

Aligning Action to Reimagine Capitalism

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Aligning Action to Reimagine Capitalism

BY ANNA MUOIO, AMIT BOURI AND CHRIS JURGENS

The unrelenting crises of the past year have revealed that many of the systems we rely on, whether health, education, political, or economic, are failing the majority of Americans they are meant to serve. Joseph Schumpeter's "gale of creative destruction" has blown beyond the bounds of our economic structures to upend every aspect of our lives. It is hard to see silver linings in storm clouds. But even amidst the tragedy, hopeful renewal is sprouting, fueled by a shared urgency and collective commitment to forgo simplistic, short-term fixes to what are increasingly recognized as systemic failures.

People and organizations are finding ways to work together to match the scale of the problems at hand. Many of these efforts are driven by a simple but powerful question: How can we move from isolated interventions to aligned action, so that we accomplish more together than we could by working alone? That collective action is exactly the type of problem-solving that intractable, inextricably-linked problems require. And it is exactly the approach a group of leaders and funders is undertaking for one of the thorniest and most complicated problems of all: reimagining the capitalist system that so many now acknowledge is fundamentally broken.

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, so that it responds to the greatest challenges of our time. 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; grassroots and advocacy organizations 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.

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The New Capitalism Project (NCP) was launched as an effort to explore how these diverse stakeholders, who have shared goals in building a more just, inclusive, and equitable economic system, can better align their work aimed at driving systemic change. The goal of meaningful movement toward a transformed economic future is what brought together the three of us from our various backgrounds in social impact and impact investing to push for progress. In order to help guide the first steps toward that ultimate vision, our early collaboration on the New Capitalism Project has worked to better understand our present starting point.

The initial phase of the NCP launched in February 2020, a few weeks before the world shut down due to Covid-19. Its goal was two-fold: First, we sought to make sense of the range of activity and leaders working on the frontlines of shifting to a better economic system. We wanted to help field leaders and funders alike answer questions such as: What is the current landscape of organizations focused on building towards a new capitalism? How does my organization fit into a broader ecosystem of change? Does the current state of activity risk fragmentation and diluted impact? Are there key partnerships to pursue in order to accelerate and amplify impact?

The second goal of NCP's initial phase was to test the timbre of shared intent among individual leaders and to bridge any perceived differences in ideology and organizational theories of change. Ultimately, we hoped to determine whether more thoughtful coordination could lead to more meaningful impact among organizations that work with the business and investor groups to generate change and who are thinking about broader economic system shifts. So, we began asking: What does it mean, and what would it require, to foster deeper coordination that moves beyond single-point solutions? Often, the biggest obstacle to this pivot is creating the time, space, and capacity for leaders to pursue a different kind of dialogue about the future and what is needed to get there.

First, we interviewed eighteen leaders, all of whom are already working to shift the norms, behaviors, and practices of business and investor groups. This included leaders from the fields of impact investing and sustainable business, as well as people from the fields of racial and economic justice, grassroots organizing, and labor and worker organizing. We worked to engage them each in a deep dialogue to more

fully understand their perspectives on how the current economic system is failing, their aspirations for a “new” system, and the opportunities and challenges to get there.

As you might expect, there was no shortage of ways that leaders articulated the fundamental problem with status quo capitalism. Stakeholders framed a market characterized by the increasing concentration of economic power, which distorts political power and leaves capitalism “uncontrolled,” “out of balance,” “short-sighted,” and “with misaligned incentives driving destructive behavior.” At its very core, many saw an inextricable link between the broken economic system and issues of power and race. As one said, “You can’t have a meaningful conversation around finance without talking about power and race.”

Through this kaleidoscopic view on the nature of the problem and the ways it can be addressed, we gained valuable insights into the broad landscape of those reimagining capitalism. From there, we developed a set of viewpoints, productively inaccurate provocations, that help illuminate a path forward to explore collective action.



Illuminating different perspectives on the future



"It's not just semantics. People do mean different things."

Organizational Levers

Understanding organizational approaches to change



"We need to understand where and how to work with others to achieve our objectives."

Who is Influencing Whom

Surfacing influence strategies and ecosystem of actors



"We're all drawing on the same pool of CEOs and asset managers and may not actually be moving the ball. If each is left to develop separately change will be slow and much less likely."

Movement Ecology

Mapping a diversity of approaches



"The reality is you need them all."

Visions for the Future: A core theme of our consultations with field leaders was understanding the future vision of capitalism they were aiming for, which revealed much about different organizations' problem definition, theories of change, and visions of success. The leaders we spoke with and the organizations we researched are all working towards some version of a different and improved economy. To describe

it, they used words like: inclusive, sustainable, equitable, regenerative, just, multiracial, restorative, conscious, circular, solidarity, wellbeing, and liberation. While each term implies that we achieve something “better,” we found a lack of definitional clarity or consensus around terminology, as well as differences in what it means to achieve said future. As one leader framed it, “It’s not just semantics. People do mean different things.” Developing a shared sense of the possible connection points – that is, where the futures may align and where they are distinct – will be an important next step in order to construct any transformational paths forward.

Organizational Levers and Tactics for change: Our work surfaced a range of perspectives on what level of overhaul the economic system needs, in what manner, and under what timeframe. What began to surface is a spectrum of activity spanning from collaboration to confrontation, from co-creating change to forcing change. From these valuable set of diverse approaches, however, an important set of questions emerge: Is the field overly focused on one “lever” for systemic economic change at the expense of others? Can these actors arrive at a more coherent and explicit division of labor? Can we increase coordination among organizations working on the same “lever?” To drive meaningful progress, we will eventually need to develop a clearer picture of who is working where, and why.

Influence Strategies: Leaders revealed a range of stakeholders they believe are critical to target in order to gain momentum for deeper change. Again, here we were able to generate a series of questions with field-level implications: Are there opportunities for refocusing efforts on certain stakeholders, where new leverage may reside? If so, who within the ecosystem is targeting them? Eventually, answers to these questions will help ensure that influence strategies are both effective and efficient.

Movement Ecology: In any field in which systemic change is in play, there will always be a diverse set of actors fueled by different articulations of the problem and different theories of change. Organizational interests may be complementary, competitive, or even in conflict. Resources will be distributed unevenly, creating competition that can thwart more strategic coordination. That possibility is a cause for concern because we know that complex challenges require strategic coordination. We mapped the 90 organizations we researched according to the Ayni

Institute's Movement Ecology Framework which helped both funders and practitioners alike start to ask: How does my organization fit into a broader ecosystem of change? How does our effort work in relationship to others? Are there key partnerships to pursue in order to accelerate and amplify impact? Where is the right place to direct efforts or funding?

The goal of this initial sensemaking was not to rush to a set of recommendations, but to generate understanding of the current landscape and to surface the critical questions that a group of committed leaders can continue to deliberate and explore. That said, the initial phase of work surfaced a few key takeaways:

- First, it fueled a collective sense that we may be approaching a “tipping point” for real change, revealing an opportunity to harness the growing momentum and movement towards shifting our economic system.
- Second, that there is appetite from diverse field leaders to work together to explore avenues for aligned action.
- And third, any plan for action will benefit from bringing together diverse perspectives that cut across different worldviews and constituencies; that dialogue and learning across ‘silos’ generate the understanding, insight, learning and opportunities that become the critical fuel for aligned action.

As a result, the next phase of the New Capitalism Project is underway. We have mobilized a diverse group of leaders and funders who occupy different realms of the change ecosystem, with different frames of the problems and different ideas of the solutions needed. This design team will work together in 2021 to co-develop a plan of the most important and integrated actions to accelerate field-level change and guide philanthropic investment to move towards a reimagined capitalism.

Ultimately, the spirit guiding the work of The New Capitalism Project is about tapping into the power of a diverse “we” and finding places where individual effort can yield to aligned action. In this way, we see the effort as fostering community alignment toward a more inclusive, more sustainable future. That vision was perhaps best captured by one of the leaders we interviewed, who asked: “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?”

That bridge-building and forging connections, grounded in trust among people doing the hard work of change, is central to any system-shifting effort; and is the type of work that is needed now more than ever.

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