

New Capitalism Project

Charting the role of business and investors in moving to a more just, inclusive, and sustainable economy

INTERIM FINDINGS

Why a New Capitalism Project?

The current application of capitalist principles, which permeates our economy, is out of step with our evolving world. This is the underlying premise of the New Capitalism Project.

A growing chorus of stakeholders is demanding change to the current economic system – with ambitions ranging from recalibration to fundamental restructuring – so that it meets the needs of our society and our planet and responds to the greatest challenges of our time. The future of capitalism is being debated in the public square more robustly than we have seen in decades. Some have been at this work for decades, and others are just entering the fray.

This collection of actors includes individual business and financial sector leaders seeking to drive change; networks and coalitions that bring together actors around common goals; advocacy organizations and activists seeking to influence and challenge current business and investment practices; researchers, academics and think tanks incubating new ideas and policy agendas; and philanthropies focused on strengthening this movement for change. These stakeholders are exploring what a reimagined capitalism could look like and testing those ideas within different realms and with different points of intervention.

The New Capitalism Project (NCP) was launched in early 2020 to understand the broad landscape of activity already underway to shift the economic system *by shifting the norms, behaviors, rules, and practices of business and financial sector leaders*. Over thirteen weeks, we engaged eighteen key leaders in the “inclusive capitalism” space in deep interviews and conducted desk research on ninety organizations.¹ **It is vitally important that the work of these organizations collectively adds up to broader impact.**

Through the initial sensemaking work, we came to understand how different organizations frame the problem with capitalism and our economy, the futures they envision, the interventions their organizations are currently deploying, and the tenor of their ideological differences. We found no shortage of ways people frame the problem with capitalism in its current form which made it challenging to delineate the boundaries of “the system” of intervention.

We heard analyses of a market dominated by corporate monopolies, short-termism, mismanagement, and lack of accountability among capital market leaders. People spoke of the obscene concentrations of economic power—which distorts and controls political power and illuminated the distorted dependencies between both systems. Others characterized an economic system that is “uncontrolled,”

¹ The initial sensemaking phase of NCP was supported by the Omidyar Network and the Ford Foundation. The subsequent Design Phase described in this report was supported by the Omidyar Network, the Ford Foundation, the Rockefeller Foundation, the Robert Wood Johnson Foundation, and the Kresge Foundation. The Global Impact Investing Network played a key role in conceptualizing and launching this endeavor. Anna Muoio is NCP’s Project Lead, facilitator, and the author of this report.

“out of balance,” “a complete for-profit-making machine,” “with unfair rules,” “misaligned incentives driving destructive behavior,” and with “an unrelenting focus on maximizing shareholder value,” which some believe is the “source code error” of the entire economic system, a false construct with one false objective.

Others challenged us to broaden the aperture in the problem definition which led to deeper discussions around structural racism, power, human rights, the role of government and the need for a new social contract to deliver a broader set of societal outcomes. **Ultimately, the various diagnoses conclude that fundamentally we lack a definition of capitalism that works in the real world, and that we lack an economic system that works for most people.**

This and other insights from the sensemaking phase, highlighted in the bullets below, have informed how we approached the subsequent Design Phase, which is documented in the rest of this report:

- There are as many ways of framing “the problem” as there are organizations driving for solutions which leads to a fragmented change landscape.
- Groups are often operating independently or organized around specific, targeted initiatives with little to no visibility into how their efforts could complement other efforts or be accelerated and amplified by them.
- Despite the complexity that a field with such wide-ranging actors and activities embodies, there is “an opening now to move towards a more unified and positive version of the future.”
- There is a need for, and interest in, bridging silos among various leaders in the inclusive capitalism space—to span organizations’ ideological differences and competing theories of change to develop a more coherent field-level set of interventions.
- Any type of structural system change is going to have to come through a strategic combination of *collaboration and confrontation* which will require expanding the boundaries of the organizations typically resourced to engage in this space.
- The field needs something “more coordinated than under-funded organizations poking at the problem.”

The Design Phase: Moving from sensemaking to action to shift a system

The initial sensemaking phase of NCP was about seeing and understanding the finer contours of the landscape of those driving for economic system change. **The subsequent Design Phase’s main goal was to support a group of leaders in developing a shared understanding of what a “better” economic system could look like, the barriers to that future, and then identifying a portfolio of integrated ideas to move towards it.** In support of this goal, we were guided by a range of questions that formed the basis of a six-month strategic conversation held with the Design Team: (More detail on the design team is provided in Part 1 of this report)

- *How is the current economic system failing?*
- *What would a “better” system look like?*

- *What are the key barriers to that aspired vision?*
- *What are the most important actions to drive systemic change and lead to the aspired vision?*²

The NCP Design Team was tasked to develop a portfolio view of the interventions needed to shift a system. Systems defy single-point, silver-bullet interventions. They make a mockery of isolated action. *Shifting a system requires that we launch a series of targeted interventions, in various places throughout the system, and that we do so simultaneously. That we do so fueled by a collective coherence for how different efforts can best work in concert to address shared goals.* This belief has underpinned NCP’s work from the beginning.

Developing a set of interventions that help construct bridges from the current system to the aspired future is also critical. There is always a challenging and treacherous “transition zone” when shifting from a current system to what will eventually replace it, its long-term successor. This transition is always in play. For it is true that the only constant in life is change. The same is true about systems. It is in this transition zone where the future is contested. Where we can see a pattern of activities and innovations battling to either maintain the status quo or to lead us to a different future.

As such, there is a perennial tension between the economic system that is in decline and that system which is striving to replace it. The dominant system’s main commitment is to its own survival. It will resist change at every step and in every court of contention. Those with vested interests in its survival will stop at nothing to preserve it—and their—power and prevalence. This dominant system is relentless in its attempts to co-opt those innovations that serve as “glimmers” of a future, those ideas that threaten the status quo and foretell its demise. But there will also always be innovations that are beacons for the future and pave the way towards it. We need to attend to and nurture these activities in strategic, sustained, and substantial ways. If not, we risk endlessly tinkering at the edges with little real impact.

The job for the design team was to develop a perspective that understands and accepts this messy zone of change—to address the challenges of the dominant system while also nurturing the seeds of the aspired future. In this way, we need to become skilled hospice workers to the old system while also serving as courageous midwives to the new.³ With this understanding in hand, there are three key aspects of this work to call out.

First, the team has put in the time—and sweat—to understand how each sees the current failures of our economic system. They challenged themselves to articulate how the current system is failing and then to imagine, courageously and collectively, what a better future could look like, as shared in Part 2 and Part 3 of this report. We like to believe that imagining the future is easy. That it is like an act of daydreaming. It is not easy. Developing an aspired future can be arduous, especially when trying to draw a shared picture with others. The word *aspire* means to desire, aim for, hope for. Its literal meaning, however, is “to breathe on.” The connotation being that you breathe heavily in the exertion of attaining a goal. It is hard work. The shared vision articulated in this document was hard work. For as it has been said, “It is easier to imagine the end of the world than it is to imagine the end of capitalism.”⁴ It will be harder still to manifest any part of this future.

² The strategic process we facilitated in this phase was heavily influenced by The Three Horizons framework developed by the International Futures Forum.

³ With a nod to Graham Leicester from the International Futures Forum from whom we first heard this expression.

⁴ This quote is attributed to Frederic Jameson, American literary critic.

Second, with a shared future in sight, the team was tasked to develop a portfolio of ideas firmly rooted in the barriers they identified, Part 4 and Part 5 of the report. A portfolio approach is an effort to stop thinking incrementally when facing century-level challenges; and to develop a longer-term vision to address the scale of the issues in transitioning beyond industrial, neoliberal capitalism. The ideas outlined in this report are an initial and incomplete perspective on what's needed. It will be critical to continue to build out a portfolio of ideas that will serve different purposes, address different barriers, target different stakeholders, deploy different tactics, work at different levels of ambition, and operate over different time frames. This is what systemic problems require. The ideas will allow for testing, “bridging,” and collective learning—and even better, allow for the work to be distributed among a range of organizations and their networks best positioned to lead the change. Field-level discussion on how to coordinate action going forward could be more coherent and impactful if we continue to align behind a set of key barriers, to collectively evaluate those interventions best-suited to address them.

Third, the team took off their institutional hats during this process, shifting their gaze to what the field of change, writ large, needs. The criteria for an NCP idea were relatively simple. An idea would: 1) create momentum towards the shared future vision the team developed; 2) address at least one of the identified barriers; 3) operate at the field-level and require more than one organization to implement. This work did not include an analysis of how these ideas will undoubtedly intersect with and be buffeted by a rapidly changing context, enabling or disabling conditions, the speed of change, or black swan events we cannot imagine, yet have all lived through these past two years with Covid-19 and accelerating climate change disasters. In this way, it is moment-in-time thinking given the conditions we have now.

The purpose of this document

This document is a missive from the middle of a journey the team has been on over the first half of 2021. **It is an evolving piece of collective thought. It is shared in that spirit. The ideas represent an initial cut of what is needed, and an idea portfolio that can—and needs to—expand with additional input.**

This document is not meant to be a detailed recounting of the collective strategy process or a deep dive into the process of systems change. It will not map every intellectual tributary explored by the team. Rather, it is intended to share some of the key “stops” along the team’s journey to fortify a collective path forward.

The next step will be to deepen, broaden and test the team’s perspective on the aspired future, the barriers to that future, and the initial ideas proposed through continued outreach with key stakeholders. To explore where this vision and these ideas can align with, amplify, and accelerate current efforts or where there is opportunity to mobilize in new ways to launch needed interventions and develop the field-level coherence needed to drive differential impact.

1 • Building a Diverse Design Team

How to begin? Where to begin? With whom to begin? These are some of the most critical start-up questions when launching an aligned action effort to shift a system. It is the latter, this question of *who*, which took lead as we began this phase.

From leaders we interviewed during the sensemaking phase, we learned that within the field of economic systems change there was little to “no interaction between most ‘camps.” While seen as perhaps appropriate, during the early stages of the field’s development as each organization was “figuring out who we each were and how to survive,” there was a recognition that in order to achieve the systemic change many organizations were striving to make, new pathways of connection, understanding and coordination would need to be forged and nurtured.

We know that individual and organizational ego and competition can easily derail productive interactions, despite best intentions. As one leader put it: if there is a “lack of trust among individual leaders, it’s going to be hard to work with other institutions. You have to have more trust and less ego. To be guided by mission more than self-interest.”

This notion of being guided by a shared mission planted a firm flag in this work. We strove to identify and recruit a *diverse set of leaders* who could bridge their individual, organizational and ideological differences to move towards “a more unified and positive version of the future.” **From this more unified vision of the future, we hypothesized, leaders on the operational frontlines of change could then co-develop a perspective on the portfolio of ideas needed to manifest that future.**

Through our interviews, we also heard that the conversations around economic systems change had been dominated “mostly by business-focused, white-led organizations.” We were challenged to engage a diverse set of leaders, in terms of race, ethnicity and gender. This was a given—and drove our recruitment efforts. We also strove to include more “activist leaning organizations” and leaders with a different analysis of the problem and perspectives on the levers of change. We intentionally sought a mix of inside-game and outside-game leaders and organizations. Those who move not just through *collaboration* in driving change, but also those who engage in change through *confrontation*. We were compelled to situate “different voices at the table so there is opportunity for those voices to be dominant,” as we were urged to do by one key leader in the field.

Design Team	Organization
Amit Bouri*	CEO, The Global Impact Investing Network
Andrew Kasso*	CEO, B Lab
Bill Dempsey*	Senior Advisor, Amalgamated Charitable Foundation/Amalgamated Bank
Carol Anne Hilton	CEO, Indigenomics Institute
Edgar Hernández	Assistant Director, SEIU

Eli Kasargod-Staub*	Co-Founder and ED, Majority Action
Fran Seegull	Executive Director, U.S. Impact Investing Alliance
Jay Coen Gilbert*	CEO, Imperative 21
Jeremie Greer*	Co-Founder, Liberation in a Generation
Mahlet Getachew	Managing Director Corporate Racial Equity, PolicyLink
Meredith Sumpter	CEO, Coalition for Inclusive Capitalism
Rodrigo Garcia	Former Deputy Director, Illinois State Treasurer

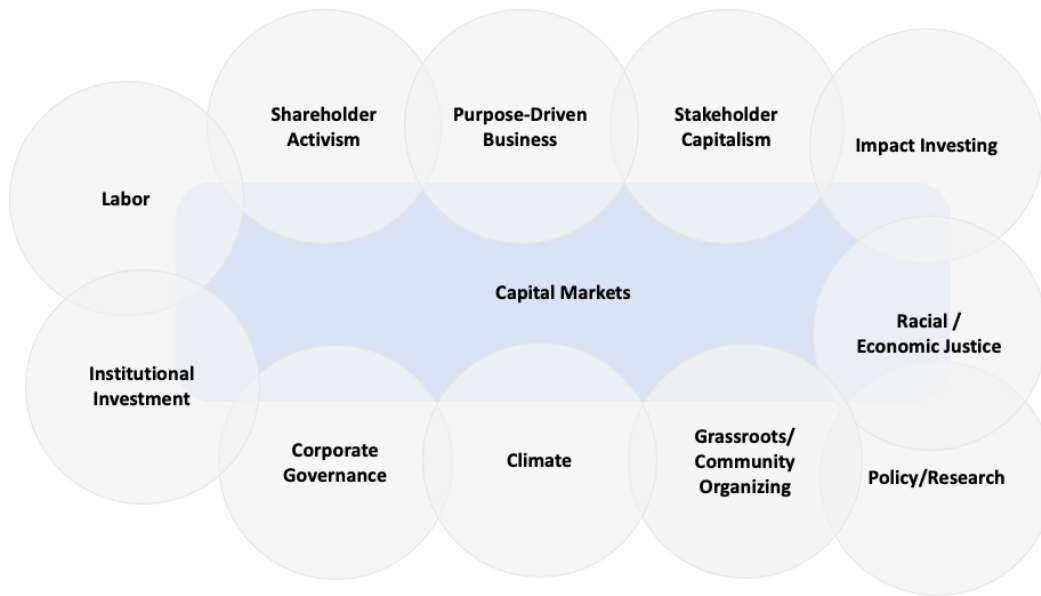
*Those who participated in the initial sensemaking phase of NCP

Six leaders from the initial sensemaking work joined this next phase. We sought six additional leaders, striving for greater diversity in the dimensional ways defined above. To guide us, we put one of the galvanizing questions from the earlier front and center: *“How do we build bridges across some of the fundamental ideological differences? Bridges that create trust; and then let us challenge where we need to challenge?”* We assumed that different “camps” in this broader ecosystem would be fueled by a range of ideological differences. But we saw these potential differences as a strength to be understood, explored, and *bridged*. And this difference, if bridged and understood, could be one of the team’s greatest assets.

Getting the whole system in the room is one of the main tenets of system change efforts. By no means do we believe that the current Design Team is representative of “the whole;” nor do we believe we have a full representation of issues and key perspectives “in the room.” The voices of those on the cutting edge of new economic thinking, or conversely, dyed-in-the-wool capitalists, are not in this document. We convened leaders who run organizations working on the frontlines of change. We applied two main lenses to understand and achieve a diversity in the Design Team which would also help the group *see each other, their organizational intents, and emerging opportunities in new ways*.

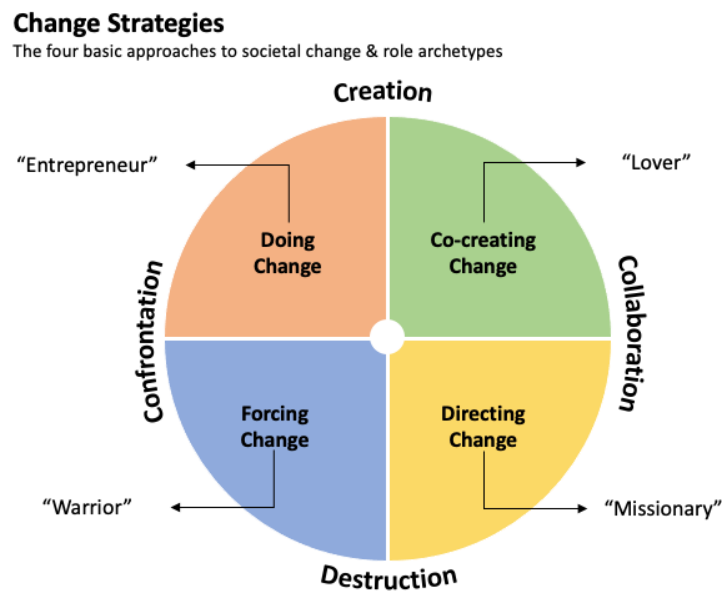
First, we realized that each organization has a primary point of intersection with the capital markets through which they engaged—whether by working with purpose-driven businesses, focusing on shareholder activism and corporate governance, impact investing, increasing worker power, grassroots organizing. Understanding each member’s primary intersection points could serve as a proxy for an organizational worldview, the key levers they were mobilizing behind, how they might frame the challenge at hand, and the broader networks they were connected to. (Figure A)

Figure A: Design Team members' intersections with the capital markets



As a second lens, we leaned on a powerful framework for understanding the different approaches to societal change.⁵ One of its driving insights speaks to Joseph Schumpeter’s notion that change--within any organization, realm, or system—happens through a continuous cycle of *creation and destruction*. And that this continuous cycle of change is facilitated through a range of different actions spanning a spectrum *from collaboration to confrontation*. Mobilizing a team representing a diversity within these four quadrants of change became an added intention.

Figure B: The four basic approaches to societal change



Adapted from: Steve Waddell, “Four Strategies for Large Systems Change,” SSIR Spring 2018

⁵ The four basic approaches to societal change framework was developed by system practitioner Steve Waddell.

We considered how each team member’s organization exists within these four quadrants, based on their different dispositions to change and tactical styles. This understanding would also help the group refine their thinking when developing a plan for action--in terms of identifying those transformational innovations that pull us closer to an aspired future (creation), as well as understanding aspects of the current system that need to be decommissioned (destruction). In short: where do we need to create the new to counter the old? Conversely, where do we need to fix the old to make way for the new?

Figure C: The different archetypical roles Design Team members play

Characteristics of Change Strategies

The roles, rationales, and tactics of the four approaches to societal change

	Doing Change	Forcing Change	Directing Change	Co-Creating Change
Components	<ul style="list-style-type: none"> • Creation • Confrontation 	<ul style="list-style-type: none"> • Destruction • Confrontation 	<ul style="list-style-type: none"> • Destruction • Collaboration 	<ul style="list-style-type: none"> • Creation • Collaboration
Archetypical Role	Entrepreneur	Warrior	Missionary	Lover
Dynamic	<ul style="list-style-type: none"> • Inventing • Growing 	<ul style="list-style-type: none"> • Mobilizing • Challenging 	<ul style="list-style-type: none"> • Reinventing • Breaking 	<ul style="list-style-type: none"> • Collaborating • Co-evolving
Necessary Conditions	Willingness to start small and face naysayers	Willingness to risk incurring harm	Willingness to take on tradition and power structure	Willingness of everyone to change
Danger	Irrelevance	Marginalization	Suppression	Co-optation
Relationship to Traditional Power	Outsider	Outsider	Insider	Insider
Question	What does living the new look like?	How do we press the old to become the new?	How can the old change itself into the new?	How can we work with the old to develop the new?
Archetypical Tactics	<ul style="list-style-type: none"> • Startups • Internaitonal communities 	<ul style="list-style-type: none"> • Community organizing • State force • Strikes (capital, labor) • Demonstrations • Media campaigns 	<ul style="list-style-type: none"> • Policy changes • Organization breakups • Rights legislation • Legal cases 	<ul style="list-style-type: none"> • Multistakeholder forums • Public engagement • Social labs

Adapted from: Steve Waddell, “Four Strategies for Large Systems Change,” SSIR Spring 2018

NCP’s Design Team is comprised, intentionally, of a mix of Warriors, Entrepreneurs, Missionaries and Lovers. A diverse collective fueled by tactics along both axes of collaboration to confrontation from creation to destruction. *We wanted to move beyond a debate, implicit or not, of which organizational change tactic is “better;” and to forge a collective understanding of how each other’s approaches could be best leveraged in the service of shared goals.*

Each Design Team member assigned their organization to a role/s within this frame which allowed us to see, within a bounded group of twelve, that each type of societal change approach was present. The *Warriors* on NCP’s Design Team tend to move through confrontation in their change efforts, deploying tactics of campaigns, demonstrations, grassroots, and community organizing. “We locate where the power is in the system; and we confront that power,” as one team member framed it. These leaders are grounded in the belief that the “private sector by itself will never change capitalism,” that “a voluntary approach is not going to get us anywhere;” and rather, “we need to serve up serious campaigns and demands.”

The *Lovers* on the team tend to work with and through others in a more collaborative manner—focusing on collaborating and building bridges across difference. Their strategies center more on voluntary means of change, with a focus on shaping conversations. The emphasis is around nudging business leaders into adopting different behaviors, to elevate and reward best practices, to allow leaders to “practice the language and behavior” of change.

Entrepreneurs choose to side-step tinkering with the current system and instead focus on building new models, innovations, approaches to chart paths to a different future. While *Missionaries* take on the status quo through their proximity to power and decision makers. They see value in findings allies embedded within more conventional organizations who share certain values. It is a more “inside game” approach to making change.

The important point here is that each change type is needed in shifting a system. Each change type can be a potent force on its own and valued for its critical contribution. Bringing types together, however, is the tough stuff of aligning action. It is also where the real magic can happen. This helped forge a shared perspective that a true diversity of approaches, tactics, types, and roles is needed to counter the multi-faceted nature of the failing economic system. There is more work to be done to continue to create and support the kind of movement diversity needed to drive deep system change on this set of intractable and interrelated problems.

We believe this lens can serve as a foundation for ongoing field-level strategic conversations, as a broader set of leaders continues to explore the archetypal diversity needed to drive systemic interventions. We hope it can support productive discussions around critical questions, such as: *How can we see diverse change efforts, that aim for similar outcomes, in a comprehensive way? What are the relationships and potential dependencies between different organizational approaches that may be underleveraged? How could those interact more powerfully to accelerate and amplify change?*

2. Where We Are

Building a shared vision for the future: In the initial phase, 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.

3. 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. 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.

4. Barriers to an Aspired Future

Identifying the highest leverage points to intervene in the system: As the team explored their various perspectives on the nature of the problem and on what a better economic system could look like, they started to surface a set of key barriers to this emerging shared vision around which to focus solutions, as can be reviewed on the next pages. The great system thinker Donella Meadows’ work around the highest leverage points to intervene in a system helped the team categorize the barriers within three distinct but inter-related areas of focus:

Mental Models: The paradigms, individual and collective mindsets, and habits of thought, that direct any system. Deeply held beliefs, values, assumptions about how things “should be” that influence how we all think, what we do, how we talk, how we design and sustain systems.

Power Dynamics/Relationships: The distribution of decision-making power, authority and both formal and informal influence among individuals and organizations. The quality of connections and communications among various actors in the system, especially among those with differing histories and viewpoints.

Policies/Practices: Government, institutional, organizational rules, regulations, and priorities that guide action. Activities of institutions; internal procedures, guidelines, or informal shared habits of work. How money, people, knowledge, information, and other assets are allocated or deployed.

NOTE: After the design team identified their set of key barriers, the Laudes Foundation released its Economic System Map. We welcomed the uncanny and almost identical framing between the key barriers the NCP team identified with those from this global effort, with consultation from over 200 stakeholders. More information on this connection can be reviewed in Appendix B.

Figure D: NCP Design Team’s Identified Barriers to a Better Economic System

Leverage Point	Barriers
<p>MENTAL MODELS</p>	<p>Culture of Hyper-Individualism</p> <ul style="list-style-type: none"> • Until we rebalance the needs of the individual with the needs of community, no set of public policies or business practices will keep pace with an insatiable desire for more and a callous indifference for others <p>What is Valued</p> <ul style="list-style-type: none"> • Cultural and mindset barrier about how we define progress and success (at a country, business/investor, individual level) • Shareholder primacy: Current culture and values that define the sole purpose of business being to create profit for shareholders • An acceptance of money, profits, and short-term objectives in driving almost all decisions across the economic system • Lack of individual and collective consciousness about a broader “purpose of money” <p>Structural Racism</p> <ul style="list-style-type: none"> • White supremacy and legacy systems undermine our democracy, our economy, and our humanity. These structures were built intentionally; and they will remain largely intentionally, or with an increasingly willful ignorance or indifference, if not addressed • Oppression economy where racism is made profitable through the exclusion and exploitation of people of color • White peoples’ reactions to truth-telling about the history and ongoing reality of structural racism

<p>POWER DYNAMICS/ RELATIONSHIPS</p>	<p>Concentrated Power/Governance Dysfunction</p> <ul style="list-style-type: none"> • Unprecedented concentration of shareholder voting power in the hands of a small number of fund managers • Growing monopolies/duopolies in every sector (agriculture, pharma, retail, finance, and tech) which have separated risk from return, and created extreme concentrations of power in a small number of companies • Rise of new types of businesses and financial structures that operate outside of traditional accountability structures • Business influence in politics and opacity of donations <p>Inadequate/Under-resourced Movement Power</p> <ul style="list-style-type: none"> • Inadequate social movement engagement with the full range of demands upon the capital markets, systems of finance and corporate governance • Lack of interest by reformers, progressives, organized labor, the public in understanding the nuanced power of capital and high finance • Lack of relationships and strategic sensibilities about how to intervene in consequential way to influence and transform capital markets and high finance • Inadequate resourcing of activists/organizers to intervene over time
<p>POLICIES/ PRACTICES</p>	<p>Unfair Rules of the Game</p> <ul style="list-style-type: none"> • Market pressures that keep companies from adopting more inclusive and sustainable practices • "Business as usual" corporate governance and proxy voting that drives harm on climate change, racial justice, inequality, and democracy • Overly financialized economy creates distance between the owners of capital and the ultimate investments through layers of intermediation • Structural prioritization of capital over labor <p>Lack of Alternative Models</p> <ul style="list-style-type: none"> • That can enterprises that can compete on an unlevel playing field and that can demonstrate components of the aspired vision. <p>How We Measure What Matters</p> <ul style="list-style-type: none"> • Varied and divergent impact reporting frameworks and metrics make it difficult for corporate managers to disclose data and for capital to reward truly inclusive and sustainable market players • Voluntary disclosures (vs mandated) for key market players • Electoral systems structures designed for and dependent on inhaling vast amounts of corporate and 1% money

5. From Aspirations to Action

Based on the team’s belief on how the current system is failing, their shared vision for a better future, and the identified barriers to that future, the team brainstormed a set of ideas to dismantle key barriers and move towards a better economic system. The ideas bolded in the table below are the ideas that the team has been able to develop more than the others—and which can be reviewed on the subsequent pages of this report.

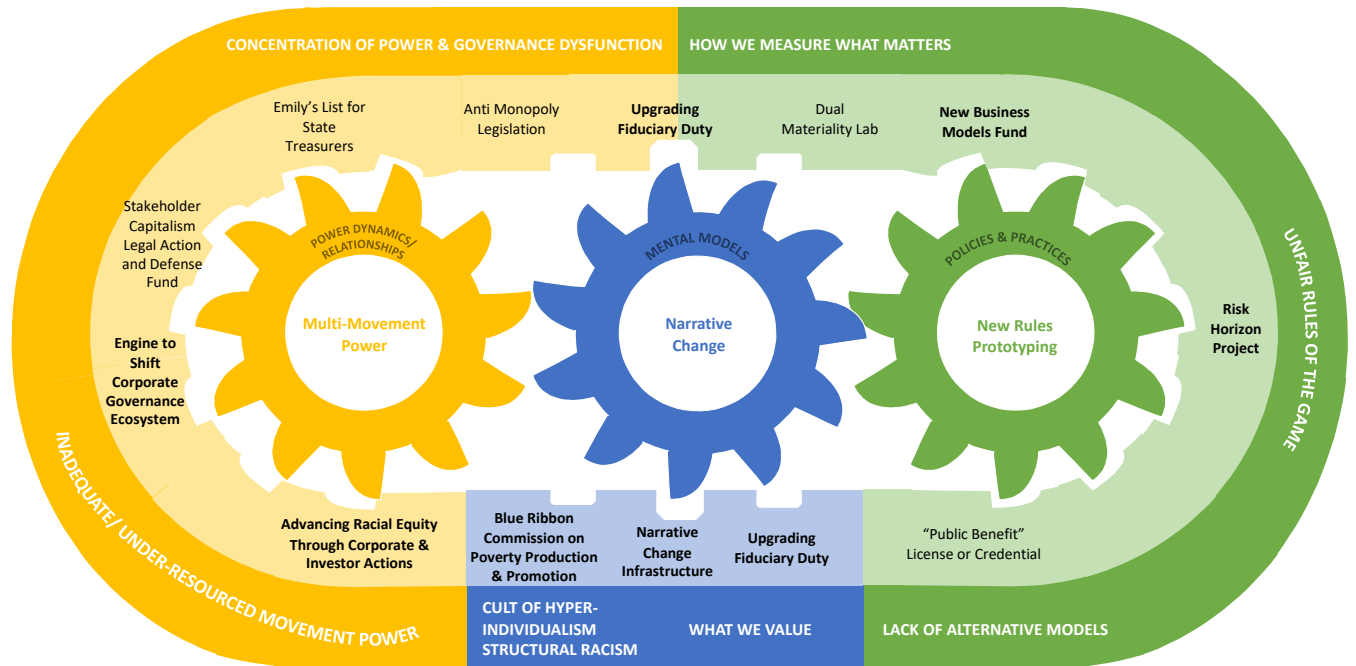
Think of these ideas as initial building blocks of the future that are tied to an analysis of key barriers and a high-level sense of where we want to go. Please do not think of these ideas as a complete set comprising the full portfolio of what’s needed.

IDEA	DESCRIPTION	PAGE NO.
MULTI-MOVEMENT ENGINE TO SHIFT POWER	Support an unprecedented level of outside/inside game intervention on a broken economic system. Develop and resource the capacity for a range of organizations, and “new allies” who drive change through different tactics, to identify and coordinate multi-movement intervention pathways against key levers—the corporate governance ecosystem, critical policy/regulatory issues, capital allocation, private markets; and on key issues such as fiduciary duty, gender equity, climate change, racial and economic justice.	21
UPGRADING FIDUCIARY DUTY	Upend fiduciary duty and shareholder primacy, the source code operating errors of our current economic system. Until this reset, no reporting standards, management systems, courageous leadership will offset the market forces that drive untenable extraction and accumulation of wealth and power.	23
NARRATIVE CHANGE INFRASTRUCTURE FOR ECONOMIC SYSTEM CHANGE	Build and resource the long-term infrastructure to develop, launch and drive narrative change efforts around a better economic system, on many levels, in many places, for many different audiences.	24
BLUE RIBBON COMMISSION ON POVERTY PRODUCTION & PROMOTION	Engage the American public in a robust, participatory campaigning, learning and reforming effort focused on the people running the economy led by those their decisions land on, offering new solutions so that people in authority make better decisions. The Commission will reveal the people who set up and promote low-standard jobs and offer them a helping hand to show that they have other options and other business strategies that do not produce poverty.	26

NEW BUSINESS MODELS LAB	Fund and incubate entrepreneurs and community leaders seeking to 1) explore, develop, and scale transformative and regenerative products, services, or ideas with the power to usher in a stable and sustainable future for all; 2) through experimental operating models which manifest the principles and values of NCP’s future vision, including operationalizing equity from their inception.	28
ACHIEVING RACIAL EQUITY THROUGH CORPORATE & INVESTOR ACTIONS	Drive significant and long-term resourcing for meaningful, sustained, and coordinated action to achieve racial equity by accelerating the adoption and meaningful use of equity standards within the practices, operations and behaviors of businesses and financial institutions.	30
RISK HORIZON PROJECT: FRAMING BUSINESS RISK OF SOCIAL INEQUITY AND HARM TO NATURE	Focus on the risks due to social inequities and environmental degradation, that now appear on the “horizon,” to drive private sector behavior. Develop the research and tools to integrate “costs” associated with social instability and ecological crises into mainstream risk and financial analysis for companies and their investors.	32
“EMILY’S LIST” FOR STATE TREASURERS	Concentrated and sustained focus on electing diverse State Treasurers as an under-leveraged pathway for impact.	
STAKEHOLDER CAPITALISM LEGAL ACTION AND DEFENSE FUND	Build, launch, and support a Stakeholder Capitalism Legal Action and Defense Fund (modeled after NAACP’s Defense Fund) designed to defend and accelerate transition to stakeholder capitalism.	
ANTI-MONOPOLY LEGISLATION	Push for the enforcement of anti-monopoly legislation to break up corporate/capital power and keep innovation dynamic.	
“PUBLIC BENEFIT” LICENSE OR CREDENTIAL	Require “Public Benefit” License or Credential for Investment Professionals and Wall Street Analysts - introduce licensing or credentials that require investment professionals to produce a public benefit for the common good and prove they do so on an annual basis to retain their licenses.	
DUAL MATERIALITY LAB	Launch a lab to develop a Dual Materiality Model and break out of dominance of Single Materiality Model - A lot of current work around ESG adoption is through the lens of what can be done to demonstrate financial materiality.	

The twelve ideas can be grouped around three strategic and interdependent levers: Multi-Movement Power, Narrative Change, and New Rules Prototyping that address specific barriers, as depicted in the graphic below.

Mapping NCP Ideas & Barriers



The ideas clustered around Multi-Movement Power are meant to more deliberately and effectively mobilize a broader range of organizations to intervene in the broken economic system--organizations which engage in different change styles and tactics, with different degrees of proximity to existing power structures, yet are aligned behind shared strategies. Ultimately, these ideas will demonstrate that institutions and corporations with outsized concentrations of power, which rule our economic system and hence drive decisions that impact every American, can be challenged and that they operate within systems of power that can be transformed.

Narrative change ideas will spark and sustain a different conversation, *over the next decades*, about what an economy that works for all needs to look like, the underlying practices and policies required to support it, and the fundamental mindset shifts necessary to engrain a new set of beliefs and values. It will prevent the various critiques of neoliberalism from remaining “like little yipping dogs at the heels of the neoliberal colossus, which can kick them away and proceed uninterrupted,” as framed in The Narrative Initiative’s report [Beyond Neoliberalism](#). The ideas grouped around New Rules Prototyping will target the outdated rules that lock in a broken system, constrain, and inhibit new ways of operating; and more importantly, these ideas will start to tangibly demonstrate new models for a new future.

There is still much to flesh out in the details of these ideas. These profiles are not meant to be operational or implementation plans. They are meant to engage key stakeholders in discussions about how to make them better, how to move them into action, and what else is needed. This is also neither a full nor complete set of what’s needed to shift to a better economic system. It’s a start. Through

additional working sessions and in dialogue with more field leaders and funders, the team will continue to refine and strengthen these ideas as well as identify and develop a perspective on other impactful actions to shift to a better economic future for all. We offer these with humility and to spark continued and broader discussions going forward.

Multi-Movement Engine to Shift Power

- **GOAL:** Support an unprecedented level of outside/inside game intervention on a broken economic system. Develop and resource the capacity for a range of organizations, and “new allies” who drive change through different tactics, to identify and coordinate multi-movement intervention pathways against key levers—the corporate governance ecosystem, critical policy/regulatory changes, capital allocation, private markets; and on key issues such as fiduciary duty, gender equity, climate change, racial and economic justice.
- **POTENTIAL INITIATIVE:** Initially, this effort could focus on shifting the corporate governance ecosystem--a bounded ecosystem where the decisions made by a few individuals literally affect everybody on the planet. It will demonstrate to the world that organizations with outsized concentrations of power can be challenged and that they operate within systems of power that can be transformed. It will build a robust multi-movement “engine” with the best shareholder activist, legal, technical expertise to launch sustained multi-movement intersectional demands on issues which all flow up to the same asset managers and other key nodes of concentrated power. It will also connect with more “inside game” efforts to apply the “heat on the street” to key policy/regulatory changes.

No matter what public company activists are tangling with, on whatever issue, at whatever level - Blackrock and Vanguard are nearly 100% likely to be the largest shareholders of that company. A multimovement energy will focus initially on asset owners/managers, pension funds, university, religions endowments, and what passes as “business as usual,” such as: fiduciary duty, a focus on disclosure instead of bright-line corporate behavior and action; a myopic focus on risk to individual corporations instead of systemic risks that are exacerbated by the actions of corporations; default voting patterns that rubber-stamp incumbent Board of Directors, to name a few.

This effort is not just about engaging typical shareholders as we currently understand this group. This narrow focus leaves a massive amount of power on the table. A multi-movement effort will help drive a mindset shift to increase the number of people who see themselves in this story—and can be mobilized as forces of change. It will help shift the activist ecosystem from one that is fragmented and piecemeal to more coordinated, coherent, and collective efforts that drive outsized impact. “There is enormous opportunity for truly intersectional campaigning because so many of the same activists and their organizations converge around the same massive problems and nodes of power,” says Eli Kasargod-Staub of Majority Action. “The concentrations of power actually create opportunity around intersectional campaigning that are unique and interesting--and to date, are untapped and unleveraged.”

This lack of movement focus and coordination within the economic system is mostly due to activists who do not see the dimensions of the capitalist ecosystem as a domain where they can have power and influence. “In the racial/economic equity movement, we don’t talk enough about corporate power and how connected it is to corporate governance,” observes Jeremie Greer, Co-Founder Liberation in a Generation. “Drawing out these links to movement leaders and movements will be really important. We need to translate these byzantine concepts--to explain to communities why these issues are important, why they should care.” This idea will explore key questions such as: How do we educate “the public”

around this outdated rule that drives deleterious effects? How do we make this issue real? How do we tap into collective self-interest around traditionally academic and “elite” ideas?

Ultimately, this work will illuminate the key intervention pathways within the realms of institutional power. It will then support critical movement activity to confront it. And equally as important, it will connect to more “inside game” efforts to identify and support the policy and regulatory shifts needed for deeper and lasting change. Aligning behind a common goal/strategy but recognizing the range of different tactics to make progress will enable more systemic field-level interventions *and will develop capacity among key organizations and their leaders to do this work, to see the impact of a more coordinated set of efforts*. Developing an explicit and coherent strategy among more “inside game” and “outside game” efforts to drive shared goals (albeit with different tactics) will be a critical aspect of this work.

BARRIERS THIS IDEA WILL ADDRESS:

- **Unprecedented concentration of shareholder voting power** in the hands of a small number of fund managers
- **Growing monopolies/duopolies in every sector** (agriculture, pharma, retail, finance, and tech) and extreme concentration of power among small number of companies
- **Lack of interest by reformers, progressives, organized labor, the public** etc. in understanding the nuanced power of capital and high finance; and the lack of relationships and strategic sensibilities about how to intervene in a consequential way to influence/transform them.
- **Fragmented and piecemeal activist efforts** where different activist group fights for their own siloed issue, e.g., climate change, racial equity, functioning democracy, etc.
- **Lack of capacity building in activist organizations and leaders across organizations** that can span issue areas and that can add up to the whole being greater than the sum of its parts.

Upgrading Fiduciary Duty: Shifting Policy

- **GOAL:** Upgrade fiduciary duty, the source code operating error of our current economic system. Until this reset, no reporting standards, management systems, courageous leadership will offset the market forces that drive untenable extraction and accumulation of wealth and power.
- **POTENTIAL INITIATIVE:** Build and fund a broad coalition of key individuals and organizations that 1) develop the “inside game” momentum to shift the key policies that upend fiduciary duty; and 2) strategically connect to more “outside game” efforts that generate the public pressure needed to drive real policy change. Prior efforts to address this issue have struggled to simultaneously engage traditional layers of power (e.g., Institutional investors and government) while also building awareness (and outrage) among pensioners and citizens. There is a need to forgo sharp and territorial elbows to build upon each other's strengths and successes in accomplishing a shared goal held among many actors in the current system. *This idea is closely linked to the Multi-Movement Engine idea noted above.*

What resources are needed to accelerate the existing momentum in this space? For instance, a coalition of a dozen organizations is focused on “top down / inside-game” strategies focused on specific policy change, as seen in the efforts of the White House Initiative for Inclusive Economic Growth. This idea will double-down on developing the legal frameworks and legal alternatives needed to upend shareholder primacy—and identify the influence pathways and people with whom to socialize and gain traction. While its main focus will be on more “top down” channels of influence and change, it will also strategically align with the “heat on the street” or ground game to bridge the public demand for change around a typically elite concept, where few truly understand the outsized implications of this rule. Until the issue of fiduciary duty is connected to more visceral issues around climate justice, racial equity, gender equity, worker power, it will be difficult to shift.

As Fran Seegull, ED of the U.S. Impact Investing Alliance, notes: “We need to use the tools of public pressure as well as the power and influence of business and investors to drive inclusive economic growth.” There’s a need to prevent this issue from continuing to be political football or pendulum that swings back and forth depending on which regime is in power.

Barriers this idea will address:

- **Shareholder Primacy:** Until this reset, no reporting standards, management systems, courageous leadership will offset the market forces that drive untenable extraction and accumulation.
- **Market pressures** that keep companies from adopting more inclusive + sustainable practices.
- **“Business as usual” corporate governance** and proxy voting that drives harm on climate change, racial justice, inequality, and democracy
- **Overly financialized economy:** Distance between the owners of capital and the ultimate investments through layers of intermediation.

Building Narrative Change Infrastructure for Economic System Change

- **GOAL:** Build and resource the long-term infrastructure to develop, launch and drive narrative change efforts around a better economic system, on many levels, in many places, for many different audiences.
- **POTENTIAL INITIATIVE:** Develop a multi-platform, multi-medium, multi-voiced approach to tell a different story for an economy that creates shared well-being on a healthy planet. This new narrative must connect to strategic communications that drive concrete actions that move us closer to our reimagined future. This capacity needs to be intentional and sustained over decades, not distributed among many resource-constrained organizations fighting “today’s fights.”

We are stuck in a world where the various critiques of neoliberalism “are like little yipping dogs at the heels of the neoliberal colossus, which can kick them away and proceed uninterrupted,” as framed by The Narrative Initiative’s report [Beyond Neoliberalism](#).

We are all bombarded with a narrow and harmful narrative of the role of business, money, investment, and markets that reinforces and resigns us to negative behaviors that reduce our quality of life and all life on Earth. We need to “soak the world with a positive and inspiring counter narrative about what we value, the purpose of business, the meaning of money, the ends we seek and the means we already possess to get there,” as framed by Amit Bouri, CEO Global Impact Investing Network.

Currently, there is no coherent, inspiring counter narrative to neoliberalism that is credible to both existing-inside-incumbents *and* emerging-outside-insurgent power. To compound this problem, counter narratives about the need for economic system change are not often connected to the objective of different movements for racial justice, gender equity, worker power, climate action, etc. This disconnection reduces the power of these movements to create the economic systems change necessary for each to achieve its own objectives and reduces the power of economic system changemakers to build the constituency required to drive economic policy change.

This lack of cultural space and dialogue makes it difficult for business leaders and policy makers to lead against the headwinds of contrary norms. And it means that the business media lacks a visible, consistent go-to source for stories, data, and spokespeople for this new narrative. This inconsistency and lack of visibility makes even sympathetic journalists’ jobs harder and stories more one-off and less impactful. A lot of work is needed to educate Americans around the opaque aspects of the economy and how these factors directly impact their daily lives. And conversely, what a better system could impact them in positive ways.

We see analogs of narrative change mobilization in the climate change space with examples like the [Global Strategic Communications Council](#), which aims to change the conversation around climate. The Council is an international communications network that supports NGO activity globally. Their focus is on unbranded communications that support climate science and scientists, promotes clean energy and transportation solutions, and counters fossil fuel opponents of climate mitigation. What could a similar

function within the realm of economic system narrative change look like? This is what this idea will explore.

We envision convening key leaders and efforts focused on narrative change to create connections and awareness around individual efforts and where there can be more impact through coherence and coordination. Engaging a specialized consultant/group to develop narrative strategy for and among the range of different efforts currently in play. This could include fast tracking research and learning about “leading edge” contemporary movement building. There is a deep conviction among the NCP Design Team members that narratives need to echo and reinforce each other and be representative of how “normal people” really experience the economy, not “academic” theory framing.

This infrastructure could also drive or support developing a repository of data and information to identify important trends, opportunities, and insights, reporting them back to the key allies for use in refining strategies and methods. Maintaining a searchable database of content, templates, and tools for the network to leverage. Conducting and distributing public opinion research that connects the dots, sources, and actors across multi-movement topics and issue areas. Hosting local convenings to bring together the communities of practice, and much more.

Barriers this idea will address:

- **Hyper-individualism:** Until we rebalance the needs of the individual with the needs of community, no set of public policies or business practices will keep pace with an insatiable desire for more and a callous indifference for others.
- **White supremacy:** Legacy systems and culture of white supremacy undermine our democracy, our economy, and our humanity
- **Shareholder primacy** about how we define progress/success, (at country, business/investor, individual levels); money, profits and short-term objectives drive almost all decisions across the economic system
- **Materialism** that reinforces the value of wealth and possessions over well-being and belonging

Blue Ribbon Commission on Poverty Production & Promotion

- **GOAL:** Engage the American public in a robust, participatory campaigning, learning and reforming effort focused on the people running the economy—led by those their decisions impact and offering new solutions so that people in authority make better decisions. By centering the people who work in low-paid, unrepresented jobs and the people who place them and keep them there, we hope to dispel the notion that the economy is like the weather, something that just happens to us. Rather, we will reveal the people who set up and promote low-standard jobs, the constellation of decisions they choose to make that produce poverty, and we will offer them a helping hand to show that they have other options and other business strategies that do not produce poverty, but rather work to produce prosperity.
- **POTENTIAL INITIATIVE:** This is not your father’s Blue-Ribbon Commission. The Commission will convene lively, public debates and exposés to explore whether the status quo is our only option. It will be a low-cost, high-visibility, high-participation way of confronting the false assumptions we have about low-wage work and who is responsible. It will investigate businesses that claim they can only exist if they pay people poverty level wages, as well as hear from those high-road businesses who choose not to produce poverty. It will listen to what workers are really facing on the ground. It will spotlight those companies who serve the oligarch class in designing tax avoidance schemes that siphon funds away from first responders, public health services, education, and related anti-poverty programs. It will allow the American public to learn all these points of view and ultimately, to question whether and how we can do better. In this way, it is closely connected to the Narrative Change and Multi-Movement ideas, serving to generate a new conversation about what produces poverty in this country and what doesn’t.

Imagine if Stacey Abrams, Rev. William Barber, Leo Strine, billionaire investor Nick Hanauer, Ariel Investments co-CEO Mellody Hobson and a host of other leaders convened a series of public hearings in various parts of the country to hear unrepresented workers discuss how decisions by people like Amazon founder Jeffrey Bezos impact them. Imagine if they invited the CEO of KPMG, William Thomas, to offer testimony on the 500 types of tax avoidance schemes they offer their oligarchic clients (for a fee) and the impact that has on struggling communities who can’t afford public health professionals, teachers and first responders? And if CEO Thomas is unwilling to come forward, we could have Lin-Manuel Miranda perform as CEO Thomas and dramatize the rationale for creating tax avoidance schemes that ensure we lack resources to fight poverty. Doesn’t that sound awesome?

These are some of the questions a Blue-Ribbon Commission on Poverty Production and Promotion will pursue: Who decided that the wealthiest country in the history of humankind should not deploy resources to end poverty? Who are the people who dedicate their professional lives to conspiring with the super-wealthy to divert their wealth off-shore and away from first responders, public health professionals, teachers, and other poverty-fighters? Why exactly can’t a business owner with low standards envision a different future that does not produce poverty? Who is promoting low-wage, unrepresented jobs and why? Who is on the high-road, and can we do more to support those who create equity and inclusion?

The Commission will ground itself in local and regional economies across the country—Tier 2, 3, 4 cities most brutalized by the current economic system. The Commission could offer rewards for whistleblowers in the wealth defense industry to testify; awards for the most outrageous tax dodge conspiracy and the most bizarre excuse for paying people poverty wages. It could launch a MacArthur genius type of honor to some of the low-wage workers who testify. A "Most Improved" medal to a poverty-producing business that agrees to higher standards. A "People’s Choice Stuck-in-the-Mud" award where the public votes for who is the most intransigent defender of the failed status quo. A “Walk a Day in Their Shoes” experience for those on the commission to better understand what it’s like to be an “essential worker.”

The Commission will make clear that those who lead poverty producing businesses, and those who support these businesses through various decisions they have the authority to make, are partially responsible for creating a country where [1 out of 7 Americans](#) have resources below the poverty level. If the Blue-Ribbon

Commission gets traction, it could be that we would face a multi-million-dollar opposition campaign where the poverty-producers seek to disrupt and discredit our work. That would be a wonderful success.

BARRIERS THIS IDEA WILL ADDRESS:

- **Lack of awareness, low expectations, and false assumptions** about the economy and how it really works with the American public.
- **Lack of understanding about how the elite have enforced low standards** in the workplace which produces poverty. Until we expose and name those who decide to keep hard working people in poverty, it is hard to see how we can make serious progress.
- **Lack of awareness around the racial and gender inequities** that are woven through the decisions that business leaders make to pay people poverty-level wages. Rather, these businesses are saluted as job creators.

Investing in New Business Models to Move Towards a New Future

- **GOAL:** Fund and incubate an initial cohort of entrepreneurs and community leaders seeking to 1) explore, develop, and scale transformative, restorative, and regenerative businesses with the power to usher in a stable and sustainable future; 2) through experimental operating models which upend business as usual and manifest the principles and values of NCP’s future vision, including operationalizing equity from their inception.
- **POTENTIAL INITIATIVE:** Launch a \$1 billion hybrid investment fund and incubator to support a group of leaders in exploring radical new business models of the future, versus advancing marginal improvements on existing models. Drive catalytic funding to launch businesses embodying key characteristics of NCP’s future vision, that experiment with a range of design features: new models of growth and consumption; where equity is designed into the business from inception; new funding mechanisms; models that democratize decision-making and explore participatory community investing; efforts that design equitable ownership and operational structures, etc. All with the goal of seeding the transformation to a better future.

This is about prototyping the future. Intentionally and courageously supporting glimmers of the future in the present. “We need to create the space to imagine and test more radical models that we can’t even conceive of now to build the future we’re all trying to manifest,” states Amit Bouri, CEO of the Global Impact Investing Network.

This fund will support a cohort of businesses—regenerative, restorative, reparative, post-growth and beyond—that demonstrate the kind of company we want in the future, as well as delineate the specific market infrastructure and policies needed to support them going forward. This idea recognizes that these new models will not be able to compete initially on the same playing field, with the same rules of the game, currently stacked to favor incumbent business.

Rather, these efforts will serve as proof points for a new way of doing business, support and be supported by other ideas such as the Narrative Change Infrastructure and Blue-Ribbon Commission for Poverty Production and Promotion, that will work to reframe the purpose of the corporation--demonstrating how these new models can solve problems that traditional business has not been able to do, creating a different kind of economy that works for all.

Forward-thinking and innovative impact investors and funders will play key roles in creating the “lab” space for experimentation, amplification, codification of new models, practices, and lessons learned. A baseline “Terms of Service,” based on NCP’s future vision, could be developed to guide how each venture is governed and operated. At a minimum, these new models--using credible, common impact standards--will earn public trust because they 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. In this way, the purpose of each new model would be to “bring us back from the brink, respect planetary boundaries and operationalize equity from day one,” says Mahlet Getachew, Managing Director of Corporate Racial Equity at PolicyLink.

Initially serving a small cohort of leaders and their ventures in the practical application of collective and “radical imagination,” (with a nod to Angela Glover Blackwell), the fund will evolve into the go-to vehicle

for testing and propagating new models. And serve as a place for greenfield thinking around issues of fiduciary duty, stakeholder materiality, and other out-dated rules of the game that will never lead us to the future we need. We imagine the growth of a “new future/new model” ecosystem to eventually rival today’s more traditional venture ecosystem currently populated with 1,300 venture firms supporting more than 10,400 companies, representing approximately 2.27 million employees, and which together received \$133 billion in funding in 2019, according to the National Venture Capital Association (NVCA)’s [2020 Yearbook](#).

If an estimated [\\$17B can be raised](#) to fund the moonshot “beyond meat” industry of plant-based meat alternative businesses, we envision a “beyond capitalism” industry as equally well-resourced. This fund will also test and demonstrate new ways of funding wholesale system change: “We have to have radically different ways of thinking about risk and return, control and complexity, and all the typical ‘terms of the deal,’ as we know them,” claims Jay Coen-Gilbert, CEO Imperative21. “Ultimately, we need to break out the radically imaginative ideas from the business case jail.” This idea will experiment with new funding models as well—perhaps a combination of grant capital, prize money and even recoverable grants—flexible and “forgivable” capital in recognition of the boldness they are designed to embody and the new paths they are meant to pave towards a better future.

This idea recognizes there is a broad constellation of organizations and activity already in play, albeit severely under-funded and under-resourced. These efforts are already exploring the radical future in which new business models, people, and planet can flourish—testing ideas such as: regenerative and renewable products and services for the health and benefit of consumers and communities; experimentation around new models for 21st century institutional infrastructure; citizen and democratic participation and digital self-governance; the formation of community-based social and political institutions; open-source and interoperable new tools for communities to raise/allocate shared funds, make transparent decisions and monitor progress in supporting the commons.

Barriers this idea will address:

- **Cultural/mindset barrier about how we define progress/success**, (at country, business/investor, individual levels); money, profits and short-term objectives drive almost all decisions across the economic system
- **Lack of consciousness about money**--people rarely think about the “purpose of money”
- **Current culture/values that define the sole purpose of business** to create profit for shareholders
- **Legacy systems and culture of white supremacy** undermine our democracy, our economy, and our humanity. These structures were built intentionally, and they largely remain largely intentionally, or with an increasingly willful ignorance or indifference.

Fund to Advance Racial Equity through Corporate and Financial Standards

- **GOAL:** Drive significant and long-term resourcing for meaningful, sustained, and coordinated action to achieve racial equity by accelerating *the adoption and meaningful use of equity standards within the practices, operations and behaviors of businesses and financial institutions.*
- **POTENTIAL INITIATIVE:** The current *existence* of standards and blueprints for racial equity does not guarantee widespread *adoption* of those standards. A vibrant ecosystem of efficient and effective support, for a range of organizations working on this goal, is needed to help drive action around three key levers for change: 1) *Shifting power* in businesses; 2) *Building power* in BIPOC businesses through entrepreneur support initiatives and capital providers; 3) *Shifting culture* through shaping and driving narrative of ‘the business of repair’ that roots all of the above work in the historical narrative of the role of business over 400 years in creating racial inequity and advancing racial equity.

What is required to sustain the widespread adoption of racial equity standards, over the next decade? What is needed to support businesses on this journey towards true racial equity? What is needed to support the organizations leading the effort toward this wholesale business transformation? How do we develop a meaningful and growing business constituency for the policy changes that are needed to drive racial equity? For if this constituency remains indifferent, let alone oppositional, to the substantive policy changes needed, the range of efforts, no matter how impactful individually, will remain piecemeal and subscale.

This work is about driving the widespread *adoption and integration* of standards through all markets—being clear about and developing a shared framework for what “good” looks like. About aligning consumers, workers, investors, business leaders behind a bold goal for racial equity, for the next 10 years, similar to the “Net Zero by 2050” campaign in the climate action space. This is not about appointing a handful of BIPOC leaders to corporate boards—but rather, about mainstreaming the clear performance standards that lead to equitable outcomes and the policy changes needed to sustain this transformation.

There are a host of effective efforts already underway to achieve these goals; but all are relatively under-funded or beholden to annual grantmaking cycles that make long-term planning and focus challenging. There is a need to better understand how “all the pieces of work currently underway fit together. For us to be more coordinated than we already are. We need to fund this movement--and fund it for the long term,” observes Mahlet Getachew, Managing Director, Corporate Racial Equity & Legal, PolicyLink.

This need for more visibility, connection and coordination is echoed by Jay Coen-Gilbert, CEO of Imperative21. “There’s so much important work happening to drive racial equity in the business and financial realms but I’m not so sure it’s all connected to each other. There’s a need to sense, link and support key actors in a way that doesn’t exist now.” Connecting change activities across different spheres of influence and providing the fundamental infrastructure for sustained activity in this space is critical and what this idea will focus on.

BARRIERS THIS IDEA WILL ADDRESS:

- **Legacy systems and culture of white supremacy** undermine our democracy, our economy, and our humanity. These structures were built intentionally, and they largely remain largely intentionally, or with an increasingly willful ignorance or indifference.
- **Oppression economy:** racism is made profitable through the theft, exclusion, and exploitation of people of color.
- **White peoples' reactions to truth-telling** about the history and ongoing reality of the United States and racism
- **Structural barriers which create advantages for white-led businesses** and disadvantages for businesses led by Black, Indigenous, and other People of Color.
- **Inadequate social movement engagement** with the full range of demands upon the capital markets, systems of finance and corporate governance.

Risk Horizon Project: Framing Business Risk of Social Inequity and Harm to Nature

- **GOAL:** Focus on the risks due to social inequities and environmental degradation, that now appear on the “horizon,” to drive private sector behavior. Develop the research and tools to integrate “costs” associated with social instability and ecological crises into mainstream risk and financial analysis for companies and their investors. Help build the business case for business risk around these issues which to date are not connected to risk management frameworks. This will help revise the construct of financial materiality to reflect the full spectrum of risk factors to move towards a more just and equitable future.
- **PROPOSED INITIATIVE:** Establish a multi-year agenda to translate academic research and the evolving legal landscape into business and investment risk frameworks. Engage and support a cross-discipline team of the best academic researchers, legal practitioners, those working on inequality related disclosures, and organizations advancing studies around systematic risk to deepen and fast track the research, rationale, metrics that integrate inequality and inequity factors into financial analyses and investor landscape.

We can see an analog to this idea in the environmental movement’s traction to demonstrate the financial risk posed by climate change, and which has motivated significant private sector activity to address this issue. This traction has also created the conditions for activists and outside game actors to influence business and investor behavior to drive change. A remarkable example of movement in this realm can be seen in the recent proxy battle between ExxonMobil and activist investor firm Engine #1. The “little engine that could” was able to demonstrate the financial risk to ignoring climate realities; and to build this case in the language of fiduciary duty, which made it impossible for shareholders to continue to ignore.

Engine #1 successfully recruited Exxon’s biggest institutional investors (Blackrock, Vanguard, State Street) as well as “retail” investors across the nation through a deliberate communications and engagement strategy. They convinced a majority of the shareholders that the corporation’s failure to develop a long-term strategy with concern for climate risks, while not a “crime,” was a risk to Exxon’s bottom-line and a violation of the corporation’s fiduciary duty. The firm’s actions succeeded in removing and then replacing three Exxon board members.

Due to the lack of connection between business risk, social inequities, and environmental degradation, there is much less private sector activity to respond to these systemic issues. Other systemic environmental issues exacerbated by our current economic system, such as biodiversity collapse and damage to nature, are not getting sufficient attention or action. An emerging global conversation and development of a legal framework around the concept of “ecocide”—from Pope Francis to Greta Thunberg to Emmanuel Macron--asks the profound question: [Should killing nature be a crime?](#) This kind of reframe--radical and reasonable--is paving the way for a world in which the destruction of the environment is recognized by international criminal law and treated as a crime. It’s a conversation that’s moving out of the fringe of the environmental movement and being discussed by leaders across the globe: with the government of France now consulting with experts on how to incorporate ecocide into French law. With Belgium’s two Green parties having introduced an ecocide bill, to name a few areas of

traction. This evolving legal landscape and the risks associated with it need to be channeled to influence investor behavior.

In this same vein, we need a similar reckoning and development of potential pathways to approach issues that embody systemic risks to companies' long-term viability--such as racial equity, poverty, and wealth inequality. The market cannot currently quantify these risks through business-as-usual analyses that matter to most financial leaders. This idea will build off the momentum of effort that propose fast-tracking the research and frameworks needed for a different kind of "business case."

Barriers this idea will address:

- **Cultural/mindset barrier about how we define progress/success**, (at country, business/investor, individual levels); money, profits and short-term objectives drive almost all decisions across the economic system
- **Lack of consciousness about money**--people rarely think about the "purpose of money"
- **Current culture/values that define the sole purpose of business** to create profit for shareholders
- **Shareholder primacy about how we define progress/success**, (at country, business/investor, individual levels); money, profits and short-term objectives drive almost all decisions across the economic system
- **Materialism that reinforces the value of wealth and possessions** over well-being and belonging

APPENDIX A

In developing a shared vision for the future, the team strove to move beyond general and well-used terms such as “inclusive,” “equitable,” “just” in describing a “better” economic system. As well as create a high-level picture of an aspired future, (page 12), they also created a deeper perspective on how a better system will manifest through seven dimensions outlined below: what good business looks like; what good 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>

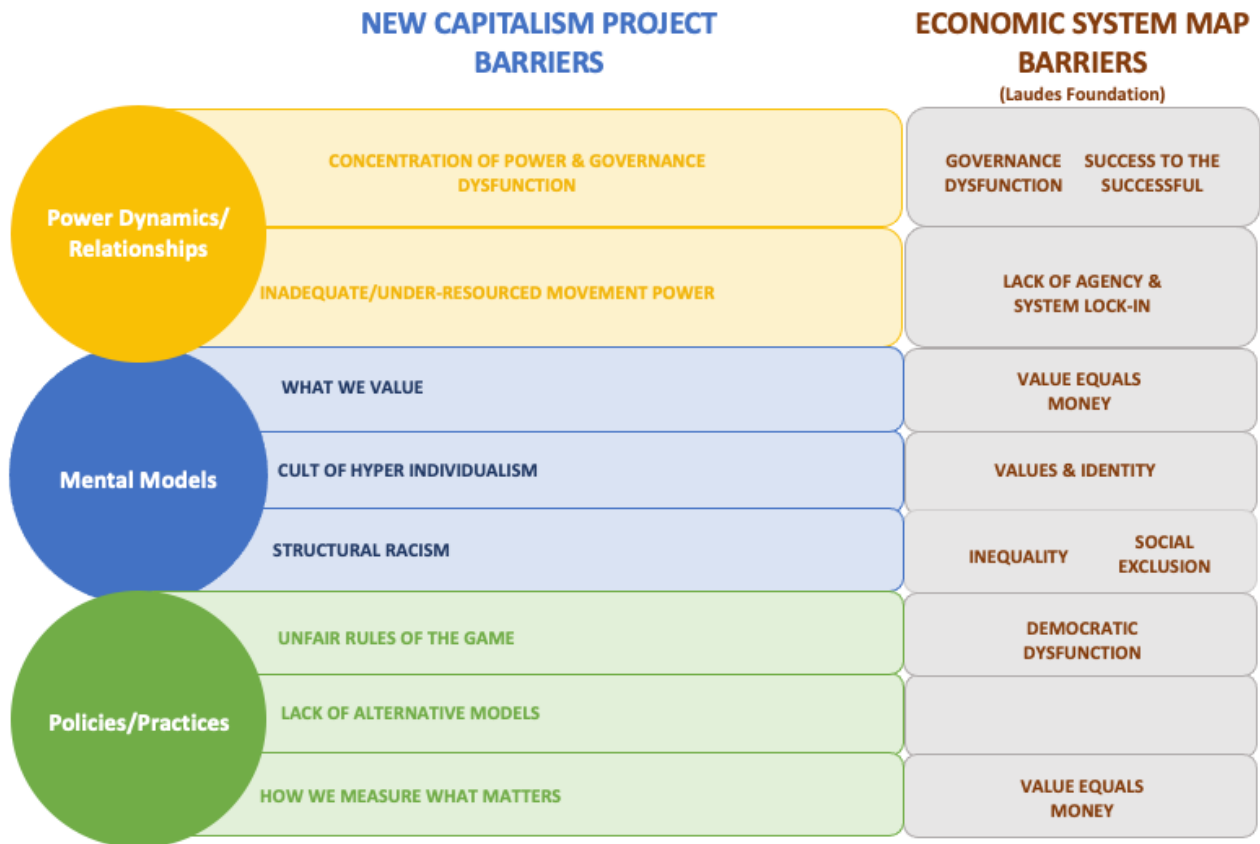
<p><i>What working peoples' voice and power looks like.</i></p>	<p>Labor and capital are equally valued. “Worker investors” are equal in importance to capital investors in corporations and industries. Workers reap the benefits of their labor, are valued for their economic contribution, and compensated 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>

<p><i>What business engagement in politics looks like.</i></p>	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>
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APPENDIX B

After the design team identified their set of key barriers, the Laudes Foundation released its Economic System Map. We welcomed the uncanny and almost identical framing between the key barriers the NCP team identified with those from this global effort, with consultation from over 200 stakeholders. The Laudes map highlights “ten structural issues for exploring the underlying patterns and mindsets contributing to natural system breakdown and inequality,” as their useful [interactive website](#) states. We found that eight of their [identified barriers](#) mapped almost directly to the eight identified by the Design Team. While using slightly different words, and categorization, they illuminate similar challenges. **We see these sets of barriers serving as important guides for focusing and organizing field-level interventions going forward.**

Seeing Connections: Mapping NCP Barriers with Laudes Economic System Map Barriers



Excerpted Descriptions of Laudes Economic System Map Barriers

GOVERNANCE DYSFUNCTION	The current economic system is characterized by a dilution of many governance mechanisms aimed at keeping businesses, investors, and other parties accountable to society. As a result, bad policies, inequitable incentives, and unjust practices have promoted the interests of certain parties over others.
SUCCESS TO THE SUCCESSFUL	Competing parties start off, in principle, on equal terms. As one group gains even a small advantage, resource allocation begins to favor that entity resulting in rapid skewing of capital flows towards their success. This dynamic is structural and influences the workings of the system—creating and enforcing a tilted playing field with unequal conditions for stakeholders across the system.
LACK OF AGENCY & SYSTEM LOCK-IN	The difficulty and complexity in changing a system that suits so many. It is protected by laws, regulations, software, informal and formal roles but also by the pervasive and traditional values inherent in organizational and societal structures. These systems are rooted deeply and are interconnected, multi-layered and can be hard to access for those outside an inner circle.
VALUE EQUALS MONEY	Money, profits, and short-term objectives drive almost all decisions across the economic system. Mindset which equates value with: 1) GDP (on a country level), 2) profit (on a business level), 3) personal possessions (on an individual level). In this system, people, and societies, as well as underlying issues pertaining to wages, labor rights, working conditions and the natural environment are deemed less important.
VALUES & IDENTITY	We have become increasingly materialistic and individualistic, favoring immediate gratification and the appearance of success, which is usually rated in terms of material wealth. There is less consideration of the cost of success, especially when it comes to nature or the wellbeing of others. The idea of "me first" unfortunately usually means "others second" or even "last".
SOCIAL EXCLUSION	The process in which individuals are blocked from (or denied full access to) various rights, opportunities and resources that are normally available to members of a different group, and which are fundamental to social integration and observance of human rights within that group.
DEMOCRATIC DYSFUNCTION	The lack of leadership and failure on the part of governments to balance the dynamics driving inequality and natural system breakdown. Shortcomings, loopholes, and outdated policies in the democratic system are now being leveraged and aggravated by those who want to either maintain the status quo or are interested in polarized or extreme views.
INEQUALITY	Inequality: the state of not being equal, especially in status, rights, and opportunities.