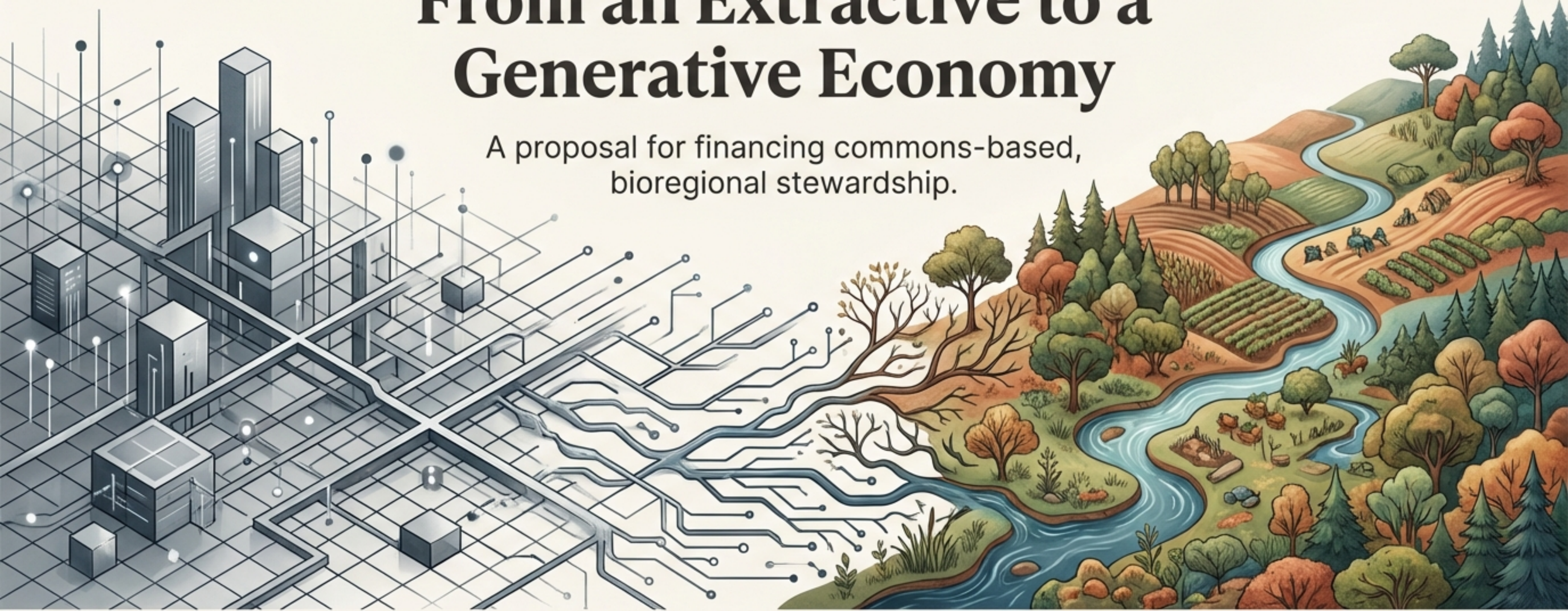


# Relationalized Finance: From an Extractive to a Generative Economy

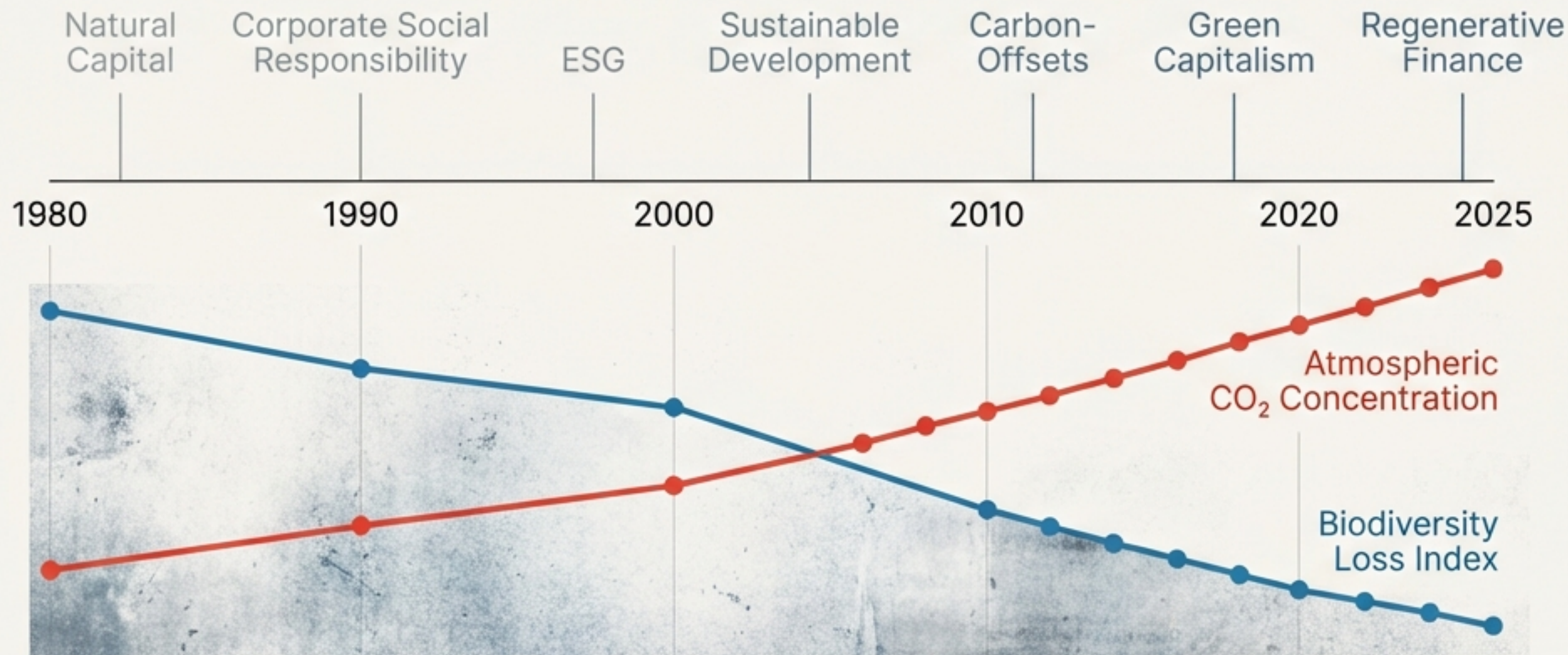
A proposal for financing commons-based,  
bioregional stewardship.



By David Bollier & Natasha Hulst, Schumacher Center for a New Economics

# We've spent decades trying to make nature investable. The capital barely moves.

Despite an eclectic parade of "new and improved" eco-strategies, the arc of climate collapse and other environmental crises has continued apace. The modest impact is not surprising; none of these strategies alter the core structural dynamics of capitalist finance.



*An investor's rueful confession: "We've spent five years trying to make nature investable — — and still, the capital barely moves."*

# It's not misallocation. It's a structural design flaw.



The global economy's financial flows speak for themselves... These design flaws create reinforcing feedback loops: they lock in high-carbon, high extraction economic systems and make it hard for nature-positive alternatives to compete.

# The real issue is not how to mobilize more finance, but how to confront the nature of finance itself.



There is a fundamental conflict between the operating dynamics of capitalist finance and the dynamics of living systems. One is based on extraction and private returns; the other is based on relationality and regeneration. Foisting an alien order of money, contracts, and private property on ecosystems is the core of the problem.

# Finance designed to support relationships, not just generate returns.

**Relationalized Finance** is finance that is non-extractive, peer-governed, and place-specific, designed to support the generativity of living systems. It does not regard “nature” and “finance” as separate entities, but as artfully aligned and entwined.



Non-Extractive



Peer-Governed



Place-Specific



Humane & Generative

# The economy is not abstract; it's ecological. The bioregion connects people, place, and planet.

A bioregional lens connects people with the living systems on which they depend—watersheds, soils, food systems. It shifts the perspective from abstract market growth to the health of a specific place. It helps link local action to systemic change, build resilience, and weave a sense of belonging and shared stewardship.



*What does this place need to thrive, and how can people here organize to meet those needs fairly and within planetary boundaries?*

# Only commoners can save the commons.

Commoning is a proven set of social practices for bringing people together for shared purpose and peer governance. It is a relational social organism, not a tragic management failure. An estimated two billion people worldwide meet their needs through commoning, stewarding resources like land, fisheries, forests, and water systems.

- Decommodify shared wealth
- Limit extraction to sustainable levels
- Address basic needs fairly and inclusively
- Peer-govern participants
- Respect local landscapes



# Price is what you pay. Value is what you get.

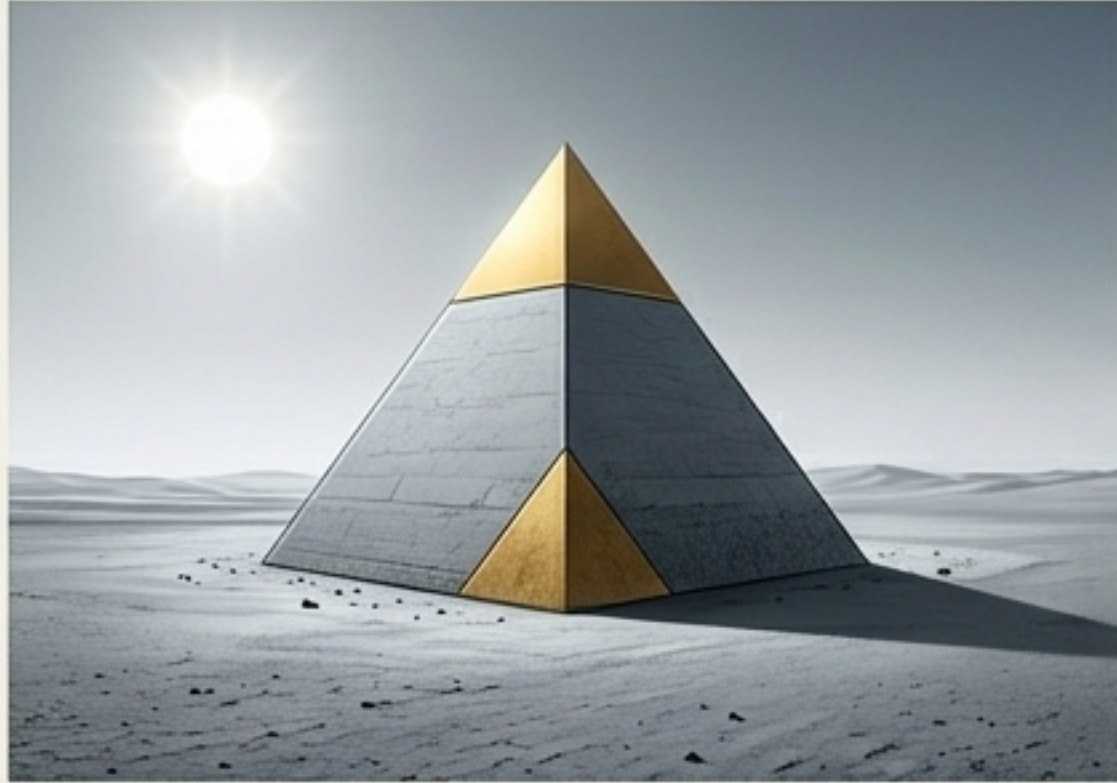
Standard economics sees market exchange and wage labor as the only significant engines of wealth creation.

This blinds us to the complicated generative dynamics of living systems and the robust circuits of value-creation that exist outside of formal markets.



**Most of our economy  
is invisible to  
conventional finance.**

# From accumulating capital to cultivating catchment.



**Capital**



**Catchment**

The task is to align living forces into shared purpose. Permaculture offers 'catchment' as an alternative to capital. Where capital is centralized accumulation, catchment is a system for accumulating a critical mass of resources to trigger a self-organizing, life-spreading system. Life creates abundance by capturing and circulating energy, not by hoarding it.

*“If the metaphor of capitalism is building a pyramid on the desert, the metaphor of catchment is growing a forest from the desert.”*

# Insulating bioregions from extraction while fostering local resilience.

To become self-reliant, bioregions must be able to assert their own investment priorities and intensify intra-regional commerce through new market structures and strategies.



## Shared Infrastructure & Inalienable Assets

Community Land Trusts (CLTs) making farmland affordable; shared community WiFi or solar energy grids.



## Bounded & Stinted Commerce

Regional food webs connecting farmers to local restaurants; local currencies like BerkShares; import-replacement strategies.



## Democratic & Peer-Organized Ownership

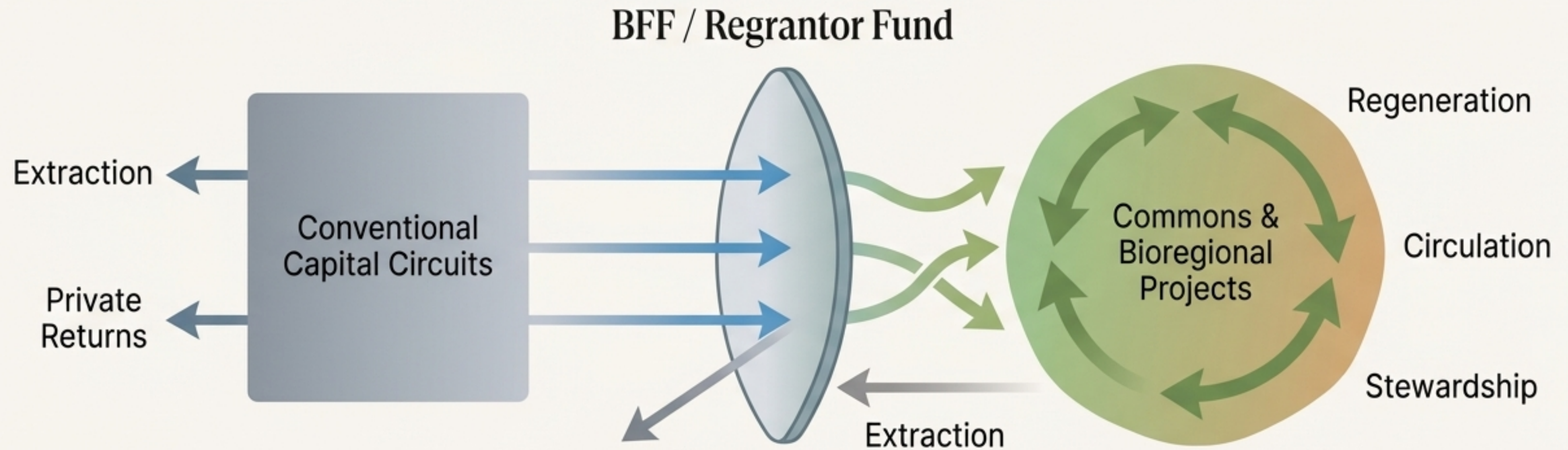
Worker cooperatives; Community Wealth Building with anchor institutions; 'Exit to Community' models.



## Cosmolocal Production

Globally shared open-source designs (e.g., for farm equipment) combined with local, on-demand manufacturing.

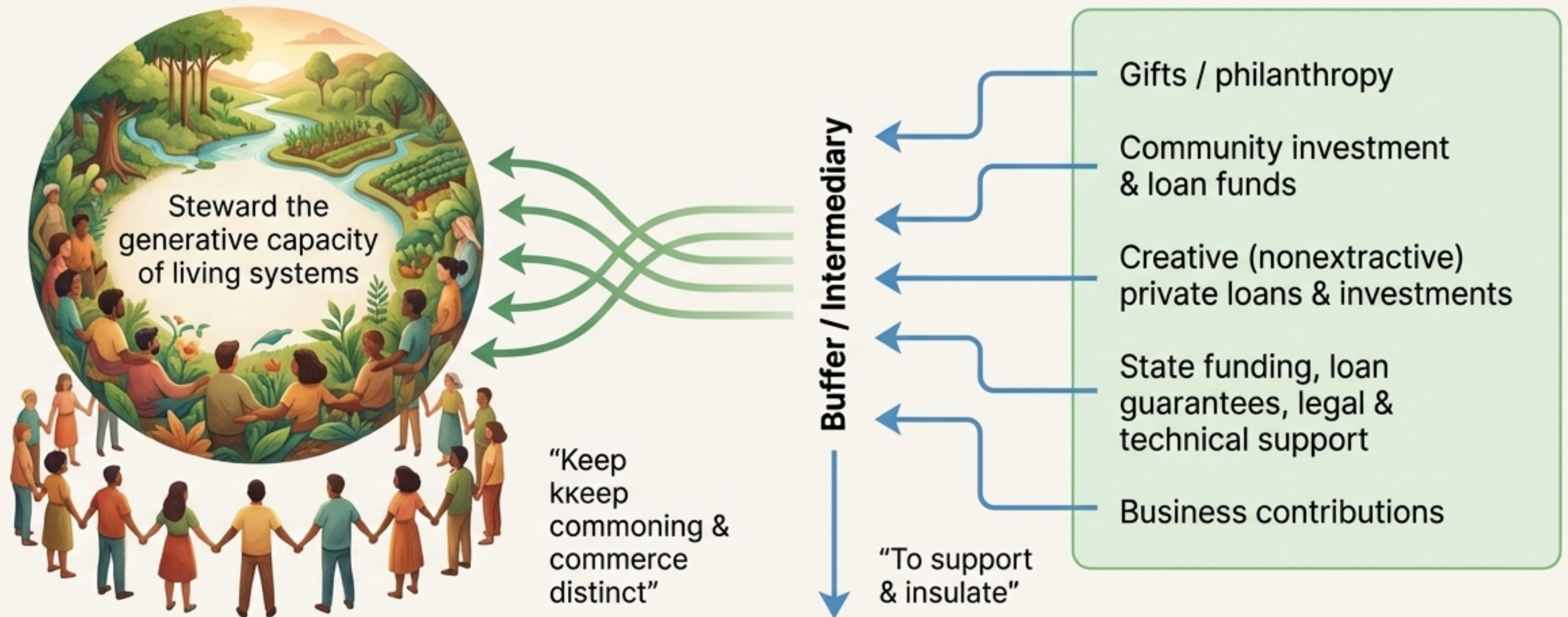
# A buffer to navigate the clash between finance and living systems.



A critical need exists for intermediary bodies to bridge and respectfully navigate the differences between conventional finance and ecosystems. A Bioregional Financing Facility (BFF), acting as a “regrantor fund,” can mitigate the extractive ambitions of capital so that funds can flow to stewards of generative systems.

# Shifting value from one paradigm to another through Transvestment.

**Transvestment:** The transfer of money from capitalist circuits to commons-stewarded realms. It is not simply an investment for financial return, but a commitment to a new value-paradigm and bio-material practices.



# This is not just a theory; it is already happening.

The principles of relationalized finance are visible in a range of embryonic and experimental innovations. These precedents demonstrate the viability of creating new finance models rooted in different socio-economic logics.



## FOSS Foundations

The intermediary model used by Free & Open Source Software foundations to accept corporate funds without compromising community principles.



## Chorus Foundation

Empowering 'Anchor Organizations' to allocate funds for a 'just transition,' emphasizing democratic governance and relationship-building.



## Flow Funding

A trust-based model of giving that empowers grassroots players to allocate resources themselves, bypassing traditional philanthropy's bureaucracy.



## Municipal Explorations

Active explorations of relationalized finance systems by cities like Amsterdam (NL) and community funds like Kingston Common Futures (NY, USA).

# Common questions, clear answers.

## Objections

**"It's too small and slow to make a difference quickly enough."**

**"We don't have enough time for bottom-up cultural change."**

## Responses

Large-scale mono-solutions are brittle. Distributed solutions build resilience by leveraging nonmarket community energies. Decentralizing power is essential for fighting authoritarianism and empowering democratic practice.

The disappointing performance of so many capitalist-facing finance schemes over decades does not inspire confidence. Failing to revamp the foundational premises of finance has its own significant liabilities and is the greatest risk of all.

# This is an invitation to take action.

## The Work Ahead

1. Discuss and debate the ideas of relationalized finance.
2. Convene working groups to develop these concepts in greater depth.
3. Launch new strategic initiatives and pilot projects with partners.

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***“The point is to herald and enact a new Ecocene finance that catalyzes power-shifts in ontology, personal values, social relations, provisioning practices, and cosmic beliefs.”***