

An Economic Democracy Initiative for Ukraine's Rebirth
Executive Summary

With no end in sight to Russia's devastating war against Ukraine, its people, and culture, President Volodymyr Zelenskyy needs an effective strategy for achieving a decisive victory, both in the short- and long-term. Ukraine's alliance with Europe and the United States has brought military and economic support that, along with Ukrainian courage and resourcefulness, has so far kept Russia from achieving its goals.

Ukraine's fate remains to be decided, with two key questions to be answered: 1) how to bring this war to a swift and just conclusion, and 2) how to finance the rebuilding of Ukraine in ways that enable the nation and every citizen to become and remain economically independent and prosperous.

- The proposed Economic Democracy Act (EDA) offers a national reconstruction strategy based on universal citizen access to private property in productive capital, with full participation in non-monopolistic, free markets. It would strengthen democratic institutions, enabling every Ukrainian to achieve lifetime prosperity and economic freedom.
- Through targeted reforms of the monetary and banking system (along with tax reforms to encourage this approach to financing sustainable growth), the EDA would build lifetime "capital self-sufficiency" for each citizen through direct ownership of shares in private-sector companies that will be rebuilding Ukraine's infrastructure and industries, as well as developing the technologies of the future.
- The EDA follows the precedent of America's Homestead Act of 1862 that democratized the ownership of limited frontier land and turned the US into the world's foremost agricultural and industrial power.
- This 21st century economic policy, which could be adopted by any country, would universalize access to asset-backed money in the form of insured capital credit. These capital loans would be repaid with "future savings" — each year's profits from the new capital investments.
- The EDA would launch Ukraine as the first nation to promote the fundamental human right articulated in the "Universal Declaration of Human Rights" at the formation of the United Nations on December 10, 1948. Article 17 of the UDHR stated: **(1) "Everyone has the right to own property alone as well as in association with others. (2) No one shall be arbitrarily deprived of his property."**
- This would encourage other countries, including Ukraine's neighbors, to adopt the "Just Third Way" model for a more democratic and prosperous future. If widely adopted, this economic model could in turn provide a realistic basis for a truly free and universally empowering, global market system. Russia's own citizens might begin to see a more hopeful, workable, and just alternative to the power-concentrating system in which they live.
- The Economic Democracy Act is based on four pillars of a free and just market economy — (1) universal citizen access to capital ownership, (2) limited economic power of the state, (3) restoration of free and open markets, and (4) restoration of the full rights of private property for every person from birth until death. The EDA would strengthen the political constituency for linking supply-side with demand-side economic policies. It would add social justice and compassion to free market principles, and would reduce the political pressures for redistributive, anti-growth and protectionist policies.
- The EDA introduces reforms into the monetary and tax systems geared toward maximizing sustainable private-sector growth without inflation, while systematically building and educating a nation of citizen-owners. Along with shifting from a government debt-backed to a private-sector asset-backed currency, a simplified tax system would be introduced to encourage corporations to finance their growth more democratically.
- Through the discounting powers of Ukraine's central bank, local commercial and cooperative banks could create sufficient asset-backed money and insured capital credit to finance new plant and equipment, renewable energy, green technology, new rentable space, and new infrastructure. Rather than flowing only to wealthy investors, the money and credit would be channeled through financing mechanisms such as individual Capital Ownership Accounts (COAs). Private-sector companies would offer capital credit insurance and reinsurance to replace reliance on traditional forms of collateral. Accessible to each citizen, these capital ownership mechanisms would systematically create new owners of the new wealth without violating property rights of current owners over their existing assets.