



Aspired Future

NCP's diagnosis of the problem + future vision

Building a shared vision for the future: In the initial phase of NCP's work, we surveyed a range of envisioned futures in the field of inclusive capitalism. The leaders we spoke with and organizations we researched were all working towards some version of an: inclusive, sustainable, equitable, regenerative, just, multiracial, restorative, conscious, circular, solidarity, well-being, liberation economy for all. While each term implied that we achieve something "better" than the status quo, there was a lack of definitional clarity or consensus around terminology. As one leader framed it, "It's not just semantics. People do mean different things."

Before we could invite the team to dive into the deep end of the future envisioning pool, we wanted to understand the contours of their collective perspective on how the current economic system is failing. In this way, the future they imagined would serve as a counterpoint to current failures.

Agreeing on *how* to speak of this failure—literally the words to use and the words not to use—was not an insignificant challenge. In the effort to paint an unvarnished picture of how we "got here," the team grappled with the right words and phrases to capture the gravity of the issues, while also keeping a broad set of stakeholders inspired to remain on the path towards transformation.

They realized that the language we use--no matter how well intentioned--can make or break great ideas, great teams, great opportunities. The language we use--if softened, smoothed, and tinkered with too much--can fail to illuminate the depth of challenges and the height of possibilities.

Below is a perspective forged from weeks of passionate discussion, some real disagreement, but also moments of glorious alignment. As one design team member put it, "I'm tired of watering things down so people in power can accept them." Ultimately, this is the spirit the group took in putting forward this view. The words the team use to describe our economic system are not personal attacks on anyone. The image of the current economic system does not negate the tremendous strides and accomplishments achieved through our economic system.

Instead of turning away from hard truths or trying to soften them, the team invites readers to join them in building the mental muscles and emotional capacity required to engage. To help share these truths widely, with confidence, knowing that we cannot set a meaningful path forward to a better future without knowing where we are and how we really got here.

We humbly invite you into this conversation.

How is the current economic system failing?

The current economic system, as has evolved over decades of neoliberalism ideology, is failing most people. It is failing the planet. This system was designed to advantage the prosperity, opportunity, and comfort of a few, on the false premise of a hierarchy of human value. It is a system designed to extract as much value as possible from people and the planet in order to perpetuate the advantage of a few at the top, with many below. The few at the top who rig the rules, originally by intention, and currently largely through the compounding inequities of indifference, are white men.

As we all grapple with how to address these challenges, there are cumbersome webs of power, relationships, mindsets, narratives, laws, policies, and practices to confuse and disempower the many. To convince change-makers that we shouldn't even try to understand, much less change, how the system works. But all our futures are embedded in addressing the failures of our economic system. And so, we must press on; and we do so here by framing the issue as a valuation problem.

We have a people-valuation problem that results in a concentration of wealth, opportunity, and power that undermines our economic vibrancy, our democratic viability, and our humanity. It does so by denying too many the opportunity to contribute, generate wealth, and perform at their full potential. It does so by severely discounting the worth of people due to the color of their skin, their gender, their socioeconomic status, their "otherness." The economic cost of this systematic devaluation of human worth and talent is both unconscionable and unacceptable.

We have a nature-valuation problem that results in the consistent devaluation of the health of our planet for short-term profit, ignoring the irreversible and catastrophic nature of the climate crisis. A culture of abdication of responsibility and business-as-usual corporate governance sanctions an off-loading of consequences onto frontline communities and future generations. Decision makers have failed to account for the actual and moral cost of these decisions: perhaps the ultimate unpriced externality.

There are some indisputable and uncomfortable truths to our origin story with which we must reckon. Our country's economic system was designed and came of age at the same time as its racial caste system, and these reinforce each other. Our economy was built on the theft of land from Indigenous peoples and by the enslavement of African people for worker and reproductive labor. These crimes against humanity are the headwaters from which flows centuries of subsequent economic growth and political power. These incipient horrors have been carried forward in our culture, our systems, our "rules," through racial terror, segregation and discrimination, criminalization, and mass incarceration, which have resulted in compounded intergenerational trauma and deep inequities.

This system continues to exploit Black people, Indigenous communities, people of color and immigrants. This system also exploits the White working class; and thrives on the uncompensated domestic labor of women and the unequal compensation of women in the workplace. There are endless examples of how our current economic and financial systems are rigged to advantage the few, extract value from the many and to strip resources from our shared planet without regard to the consequences, such as: the dominance of shareholder primacy; the utter financialization of our economy; anti-union animus; unbridled monopolistic power; theft of Indigenous lands; exploitative healthcare; marginalization and disempowerment of people of color; climate denial and so much more.

Examples such as these expose the *devaluing of a majority of our population and our natural resources* as the rootstock of the structures, practices, policies of our current economic system. Their tendrils have tangled themselves among the mindsets, beliefs, and values of those who adhere to the false notion that the "rules" that govern unfettered capitalism are sacrosanct and immutable.

This economic system is underachieving and toxic. It is, at its very core, an unsustainable system--for all people, for our earth.

Where We Want to Be

What follows is a high-level summary of the team’s view of what a better economic system could look like. As with the picture of how the current system is failing, articulated above, there was passionate debate, disagreement, and moments of glorious alignment in arriving at this view. **To be clear: this is an evolving vision. Think of it as written in pencil rather than carved in stone.** It is a start—of a future envisioned from the strength of divergent perspectives. Forged through the hard work and trust between a set of committed leaders who labored over many months to understand where their hopes and visions for a better future might intersect and complement each other.

What does a better system look like?

A powerful movement of diverse and organized people, leaders, and organizations working in various places throughout the previously dysfunctional economic system—and galvanized behind a shared vision for a new future of shared well-being on a healthy planet—have succeeded in shifting power relationships, laws, and narratives of the past. This coordinated, sustained, inclusive and collective effort *has replaced a “market society” with a society that allows a market to exist to serve the common good.*

We now live in a world where all people are valued. The health of our planet is valued. And this value is reinforced through redesigned systems. We have created a deep and culture-wide reorientation away from the mindset of hyper-individualism to one of interdependence with respect for natural and social systems, our common humanity, and future generations. We have dismantled an economy rooted in a hierarchy of human value that plagued our past and supported a few “haves” and billions of “have-nots.”

Though painful, we all understand and have learned from our country’s unvarnished origin story. Through that process, we have become adept at reckoning and repairing—two previously atrophied societal muscles that we have collectively strengthened and now regularly exercise. We have built this new economic system on a foundation based in acknowledgement, accountability, and active repair for injustices committed against Black, Indigenous, other communities of color and women—by government, corporations, financial, academic, philanthropic institutions. We have repaired the legacies of structural racism, sexism, exclusion, and devaluation. This work has been the essential precursor to transitioning into the next lifecycle of our nation.

With a moral understanding of our shared humanity and responsibility for the wellbeing of the earth, we have redesigned our economy to enable all individuals to participate, prosper and reach their full potential. Black and Indigenous people, communities of color, and women hold power within the domains of government, business, finance, and corporate governance commensurate with the demographics of the nation, as a component of society-wide and government-led reckoning and reparations.

We assess the economic system not solely in terms of economic value, but moral value. We redefine value creation and tie it to established and widely accepted equity, integrity and well-being metrics that

measure contribution to a broader set of societal outcomes such as: individual and collective empowerment and dignity, equity and inclusion, well-being, and environmental sustainability.

We privilege the well-being of the collective—including our planet and future generations—and this replaces profit and individual net worth as the primary measure and driver of success for business, investment, and personal value. We all now deeply understand the true impact of everything—consumption habits, cost of convenience, food, clothing, consumer goods, transportation, voting, investing and unpaid labor—and our legal and regulatory systems enshrine our collective willingness to make individual sacrifices in favor of the public good.

We have redefined the purpose of our money to invest in healthy people, society, and the regeneration of our planet's systems. The purpose of business and finance is to do the same. Business and investors behave consistent with these values —and have shifted from short-term to longer-term time horizons in developing value creation strategies and measuring performance. They are accountable for their impact on all stakeholders and on the natural and social systems on which healthy markets and all life depend. Positive and negative externalities created by all sectors of the economy are transparent to all stakeholders and are fully priced, accounted for and paid for. These are the fundamental tenets of a new economic system.

We have designed our society for true inclusion—with the underlying value that current and historically marginalized populations can thrive alongside those who previously held a monopoly on health, wealth, power, access, and success. As a result of full representation and inclusion in all aspects of the private and public sector, our economy, and planet thrive in tandem.

NOTE: The team depicted their aspired future in more detail as can be seen in Appendix A below. Specifically, they delineated how this future would manifest through seven key system dimensions: What good business looks like; what money/capital, investment, and worker power looks like; how we measure what matters; the role of government and the role of business in this future economic system.

	In This Future...
<p><i>What good business looks like</i></p>	<p>All businesses and financial institutions--using credible, common impact standards--have earned public trust because they now demonstrate, are transparent about, and are accountable for value creation for all stakeholders, as well as the natural and social systems on which healthy markets and all life depends.</p> <p>The legal definition of business includes “for public benefit.” Corporations must demonstrate their public benefit at incorporation and over time. Revocation of business and investment licenses to operate, if public good isn’t maximized, is the new norm.</p> <p>All businesses and financial institutions prioritize addressing inequities and unlocking meaningful, dynamic, and transformative growth by building power, wealth, voice, opportunity for workers and communities marginalized by the prior system.</p> <p>Small businesses, alternative corporate forms such as cooperatives, employee-owned businesses, and models we may not be able to imagine now, have power and voice to compete in markets with big businesses and are valued for their direct role in building strong local living communities.</p>
<p><i>What good money + capital look like</i></p>	<p>Good money creates belonging. It acts as an equalizer. It prompts us to reflect on the nature of exchange and agree on value in that exchange.</p> <p>Good money drives personal and community well-being; and ensures equitable investments necessary for every person to reach their full potential and every community to thrive.</p> <p>Both the general public and professional investors redefine the purpose of their investment capital: not solely to create more returns for themselves but to finance positive, measurable impact for people, communities and the environment. In this way, the purpose of money expands past the borders of the investment narrative of the past that optimized for profit at all costs.</p>

<p><i>What good investment looks like</i></p>	<p>The investment paradigm has shifted. New ways of assessing long-term value creation are embedded into accounting, reporting, corporate governance, and lead to a paradigm in which ESG impact considerations are integrated into all investment decision making.</p> <p>A strengthened regulatory capability has significantly curbed financial sector power and concentration (e.g., strong Volcker Rule, return of Glass Steagall), banned extractive activities (financial transactions tax, payday lending) and empowered asset owners and their communities to reclaim and assert power in the domain of corporate governance, in service to the long-term interests of beneficiaries, portfolios, communities, and the planet.</p> <p>Public investors actively and collectively use their strength to shape capital market systems, the behavior of capital market actors, and corporate governance--empowered by law and backed by civil society energy to do so.</p> <p>Investments more fully include firms and funds that are owned and operated by people of color and women. This includes investment managers, suppliers, and an active cultivation of a pipeline of available talent to take on leadership roles in the C-suite.</p> <p>Investment professionals and financial analysts are licensed and credentialed, with an additional mandate that they have direct experience serving under-served communities. They must demonstrate a public benefit throughout their professional careers with an annual review and a process to have their credentials removed if they fail to serve a public benefit.</p> <p>People in communities have the power to own and create wealth in their local economies.</p>
<p><i>How we measure what matters</i></p>	<p>Shareholder primacy and financial materiality of ESG factors has long given way to societal and environmental materiality, which is required by regulators.</p> <p>Metrics exist to demonstrate (and hold accountable) companies' "public benefit." Fiduciaries breach their duty if they don't take societal and environmental materiality and impact factors into account.</p> <p>Disclosures--and decisions around correcting for negative externalities, risks, and for creating positive externalities--are made to optimize for advancing society, are priced and built into the financial markets.</p>

<p><i>What working peoples' voice and power looks like.</i></p>	<p>Labor and capital are equally valued. "Worker investors" are equal in importance to capital investors in corporations and industries. Workers reap the benefits of their labor, are valued for their economic contribution, and compensated appropriately through living/thriving wages, jobs with dignity, benefits, and opportunity for growth.</p> <p>Working people are no longer seen as an expense item, expendable and susceptible to short-term calculus; but as a long-term asset to be cultivated and invested in. Companies now publicly disclose how they treat workers.</p> <p>Public benefit companies adopt a range of measures to give working people greater voice in corporate governance and decision making. Corporate profits are capped and profit sharing over that cap becomes the norm.</p> <p>Government treats wage and capital income equally for the purpose of taxation.</p>
<p><i>What government's role in capital market and role in corporate behavior looks like.</i></p>	<p>A functioning, multiracial, democracy plays critical roles in shaping capital markets to achieve positive societal and environmental outcomes.</p> <p>Government creates guardrails, duties, and incentives to ensure that all people enjoy a decent basic standard of living (wages, healthcare, etc.) and a market in harmony with nature. Economic actors are required to adhere to those standards.</p> <p>Government establishes rules and practices that prioritize people over capital and supports conditions for a market based on true innovation and competition (e.g. regulations, tax policies, restrictions on lobbying, ending monopolistic manipulations, increasing lending requirements to specific communities, etc.)</p> <p>Policy makers address a history of structural racism and inequality; and hold business and investors accountable to do the same.</p> <p>The government creates uniform reporting requirements that create transparency about companies' negative and positive impact on stakeholders, including customers, employees, communities, and the planet.</p>

***What
business
engagement
in politics
looks like.***

It is an accepted belief that businesses cannot succeed in societies that fail. And that businesses' benefit with a strong democratic system. Corporates understand the moral responsibility of standing up for good democratic principles and practices. Corporate political activities are aligned with company values, purpose, and a commitment to all stakeholders.

The realm of campaign finance has been entirely reformed: corporations, organizations, and other entities are prohibited from contributing to political campaigns and there are restrictions placed on individual campaign contributions.

Supported by a new definition of fiduciary duties, corporate lobbying has evolved. Companies must disclose lobbying activities and be able to justify the lobbying that they do. They must be able to demonstrate that their lobbying efforts serve the broader interest of their stakeholders, otherwise they are in violation of their fiduciary duties.

In accordance with the above, business leaders are active in using influence to address broader issues that aren't directly material to their short-term business interests. This includes reform of the US electoral and legislative system - so that it is designed to build the center rather than amplify the extremes - and other long-term business interests like stakeholder primacy, climate, living wage, worker power, etc.

At the same time, US-based companies have restricted political influence abroad. Due to updated fiduciary duties and mandated transparency, they are unable to support or contribute to the toppling of foreign governments in the name of progress.