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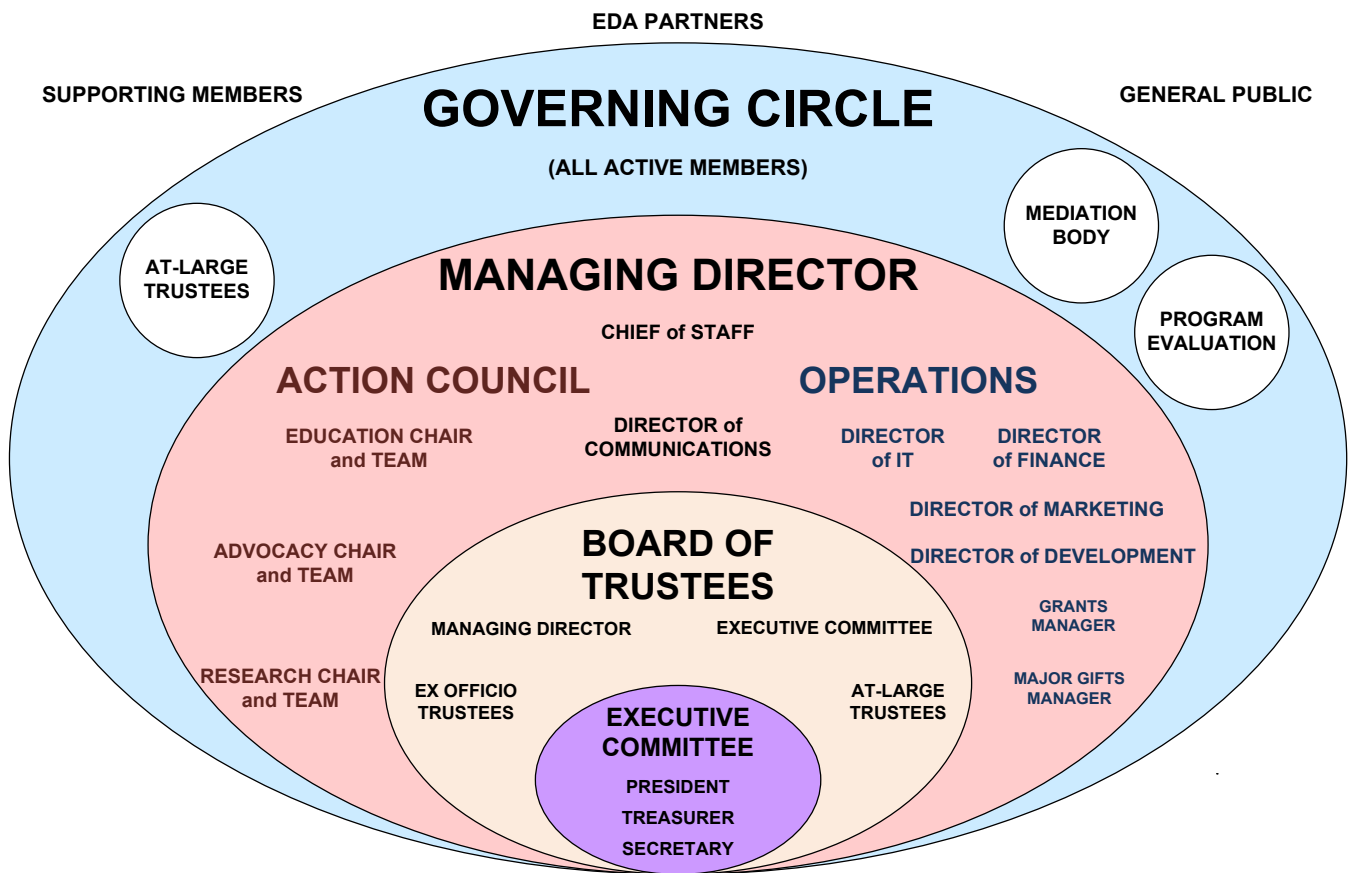
# COOPERATIVE CHARTER

JULY, 2018



ECONOMICDEMOCRACYADVOCATES.ORG

# EDA OPERATING NETWORK



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# DECLARATION OF PURPOSE: EDA'S MISSION AND VISION

We, the members of Economic Democracy Advocates, bear witness to events that will shape life on Earth for centuries to come. Our deep concern is that for the first time in global history, human population is growing more rapidly than the capacity of Nature to provide healthy food, clean water, breathable air and renewable energy to meet everyone's needs.

At present, Earth's population exceeds its biocapacity by 60% per year. Studies from many sectors indicate that by 2050, the human race must double global food output with half the present fresh water, far less arable land, declining fossil fuels, rare and very costly fertilizers, lack of new yield-raising technologies and increasing drought, heat and floods.

We acknowledge the challenge before the world: that the resources of the planet, which are vital for human well-being and livelihood, are shared neither equitably nor sustainably. It is a fact of modern life that our basic human resources no longer belong to everyone, while in earlier days of human habitation these essentials were commonly available. Thus, we refer to these resources as our Global Commons.

In the span of our lifetimes we have experienced a steady monopolization of these commons, with all the social and environmental disparities this has caused. Despite the many types of goods and services that are required by human beings — from food, water and energy, to genetic, cultural and intellectual property, to highways, the Internet and electromagnetic spectrum — humanity is still not organizing to produce, distribute and replenish these resources on the scale that is necessary.

We are saddened that there is no consensus on how these commons may be restored and provisioned adequately to meet the needs of everyone. We are also dismayed that today's citizens, as well as those of coming generations, are rapidly losing their effective power to manage these basic resources which belong to all of us by right of our existence on this planet.

We, the members of EDA recognize that everything on Earth thrives according to its carrying capacity — the level of resources which an environment can 'carry'

to sustain the needs of its population. We affirm that a population of living beings which exceeds these limits will become stressed to the point of sickness, destructiveness and death.

When we consider the problems of climate change, loss of biodiversity, species extinction and social inequality, it's clear that global civilization is in a process of catabolic breakdown. A planetary crisis is now emerging because humanity has neither fulfilled its rights, nor lived up to its responsibilities for governing our Global Commons and ensuring that finite resources are available to all.

At this pivotal moment in history, as humanity uses resources faster than Nature can replenish them, we assert that our present methods of economic organization have outlived their usefulness. Let it be said that the utilization of Earth's living systems must be based on their biocapacity to meet the collective needs of all people, not on an individual quest for capital wealth. We assert that cooperative self-governance not only permits our survival as living beings, it encourages the creation of further resources that enhance and maintain this biocapacity for ourselves, for others and for the future of the planet.

We believe that a new kind of social contract is needed based on the relationship between the demand of a population and its resource support systems. It's clear to us that the use, management and preservation of these commons require a broad foundation in economic democracy so that all lifeforms may fulfill their potential to be healthy and generative. Thus, we affirm that our Global Commons — which arise from and are dependent upon Earth's natural resources as well as the resources of human creativity and self-organization — must be viewed as fundamental rights and responsibilities for human beings everywhere in the world.

Therefore, we, members of EDA, declare our **Mission** as:

**Ensuring the sustainable development and management  
of vital resources to meet the basic human needs of current  
and future generations through economic democracy**

This Cooperative Charter is a declaration that our guiding principles —and the future we support — are freedom, equality and cooperation.

Freedom is vital to human beings and the societies they create. Every person must be able to pursue their own self-expression, intentionality and self-determination. Yet this “freedom to” act as one chooses can only be realized

when there is “freedom from” gross violations of one’s inalienable rights. This includes protection from the deprivations of human needs brought about through inequitable economic systems and governments.

Equality is the recognition that all people deserve the right to fulfill themselves in life. In order for this to be possible, everyone must share in the responsibility of creating and maintaining their social, economic and political systems, guaranteeing that equality prevails. No person can be marginalized or left out of a system that values equality.

Lastly, cooperation is the key to human organization. We are here to work together for the good of the communities and ecologies of which we are a part. Thus, the goal of a cooperative society is for individuals to voluntarily work together for the greater good, collaborating so that all will survive and thrive in unity.

These principles point us inexorably toward democracy both in our political and economic spheres. We believe that only healthy democratic systems ensure participation and opportunity to all. We affirm that broad, participatory democracy is the safest means toward a sustainable future.

To this end, we acknowledge a dual responsibility: to engage in the preservation and regeneration of our commons through grassroots economic democracy, and to actively support these measures through legislative policy. In essence, we recognize ourselves as activists for economic democracy through political democracy.

Therefore, we, members of EDA, declare our **Vision** as:

**To be a leading organization dedicated to research, education and grassroots advocacy for governmental legislation in support of meeting basic human needs on a sustainable basis**

# THE SOCIAL CONTRACT OF EDA: ARTICLES OF SELF-ORGANIZATION

In drafting this Cooperative Charter for Economic Democracy Advocates, our members have attempted to maintain continuity between the ideas of EDA's dedicated organizers (Section 13) and the realities of the organization now being created. To ensure a stable and smoothly functioning organization, this Charter was generated to establish a strong and lasting foundation and build a bridge far into the future.

Since the goal of this organization is economic democracy, we believe that incorporating this principle into the structure and governance of our organization is a matter of credibility as well as sustainability. To this end, our Charter is intended to be a durable social contract that is developed congruent with — but separate from — the by-laws of Economic Democracy Advocates as an incorporated legal enterprise in the State of California.

EDA believes that a charter for a new kind of governance is greatly needed — a more equitable and secure commitment within society, its organizations and in the world. EDA also believes that rules and institutions for self-governance will be developed in the 21st Century. Whatever actions our group decides to take in the days and years ahead, we must now ensure that this organization will be stable and flexible enough to realize these actions. We believe that the more interpersonal cooperation we have within our organizational structure, the more we can create organic unity in the succession of power and responsibility within EDA, in the financing of our activities, and in our capacity to create sustainability in society and in nature.

We believe that a sustainable social contract must model inclusiveness by honoring the opinions and expertise of all people within a given community, encouraging members and management to truly listen to one another. We recognize that the relationship between the voluntary staff and administrators of an organization is ultimately more of a cultural than a formal relationship. Therefore, these Articles of Self-Organization are written for all persons involved in EDA to help them develop greater inclusivity and accountability within the organizational structure by conveying the spirit of our Founders' vision, which the letter of its by-laws may not.

In the words of the International Cooperative Alliance, “a co-operative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically-controlled enterprise.” As a cooperative organization focused on economic democracy, we believe it is necessary to create equity and sustainability between EDA’s members, departments and administrative functions.

We recognize that social enterprises can become top-heavy for the sake of efficiency, or bottom-heavy in the interest of fairness. To develop a working balance between our leadership and members, we think this must include top-down and bottom-up checks and balances, with built-in incentives for both.

Checks and balances are designed to ensure that people within the organization function cohesively; incentives are to ensure that everyone is able to express their creativity and to know that they have a genuine impact on outcomes within the organization.

We envision a system of self-organization that is harmonious and long-lasting, both horizontally and vertically. Horizontal communication is vital for developing ideas and making decisions at a peer level. Vertical communications are critical in providing direct and rapid information on vital decisions between all levels of the organization.

With this in mind, EDA has developed a Social Contract to meet the needs of its members as well as its leaders. It is based on cooperation, self-organization and the sustainability of our organization, our ecology and our system of decision-making.

The following is the text of EDA’s Cooperative Charter. In Sections 1 and 2, we describe EDA and its activities as an ***open source economic democracy*** — a commons.



# 1. ECONOMIC DEMOCRACY

**We define economic democracy as a social system in which resources are shared through decentralized, participatory decision-making by, for and of the people. In this economic system:**

- 1.1 Cooperatives, small businesses and local governments are the primary institutions.
- 1.2 The basic necessities of life are guaranteed to all, by building up the ecological, cultural, economic and political self-sufficiency and resilience of every region.
- 1.3 The power to make ecological and economic decisions is vested in the hands of local people, not outside political, commercial, financial, banking or speculative interests.
- 1.4 Everyone benefits from gradual increases in purchasing capacity (through wages and the value of currency).
- 1.5 Decisions on resource management are made on the basis of the region's biocapacity for meeting its collective needs.
- 1.6 The control of locally-generated capital remains within the community or region.
- 1.7 Service to the greater ecological and social community is commonplace.
- 1.8 Both the inherent value and actual price of utilizing the environment, energy, water, air, human labor and all living things are recognized and paid for by any person or industry that makes use of these commons.

## 2. OUR COMMONS

We recognize three types of commons:

- i. natural resources that belong to no single individual or entity and their use is common to all, such as the air or oceans
- ii. a public good that is available to all, such as highways, information and parks
- iii. any results coming from an altruistic action conducted by a community of persons, such as the public management of natural resources

2.1 EDA defines our commons as ***people sharing resources within clear boundaries, rules, ethics, business practices, guarantees and core values***. Each of the first three words — people, sharing and resources — refers to an individual commons, yet the three together also constitute a greater collective commons.

2.1.1 **People** includes EDA’s members and administrators, as well as their partners and associates, like-minded organizations, NGOs, the general public, the media and elected officials. We acknowledge people as the primary source of human value and the primary means by which we organize and manage EDA.

2.1.2 **Sharing** refers to a process undertaken by and among people. Sharing is about the rules and procedures we employ in working together for the production and distribution of our product. This Cooperative Charter illustrates EDA’s commitment to sharing.

2.1.3 **Resources** refers to what EDA produces and distributes — primarily information and knowledge. We use information and knowledge in our research, education and advocacy. Information and knowledge are the objective resources which we produce and distribute. The decisions of our members are a subjective resource in the organization and management of this product. It’s often said that knowledge is power. We believe that knowledge is **powerful** only when it’s shared among people.

2.2 As a producer of EDA’s information and knowledge commons, each person who is involved in this process, whether for research, education or advocacy, or in the organizational support structure which enables this work, is entitled to basic privileges. These include the right to take part in the decision-making in EDA.

- 2.3 The *boundaries* or *limitations* of EDA are described below. This section is intended to qualify the scope of our work and provide a clear focus for our activities.
- 2.3.1 **Geographical** - Members of EDA may come from any country in the world. Initially, most of the education, research, advocacy and partnerships in which we are involved will be focused within the United States. This does not preclude using information or creating partnerships from outside of the US.
- 2.3.2 **Political** - EDA is an independent, nonpartisan organization, not affiliated with any political party. We serve in the interest of the general public.
- 2.3.3 **Financial** - EDA's sources of revenue include memberships, donations and fees. Revenue may also be generated by the information and knowledge that EDA produces and distributes, including licensing fees and educational and training programs. We are here to work together for the good of the communities and ecologies of which we are a part. We shall collaborate voluntarily where appropriate for the greater good so that all will survive and thrive in unity.
- 2.3.4 **Conceptual** - Our vision is economic democracy. For EDA, this involves the political decentralization of our economic system through education, research and advocacy. These are primarily focused on local and regional policy and legislation. We will equip citizens with the understanding and skills to speak to their elected officials and other community stakeholders about developing more equitable and sustainable economies; and to undertake social programs related to EDA's education and research-based advocacy.
- 2.3.5 In the future, our agenda may also include national policy and legislation and social action in support of advocacy.
- 2.3.6 Other types of activities are beyond the scope of EDA, unless approved by a two-thirds vote of the **Governing Circle** (Article 8.3.1) though a valid referendum. In other words, a referendum to formally amend this Charter and/or EDA's bylaws must be accepted by 67% of at least 60% of the **Active Members** who cast their votes in this referendum (Section 9).

- 2.3.7 **Organizational** — EDA seeks to be an authentic and dynamic organization. We embody the values and principles set forth in this document. Creating a self-sustaining community means striking a balance between strong guidance, clarity and focus from its leadership, and member-driven enthusiasm and engagement in decisions. We are an organization in which everyone is treated with respect, friendship and trust, where everyone’s voice is heard and all members feel valued. As this organization moves forward and grows, we seek to utilize everyone’s experience on different matters, providing an opportunity for creativity and growth by working toward goals that are truly fulfilling.
- 2.3.8 **Network** — EDA will use a networking platform that facilitates interactive dialogue, cross-departmental communication and decision-making through surveys and polling.

**The following sections, 3-13, describe the rules and principles of EDA. The articles in these sections include its *organizational structure, ethics, procedures, business practices and values.***

## 3. EXECUTIVE COMMITTEE

**The Executive Committee has legal and fiduciary responsibility for EDA, including federal and state compliance, tax, budgets, income and expenditures, and the administration of official appointments, elections and referenda.**

- 3.1 Economic Democracy Advocates is a 501(c)(4) social welfare organization in the United States, which permits it to be involved in activities such as policy advocacy and lobbying efforts.
- 3.2 EDA is also applying for 501(c)(3) status as a tax-exempt, charitable organization, which will permit it to operate as an educational agency.
- 3.3 The administration of these two legal entities is the responsibility of the **Executive Committee** of the Board of Trustees. This group ensures that the organization and its by-laws remain in compliance with IRS regulations.
- 3.4 The Executive Committee has legal and fiduciary responsibility for the organization, including tax reporting, budgets, income and expenditures as developed in conjunction with the Director of Finance (Section 7).
- 3.5 The Executive Committee is also responsible for the administration of official elections, appointments and referenda (Section 9).
- 3.6 The members of the Executive Committee shall be elected by a majority vote of the Governing Circle (Section 8) in a valid election (that is, 51% approval from at least 60% of the Active Members who voted in the election, as described in Section 9).
- 3.7 The Executive Committee includes the President, Treasurer and Secretary which are non-salaried positions.

- 3.7.1 The **President** upholds IRS regulations for the operation of the organization. To maintain a balance of power within the administration of EDA, it is recommended that the President and Managing Director function as separate positions.
- 3.7.2 The **Treasurer** upholds IRS regulations for the funds of the organization, including income and expenses. This responsibility may be held by anyone in the administration of EDA. Depending on the qualifications of the person in this role, the Board of Trustees may decide to make the office of the Director of Finance part of the responsibilities of the Treasurer, whose duties include oversight of all aspects of EDA's financial activities (Article 9.2).
- 3.7.3 The **Secretary** upholds IRS regulations for keeping business records and minutes of the meetings of the Executive Committee and the Board of Trustees. This position may be held by another official within the administration of EDA (Article 9.2).

## 4. BOARD OF TRUSTEES

**EDA's Board of Trustees is comprised of the Executive Committee; Ex-Officio Trustees affiliated with organizations outside of EDA; At-Large Trustees from within the membership; and the Managing Director.**

- 4.1 The **Managing Director** is appointed by a unanimous decision of the Board of Trustees and ratified by a majority vote of the Governing Circle (Section 8) in a valid election (Section 9). The responsibilities of the Office of Managing Director are outlined in Section 5.
- 4.2 Independent advice and perspective for the Board of Trustees is provided by **Ex-Officio Trustees**, who are high-level professionals with specialized background in various fields, such as finance and strategic management. Due to their office, position, and active engagement in other organizations, ex-officio trustees bring expertise and outside relationships into Board discussions and perspectives.

- 4.2.1 Ex-Officio Trustees are recruited and appointed by a unanimous decision of the other members of the Board of Trustees and ratified by a majority of the votes cast by the Governing Circle (Article 8.3.1) in a valid ratification process (Section 9).
- 4.2.2 As EDA begins its activities, Ex-Officio Trustees need not be appointed immediately. They may be appointed at a later stage of EDA's development according to the plans of the organization, the Board of Trustees and the Managing Director.
- 4.2.3 The number of Ex-Officio Trustees on the Board is variable: five to seven is desirable.
- 4.2.4 Ex-Officio Trustees do not have voting rights on the Board, unless otherwise decided by a unanimous vote of the Managing Director and the Board.
- 4.2.5 Ex-Officio Trustees have no term limits, but may be asked to leave for sub-standard involvement or commitment.
- 4.3 In many organizations, members have some benefits but no actual power so that they will not impede the functioning of the organization. EDA believes, however, the more members who participate in the organization's activities, the stronger the organization will be. To maximize this emphasis on power-sharing, three members of the Governing Circle (Article 8.3.1) are elected to the Board as **At-Large Trustees**. At-Large Trustees represent the interests of the entire EDA membership on the Board through their participation in the management of the organization.
- 4.4 While the appointment of the Managing Director and Ex-Officio Trustees requires the unanimous consent of the Board of Trustees, all other votes on the Board are by majority. In case of a tie, the decision of the Managing Director prevails.
- 4.5 The role of the Board of Trustees is to select the Managing Director; set the policies and objectives of the organization in conjunction with the Managing Director; ensure financing and approve annual budgets; determine salaries and benefits; and hold liability for the financial and other conditions of EDA's activities.

- 4.5.1 The Board of Trustees, through the responsibilities and actions of the Managing Director, has the dual role of guiding its membership and also being accountable to these members.
- 4.5.2 Because they are responsible for the overarching decisions and operations of EDA, whenever possible the Board of Trustees are encouraged to take referenda of the members (via a survey/polling platform). This will gauge the preferences, ideas and opinions of EDA members either through a formal vote or an informal survey.
- 4.5.3 Members of the Board of Trustees are elected every three years by a majority of the votes cast by the Governing Circle (Article 8.3.1) in a valid election (Section 9). After serving one 3-year term, a Trustee may be reelected for two more 3-year terms, which may or may not be consecutive. To encourage turnover in the organization, no Board member may serve more than 9 years.
- 4.5.4 With the formal establishment of EDA through the adoption of this Charter, a process for staggered elections will be adopted to ensure stability and consistency in decision-making. In the first EDA election in 2018, the Secretary will be elected for one year, the Treasurer for two years and the President for three years. (The Secretary may run again for a three-year term in 2019 and the Treasurer may run for a three-year term in 2020.)
- 4.5.5 Other staggered elections for members of the Board of Trustees may also be proposed.
- 4.5.6 Additional Board positions may be created by a two-thirds vote of all Active Members of the Governing Circle in a valid referendum (Section 9), as deemed necessary.
- 4.5.7 If an experienced member of the Board of Trustees becomes unable to fulfill their responsibilities, this person may be appointed as an Emeritus Trustee and continue to serve the organization in an advisory, non-voting role. Or, after finishing three terms, a Trustee may be invited to become an Emeritus Trustee.



# 5. OFFICE OF THE MANAGING DIRECTOR

**The Office of the Managing Director coordinates the overall functions, identity and message of EDA, both internally and publicly. This office includes the Managing Director, the Chief of Staff and the Director of Communications.**

- 5.1 The **Managing Director** is the primary administrator of EDA and reports directly to the other members of the Board of Trustees.
- 5.2 When the office of Managing Director is vacant, the Board of Trustees reviews the qualifications of candidates for the position and decides whether or not to invite, interview and approve an applicant for the office.
  - 5.2.1 The Managing Director may be appointed either from within the Governing Circle or from outside EDA.
  - 5.2.2 A person from outside the organization who is deeply committed to the mission and objectives of EDA may be appointed to the post of Managing Director. This person must become a member of EDA immediately upon appointment.
  - 5.2.3 As an appointed official, the Managing Director has no term limitations and is paid an annual salary.
  - 5.2.4 The person who serves as Managing Director may be removed from this position by the Board of Trustees for reasons of incompetence, impropriety or other valid causes as determined by a unanimous vote of the Board.
- 5.3 The Managing Director has two primary roles. The first role is internal to the organization. The second role is to coordinate EDA's message and outreach activities with the public and other external agencies (Article 5.6).
  - 5.3.1 As the primary administrator of EDA, the Managing Director oversees the internal activities, policies, contracts and other official documents of the organization. In this capacity, the Managing Director acts as the head of the Action Council (Section 6) and Operations (Section 7). The Managing Director also acts as a representative of and liaison between the Board of Trustees, the staff of EDA and the Governing Circle of Active Members (Section 8).

- 5.3.2 As head of the Action Council, the Managing Director supervises research, education, advocacy, training and the planning of conferences.
- 5.3.3 As head of Operations, the Managing Director supervises memberships, marketing, development, fundraising and grant writing.
- 5.3.4 The Managing Director also coordinates the activities and output of the Action Council and Operations so that these two departments of EDA function interdependently, each informing the work of the other.
- 5.4 To ensure that the organization carries out its functions and maintains a unified identity and message, both within and outside the organization, two persons in the Managing Director's office oversee these tasks. These are the Chief of Staff and the Director of Communications.
- 5.5 The **Chief of Staff** is appointed by the Managing Director and the Board of Trustees to help supervise the activities of the Action Council and Operations and advise the Managing Director about current activities and projects on a regular basis. Above all, this person ensures that the internal communications of the organization are unified and consistent. The Chief of Staff is directly involved in all aspects of internal management and communications within EDA. The Chief of Staff is a salaried position.
- 5.6 Following from Article 5.3, the second role of the Managing Director is to coordinate EDA's message and outreach activities with the public and other external agencies. As spokesperson for EDA, the Managing Director engages with stakeholders, partnering organizations and the media to inform the public of EDA's mission, policies and practices in a positive and credible manner. In this task, the Managing Director works closely with the Director of Communications.
- 5.7 The **Director of Communications** is hired by the Managing Director and the Board of Trustees. This person works directly with the Managing Director, the Chief of Staff, the Director of Marketing, the Action Council and Operations. This person is responsible for managing EDA's membership administration and outreach in conjunction with the Director of Information Technology (IT, Article 7.5). The Director of Communications is also responsible for developing the organization's external communications, brand and public image through innovative communication strategies, media relations and EDA media teams. The Director of Communications is a salaried position.

- 5.8 The Chief of Staff and the Director of Communications may attend meetings of the Board of Trustees but have no voting power on the Board.
- 5.9 Together, the Managing Director, Chief of Staff and Director of Communications take input from the Board of Trustees and implement the strategic direction and messaging of EDA. They ensure that the mission, vision and objectives of EDA are coherent in form and presented with a unified voice.

## 6. ACTION COUNCIL

**EDA's Action Council is comprised of the Chair of Research, Chair of Education and Chair of Advocacy, along with the Active Members who work in each of these areas. The alignment and unity of these groups is critical for the success of EDA's programs.**

- 6.1 The **Chair of Research** is responsible for the activities of the Research Team through planning, conducting and disseminating studies and other forms of research.
- 6.2 The **Chair of Education** is responsible for internal and public educational programs.
- 6.3 The **Chair of Advocacy** is responsible for training EDA members and the general public on lobbying elected officials and other community stakeholders. This training includes both tactical methods for lobbying and the articulation of legislative policies as informed by the Research and Education Teams.
- 6.4 Each Chair on the Action Council is appointed by the Board of Trustees.
- 6.4.1 Applicants for the Chairs of the Action Council apply to the Board when there is an opening. Upon approval by the Board, the applicant for a Chair must be ratified by a majority of Active Members in a valid ratification (Section 9).

- 6.4.2 The Chair of each team is in alignment with the mission and vision of EDA and is accountable to the Managing Director and the Board of Trustees for the actions and decisions made within the purview of the team.
- 6.5 Under the direction of the Managing Director, each group in the Action Council coordinates its strategies and plans and sets their own agenda, objectives and timelines within this overarching framework.
- 6.6 The Chairs of the Action Council will be salaried positions.
- 6.7 As appointed officials, the Chairs of the Action Council teams have no term limitations. However, they may be removed from these positions by the Managing Director and Board of Trustees for reasons of incompetence, impropriety or other valid reasons as determined by a majority of the Board.
- 6.8 Additional departments and department Chairs may be created within the Action Council. This requires a proposal made by the Board of Trustees and ratified by a two-thirds vote of the Active Members in a valid election (Section 9). It also requires an amendment to this Charter (Articles 10.1-10.2).

## 7. OPERATIONS

**EDA has a diversity of marketing, development and data management responsibilities — from seeking funds from members, grantors and contributors to marketing its products, the development and oversight of its operating budget and the coordination of information. These responsibilities are handled by Operations.**

- 7.1 Supervised by the Managing Director, Operations includes the Directors of Marketing, Development, Finance and IT.
- 7.2 The **Director of Marketing** supervises the organization’s marketing, including social media and generation of revenue for EDA through the sale and lease of its intellectual property. The Director of Marketing identifies the individuals who have influence over potential partners or clients, then orients marketing activities around these individuals. The Director of Marketing works closely with the Director of Communications.

- 7.3 The **Director of Development** is in charge of the development of major gifts and grants. In this capacity, the Director of Development supervises the activities of the Major Gifts Manager and Grants Manager.
- 7.3.1 The **Major Gifts Manager** conducts fundraising through networking and securing large gift donations from corporations and significant investors and donors.
- 7.3.2 The **Grants Manager** conducts fundraising by writing and submitting grant applications to foundations and other organizations.
- 7.4 The **Director of Finance** is responsible for managing financial risks, financial planning, timely and accurate filing of taxes, licenses, corporation documents, financial reporting and other record-keeping for the Managing Director and the Board of Trustees. This person also develops a comprehensive financial statement as an annual report to the membership. The Director of Finance will also make EDA's tax filings available for review by the membership.
- 7.4.1 EDA's **Budget Committee** will consist of five Active Members appointed by the Director of Finance.
- 7.4.2 Each year, the Budget Committee will develop budgets for EDA's 501(c)(3) and 501(c)(4). The budgets will require approval by the Board of Trustees.
- 7.4.3 EDA will hire an independent auditor to examine EDA's books. An annual audit will be required for both the 501(c)(3) and 501(c)(4).
- 7.5 The **Director of IT** is responsible for the activities of the IT Team, including database management and development, supervising EDA's membership and its lists, controlling and disseminating the information of the organization, and utilizing technology and technological applications for these purposes. The Director of IT works with the Director of Communications on the coordination of memberships and membership outreach (Article 5.7).
- 7.6 None of the positions in Operations have term limitations. These are salaried positions, not elected roles within the organization.

- 7.7 Persons may be removed from positions in Operations by the Managing Director and Board of Trustees for reasons of incompetence, impropriety or other valid reasons as determined by a majority vote of the Board.
- 7.8 Applications for each of the positions in Operations are first reviewed by the Executive Committee and then by the Board of Trustees. Applicants who are appointed by the Board must then be ratified by Active Members of the Governing Circle through a majority vote.

## 8. ACTIVE AND SUPPORTING MEMBERS

**Persons of any age, gender, race or religion are welcome to be members of EDA. Memberships and membership outreach are coordinated by the Director of Communications (Article 5.7) and the Director of IT (Article 7.5).**

- 8.1 All members are encouraged to have a basic understanding of economic democracy.
- 8.2 Members of EDA determine their own level of participation. Members' work requirements shall vary by department and project. Participation of members in EDA activities is voluntary.
- 8.3 Not every member will participate in EDA activities in the same way as other members. For instance, some may not want to work regularly, while others will. This is why there are two tiers of membership: active and supporting. Any member can move between these two classifications.
- 8.3.1 **Active Members** are known as the **Governing Circle**, which also includes anyone who is part of the Action Council, Operations and Board of Trustees. EDA expects Active Members to participate on the Action Council or the Operations team. All Active Members are required to pay an annual membership fee which qualifies them to vote, ratify appointees and take part in referenda. It is incumbent on Active Members to participate in EDA voting. Active Members who do not participate in two consecutive elections or referenda may be considered Supporting Members.

- 8.3.2 **Supporting Members** are interested in EDA, promoting, following or contributing to its work, but may not want to take part directly or steadily. Supporting Members include friends of the organization, EDA partners and the general public.
- 8.4 Active and Supporting Members may wish to contribute to the organization through donations.
- 8.5 Active and Supporting Members may work on teams in the Action Council. Some may choose to work in more than one group. Active members of the Governing Circle have input in decision-making through their comments, suggestions or proposals within their particular Team.
- 8.6 Active Members of the Governing Circle have a variety of opportunities to contribute to EDA.
  - 8.6.1 Three members of the Governing Circle serve on the Board of Trustees as At-Large Trustees (Article 4.3).
  - 8.6.2 Three members of the Governing Circle serve on the Mediation Body (Article 12.5.5).
  - 8.6.3 Three members of the Governing Circle serve on Program Evaluation (Article 12.6.1).
- 8.7 Active Members participate in decision-making through the election of Board of Trustees of EDA, ratification of appointments by the Board and in the formal referenda or informal polling taken on various organizational matters by the Managing Director and the Board of Trustees.

# 9. ELECTIONS, APPOINTMENTS AND REFERENDA

**All Active Members are expected to take part in elections for officers, ratification of appointments or referenda on organizational decisions. Because of our dedication to cooperative engagement and participatory democracy, we encourage a voting turnout of at least 80% of our Active Members in our decision-making processes. However, we recognize that this guideline is not always feasible. Therefore, we define a valid election, ratification or referendum as requiring a quorum in which at least 60% of the Active Members have cast votes.**

- 9.1 If a quorum for a valid vote is not reached, another election, ratification or referenda may be called within a period of time determined by the Board of Trustees and the Managing Director.
- 9.2 EDA Administrators may hold more than one position. For example, a member of the Executive Committee or an At-Large Trustee may also work on the Action Council or in Operations. However, no person may hold more than two positions in EDA.
- 9.3 Any Active Member of EDA may be elected or appointed to office.
  - 9.3.1 EDA recognizes the importance of finding the best possible people for the Board of Trustees, Managing Director, Action Council and Operations (EDA Administrators). Professionalism will not only ensure excellent work, but raises the profile of EDA and establishes vital relationships with other organizations. Having qualified leaders as EDA administrators will also enable the organization to attract donations and investments from outside sources who develop confidence and trust in EDA's capacities and objectives.
  - 9.3.2 EDA recognizes that one of the great virtues of democracy is having people's voices heard through a popular vote. Candidates running for the Board of Trustees, and the Active Members who elect them, are encouraged to remember that diversity, independence, varying perspectives and expertise are necessary for the healthy functioning of both the Board and for EDA itself.
  - 9.3.3 As a democratic organization, our obligation is to ensure that our elections of administrators are fair, honest and transparent. This also applies to the appointments of officers by the Managing Director and Board of Trustees and the ratification of those appointments by members of the Governing Circle.



- 9.4 During the formation of this Charter, an *ad hoc election board* is managing the *position application* process, which includes scheduling the appointment of candidates for office, the election of candidates and the ratification of these officials.
- 9.4.1 The position application process involves a formal call for candidates issued by the ad hoc election board, giving Active Members advance notice of appointments and elections, a deadline for filing for candidacy, and a job description of the appointed or elected office. These communications will take place on EDA's network platform for Active Members (Appendix A).
- 9.4.2 Any Active Member may run for office, regardless of age, gender, race or religion. All members who decide to become a candidate are required to demonstrate their qualifications by posting information to the rest of the members through EDA's network platform. This includes a public announcement of their candidacy, a photograph, a biographical description of their skills, experience and education, and a statement on why they seek the position.
- 9.4.3 Following EDA's initial elections, the management of position appointments and elections will become part of the duties of the Executive Committee. They will appoint a three-member elections board of non-candidate Active Members to ensure free, fair and neutral elections for EDA.
- 9.4.4 Interested Active Members will notify the election board of their intention to run for a particular position.
- 9.4.5 When an elected officer leaves an EDA position unexpectedly, a special election to fulfill the remainder of this term will be called by the Executive Committee outside of the regular election schedule.
- 9.5 Other types of decisions may be proposed by referendum via EDA's network platform.
- 9.5.1 The Board of Trustees may initiate a vote on policy to the organization.

- 9.5.2 The Governing Circle, the Action Council or Operations may initiate a vote on policy by petition. This petition must first be sponsored by ten percent or more of the Active Members. The proposal for a referendum must then be reviewed by the Executive Committee, the Managing Director and discussed with the petitioners before being voted on by the Governing Circle as an official decision of the organization.
- 9.6 Some structural changes to the organization and the Charter may also require a change in EDA's by-laws. This must be undertaken by the Executive Committee and ratified by two-thirds of the Active Members in a valid referendum.
- 9.7 Any person running for office who believes that they have been treated unfairly may appeal their case to the Mediation Body (Article 12.5.5).

## 10. CHANGES IN POLICY AND PERSONNEL

**The Cooperative Charter of EDA is meant to provide firm, but not immutable guidelines. Although most policy proposals will not require a systemic change to the organization, this Charter may need to be updated periodically.**

- 10.1 Some systemic organizational changes may require both a vote of two-thirds of all Active Members in a valid referendum and an amendment to this Charter.
- 10.2 Amendments to the Charter must be proposed by at least ten percent of Active Members in the organization. The proposal must then be reviewed and endorsed by consensus of the Managing Director and the Board of Trustees. If no consensus is reached, the amendment may be re-proposed after one year. If consensus is reached, the proposal must be ratified by a two-thirds vote of the Active Members in a valid referendum (Section 9).
- 10.3 For reasons of non-performance, unwillingness to carry out responsibilities, or other valid and carefully considered reasons, changes in administrative personnel will be made by the Managing Director in conjunction with the Board of Trustees.

# 11. BUSINESS PRACTICES

**EDA identifies itself as a knowledge and information commons (Article 2.1.3). We seek to protect the significance of open source information, particularly as it stays in the hands of its value creators and benefits local communities, small enterprises and regional ecosystems.**

- 11.1 To ensure that its knowledge and wealth are distributed equally among people, EDA stresses the importance of open source knowledge and information as defined by free software, free culture and open hardware communities. The free sharing of source codes, designs and blueprints allows users and organizations within open source communities to improve upon one another's inventions, build better products and create new forms of social, economic and ecological integration.
- 11.2 We recognize that when the value of information flows within open source economies, it spreads innovation, distributes costs, shares individual risks and promotes collective creativity and self-organization.
- 11.3 EDA will freely share its information with cooperatives, nonprofit social enterprises and decentralized organizations which operate through open forms of exchange for the preservation, distribution and application of knowledge. Our business model thus protects the use of EDA information between open source groups which are based on the principles of social economy and open knowledge.
- 11.4 EDA also recognizes that since every enterprise draws its ideas from the prior knowledge of the commons, the private market itself is part of this commons, not apart from it.
  - 11.4.1 EDA defines data and facts as basic raw material which are essential parts of the knowledge commons in all forms. Information is then produced or 'manufactured' from these data and facts. On this basis we believe that the data and facts which EDA uses as a cooperative organization should not be commercialized. However, the information that we produce may indeed be sold or leased under reciprocal agreements.
  - 11.4.2 EDA will sell information products to commercial enterprises and for-profit companies that do not recognize the open source economy and have the goal of using the commons mainly for profit.

# 12. GUARANTEES TO MEMBERS

**EDA honors its members, whose work is vital for the organization. The Social Contract of EDA embodies various promises for all members. These include the following:**

- 12.1 EDA guarantees **Cooperative Labor** — We believe that economic democracy requires people who are dedicated to cooperative work.
  - 12.1.1 In today’s culture, this requires a new standard of collaboration — people who care for others and are cared for by others, who are both personally empowered and responsible for the community as a whole.
  - 12.1.2 EDA is thus dedicated to building relationships. By being both a steward and a stewardee, our members care for and protect each other as valued teammates, ensuring that everyone receives the benefits of adequate support, mutual respect and deep interconnection.
  - 12.1.3 Our emphasis on personal responsiveness applies both within EDA and between EDA and other organizations.
- 12.2 EDA guarantees **Ownership** — We define ownership in our organization as all individuals taking responsibility and being dedicated, passionate and hopeful about their work. We want to ensure that ownership in EDA promotes self-expression, the development of new skills, creative decisions and new ideas, humor, enthusiasm, commitment, creativity and continuous learning, all of which provide members with new opportunities to develop and grow.
  - 12.2.1 We also believe that ownership in the organization creates a collaborative atmosphere in which members feel that they can rely on one another, and thereby generate meaningful and close relationships. We believe that concern and consideration for one another is vital both in enhancing personal well-being and in making good decisions.
  - 12.2.2 Thus, all members take ownership in EDA, which means maintaining a level of responsibility, engaging in decision-making and benefiting directly from the outcomes of the organization.
  - 12.2.3 As a cooperative, EDA may create incentives for membership.

- 12.3 EDA guarantees **Belongingness and Trust** — In modern society, organizations tend to be hierarchical. EDA is conscious of generating organizational effectiveness and personal responsiveness through horizontal decision-making, ensuring that every member is seen, heard, acknowledged and valued. This means generating a sense of belongingness, trust and legitimacy among all of our members.
- 12.3.1 EDA is a legal entity. But apart from legal requirements, human beings have their own legitimacy. As a member-driven organization based on a Cooperative Charter, EDA establishes democratic rules for its members, democratic functions in its operations, and quantifiable goals for economic democracy through its education, research and advocacy.
- 12.3.2 EDA believes that the democratic electoral process for all Active Members bestows legitimacy, recognizes authenticity and builds trust within our organization, expressing the greater ideals of economic democracy for which we stand. EDA empowers its members and the members empower EDA.
- 12.3.3 This Cooperative Charter guarantees a rules-based transfer of power throughout the organization with the election of its officers, as distinct from social organizations or interest groups which are run by officers who are self-appointed.
- 12.3.4 EDA also maintains legitimacy in the larger network of cooperatives by establishing itself as a cooperative social enterprise, both in its functioning and through its advocacy for economic democracy.
- 12.4 EDA guarantees **Succession** — Establishing EDA as a functional organization has little value if we do not ensure that our efforts have an enduring impact.
- 12.4.1 EDA takes the long view, knowing that true change requires us to develop a broad range of collaborative relationships with our Active Members, including internal staff and volunteers, as well as friends and co-workers.
- 12.4.2 For the work of EDA to remain potent into the future, it is important that we engage today's leaders of all ages who can significantly add to the impact of EDA, both within EDA and outside the organization.

- 12.4.3 EDA pledges to design and launch programs that speak to succeeding generations and recognizes that our greatest strength comes from embracing and engaging persons of all ages.
- 12.5 EDA guarantees **Open Participation** — As a collaborative organization, EDA embraces authentic and meaningful engagement in work that derives from the open source principles of the commons, which are available for use and modification by all human beings (Section 11). Through the commons practices of self-sufficiency and self-organization, we recognize the need for openness, participation, reputation, connectivity and abundance in the ways we work together. EDA recognizes that some of its work is contractual, involving financial accountability and obligations to interests that are private in nature (Articles 11.4.2). We are bound to these obligations and recognize their importance.
- 12.5.1 Anyone can participate as a member of EDA.
- 12.5.2 Any Active Member can use or access EDA’s open source information, which are the resources of the commons that we organize (2.1.3).
- 12.5.3 Any Active Member can run for elected office within EDA.
- 12.5.4 Any Active Member can open a thread on the network platform to raise a new issue or contribute an opinion. The platform provides a database or place where a member can put forward ideas. The membership and the Board of Trustees will continually review ideas generated on this platform. It’s also a place where other members may openly disagree with ideas and opinions, thus promoting healthy debate.
- 12.5.5 EDA does not tolerate harassment in any form. All members must have an opportunity to file a complaint or grievance. Therefore a **Mediation Body** is established for due process of complaints within the organization.
- 12.5.5.1 The Mediation Body is elected by Active Members. The Mediation Body consists of three Active Members of EDA who are not members of the Board of Trustees, Chairs of the Action Council, or Directors of Operations.
- 12.5.5.2 Active Members with a strong sense of ethics are encouraged to run for election to the Mediation Body.

- 12.5.5.3 The Mediation Body counsels people with grievances and decides which complaints warrant follow-up and action. Any grievance that warrants follow-up will be brought to the attention of the Executive Committee.
- 12.5.5.4 If a grievance involves a member of the Executive Committee, the Committee member in question shall recuse themselves and the grievance shall be taken to the full Board of Trustees for appropriate action. This could include mediation, dismissal of the grievance, grounds for correction or removal of a member, or a review of existing policy.
- 12.5.5.5 If a judgment is made against a member, the member has the right to appeal this judgment directly to the Managing Director and the Board of Trustees.
- 12.6 EDA guarantees **Quality Standards**. To ensure ownership, belongingness, trust and open participation, EDA needs some means of evaluating its own work on an objective basis. There must be some oversight of the quality of EDA's information products and professional work. This feedback is vitally important to EDA as well as its stakeholders. With major financial investments supporting EDA's work, it is vital to know the impacts of these investments and give stakeholders the confidence that EDA understands how to make adjustments. Therefore, we will engage in program evaluation.
- 12.6.1 **Program Evaluation** is comprised of at least two Active Members who are appointed by the Managing Director and the Board of Trustees. To do their work independently and objectively, they will carry out their activities apart from the Action Council and Operations.
- 12.6.2 The program evaluation team will be qualified in the analytical skills necessary to evaluate the effectiveness of the organization's output. Program evaluation measures the impact and efficiency of EDA in developing knowledge, attitude change and behavior change among the recipients of our information, including its website, blogs and commercial programs, training programs and products.
- 12.6.2.1 The program evaluation team will develop reports that will be presented periodically to the Director of Communications and the Managing Director. This information will be shared with the Board of Trustees. These reports are vital in determining how EDA programs may be improved, if they are worthwhile and whether their goals are appropriate and useful. Evaluation will also determine whether EDA's programs are producing their intended outcomes.

# 13. CORE VALUES

**EDA honors its Founders, George Catlin, Jacelyn Eckman, Patti Ellis, Eva Simonsen and Wayne Wilson, who spent many years discussing their objectives and plans for this organization. We acknowledge that without their guidance and wisdom, this organization would not have been formed nor this Charter written.**

- 13.1 Economic Democracy Advocates was created for people who want to participate in managing the resources common to all and meeting the needs of everyone. Because of our deep faith in democracy, we have chosen to advocate for these goals through the legislative process.
- 13.2 The task is to combine our guiding insights into a single framework, embracing and incorporating the full potential of this moment in history. In taking on the responsibility to manage our resources equitably and sustainably, we intend that the solidity and clarity of this Cooperative Charter will engage us in selfless activism and transform this organization into a truly collaborative organism.
- 13.3 We understand that organizations must operate on the model of biological self-organization, where individuals work collectively through voluntary cooperation, so that all human beings may be self-sustaining, materially and creatively.
- 13.4 Without such a vision, we can only feel our way forward in a discordant sea of opinion, which may stir with hopeful promises, yet constantly shifts beneath our feet with every tide of change, leaving us unable to act together with a trustworthy foundation for agreement.
- 13.5 The Cooperative Charter of Economic Democracy Advocates is our foundation for agreement, based in free, equal and cooperative human relationships and balanced between personal and collective needs.



These Articles of Self-Organization express  
EDA's commitment to its members, as set forth in the  
Core Values of its Founders:

- We are dedicated to continually evolving our own understanding and effectiveness
- We act with courage to challenge the status quo, explore innovative approaches and support responsible solutions
- We are a cooperative platform for change that is welcoming and respectful of all
- We are accountable in our honesty, trust and transparency

We, the members of EDA, have come together to develop this Cooperative Charter in a time of profound global uncertainty. We pledge to meet with our elected representatives and others in positions of power and influence on an ongoing basis. To these leaders we shall advocate practical measures for meeting the essential needs of all people through cooperative labor, ecologically-balanced production and distributive networks. In Philadelphia, birthplace of modern political democracy, we now commit ourselves to the work of creating economic democracy through our ongoing advocacy for sustainable management and equitable access to the bounty of Earth for this and future generations.

Patricia Lelli  
Eva Simonsen  
Kerese Catten  
Jaedyn Edema  
James Quilligan  
Anna Bowie  
Jonathan Stolar  
Anna Zivetz  
Charles Hanel  
Annida Brunato

Christine Silva  
Gracy Edmonds  
Beth Edmonds  
Betsy Gosch  
Janet Hunter  
Marquerite Holt  
James E. McCall  
Ann Cullen  
Jita Scheppele  
Whitney Wolfe  
J. Maguire  
M. Lunn  
Becky Blain  
Van McCarty

# APPENDIX A: TIMELINE FOR EDA ELECTIONS - 2018

**Election communications will be conducted via EDA's Active Members site on Loomio**

April - May

## **Ad Hoc Election Board**

The EDA Strategy Group appoints and tasks someone from the EDA Membership (who is not intending to run for an elected position) with implementing the following protocol for holding elections

June 14 - 17

## **Convention: Call for Elections**

June 25

## **Call for Candidates (Position Application Process)**

1. Announcement of nine elected positions to be voted on and the dates of these elections
2. Request for submission of applications by candidates, including:
  - a CV or resume, statement of relevant experiences and/or personal qualifications
  - a description, 500 words or less and written in the first-person, on why the candidate wants to hold this position
  - a headshot photograph)

July 16

Last date for candidates to submit material and file for candidacy

July 23

Candidates are announced and the procedure for voting is explained

July 30 - August 2

**First Round of Elections** are held for six offices:

**President** - 3-year term

**Treasurer** - 2-year term\*

**Secretary** - 1-year term\*

**Three Individual Members of Mediation Body**

August 2

**First Round of Election Results** are announced

**Final Invitation for Candidates for Second Round of Elections**

August 13 - 16

**Second Round of Elections** are held for three offices:

**Three Individual At-Large Trustees**

August 16

**Second Round of Election Results** are announced

**Ad Hoc Election Board finishes its duties**

August 20 - 24

**New EDA Administration**

The newly-elected Trustees hold conference calls to convene the new EDA administration (including the development of an announcement via Loomio for applications for Managing Director from within EDA and/or an executive search for a Managing Director from outside EDA)

September 10

Call for applicants for Managing Director sent out to all EDA members and EDA friends

November 5

Tentative date for appointing Managing Director

November 19

Managing Director and Trustees call for applications by those members interested in filling EDA's other appointed positions (e.g., heads of Operations and Action Council groups)

\* EDA is adopting the process of staggered elections for positions on the Executive Committee to ensure the continuity of decision-making. Elections will be held again in 2019 for Secretary (for a 3-year term), and in 2020 for Treasurer (for a 3-year term).



# APPENDIX B: HISTORY OF THE EDA COOPERATIVE CHARTER

## WORKING GROUP TIMELINE

### Introduction: Background Session

August 1, 2017

### 1. Vision and Mission Statement

August 15, 29, 2017

### 2. What is EDA's Cooperative Charter?

September 12, 26, 2017

- an identification of the type of commons which we are creating and/or managing, e.g. is EDA simply an information commons [of contents and technology, or something more?]
- what is a platform cooperative? what is a distributive network?
- a description of existing users, boundaries, power and control of our commons
- a declaration of EDA's claims to legitimacy and responsibility for the management of this common resource
- a statement on how EDA will serve the social good through open participation

### 3. Developing Agreement on Open Cooperation

October 3, 17, 31, 2017

- a description of the roles of governance within EDA and how its officers are elected
- a definition of EDA's governance model, including the rights of users to organize and participate in the election of officers and in EDA decision-making, including the development of new institutions and rules
- a statement of the entitlements and responsibilities of users, managers, and producers of our commons
- a statement of equitably shared benefits, quality standards and safeguards
- the creation of a Creative Commons Agreement that will provide EDA with legal protection for its intellectual property while allowing EDA to remain in the public domain as a shared commons, thereby preventing the appropriation or commercialization of our innovations by outside entities (e.g., the licensing of formulae and software for carrying capacity measures, training programs, the development of podcasts, educational programs, and other marketing and financial activities)
- a code of ethics and common values

#### **4. Resource Management**

November 14, 28, 2017

- a framework for transparent budgetary, financial and fund-raising processes
- a structure of accountability for conflict resolution and redress of grievances
- a process for monitoring and evaluation
- a business plan

#### **5. Drafting the Cooperative Charter**

December 12, 2017 - June 17, 2018

- review of First Draft of Cooperative Charter by members of Charter Drafting Group
- first publication of First Draft of Cooperative Charter on Loomio with invitation for public review, corrections and commentary on January 2, 2018
- comments, suggestions and corrections integrated into First Draft
- Second, Third and Fourth Drafts published on Loomio at regular intervals in February, March and April
- public comment sought and comments and corrections integrated into the succeeding drafts in May
- final review of Fourth Draft of Cooperative Charter by members of Charter Drafting Group during May
- June: printing of final rough draft of the Cooperative Charter for discussion and ratification at EDA's Convention for a New Social Contract in Philadelphia, June 14-17
- July: Distribution of the EDA Cooperative Charter to Supporting and Active Members and the Public