



A Better Game: Making money and meaning in the modern economy

Synthesis of the ALT/Now Program, 2016

They do not just want to play the game better,
they want to play a better game.

BANFF
CENTRE FOR ARTS AND CREATIVITY



1. Searching for a Better Game

Many people feel the economy is not working for them. Too many people feel left out and left behind, insecure and over-worked, struggling just to make ends meet, living paycheque to paycheque. The political and economic status quo is under immense pressure across the developed world. The promised benefits of globalization, flexibility, and innovation are not flowing strongly enough for many who feel their livelihood, identity and community are vulnerable to change. A generation of economic policies has delivered only spasmodic growth which is unevenly distributed. We know how to regenerate cities with strong service economies but not the rural and former industrial towns which face seemingly terminal decline. The centres of our cities can boom with rising property prices and a carnival of consumerism, while many living nearby feel squeezed out. We know how to generate jobs, yet those without higher education and skills feel their position in the labour market is increasingly precarious, their wages stubbornly stuck.

It is not for want of trying nor lack of effort. Many people feel the economic odds are stacked against them because despite studying, working hard and trying to save they still struggle to keep their heads above water. That struggle is widely expected to become even more difficult in the years to come with the advent of artificial intelligence which could displace thousands of people from routine jobs.

A growing constituency of economic policy-makers, business leaders, social entrepreneurs and ordinary people feel the rules of the economic game need rewriting so that growth delivers shared prosperity. Moments such as this, where there is profound uncertainty and when the old rules of the game no longer seem to work, are also moments of opportunity to rethink. The breakdown of trust in established institutions and economic models is also an opportunity to breakthrough to a new order.

Most people want help so they can play the current economic game better. They want to be upskilled for jobs that feel less insecure and which yield higher incomes. They want affordable homes in safe and supportive communities. To achieve that they need to play a better game, one which is designed to work with them rather than seemingly hinder them. And increasingly people want not just more money, but more meaning in their lives. They want prosperity with a purpose, so working hard does not come at the cost of unraveling families and relationships and competing in the global market does not mean undermining the local economy on which those relationships depend. The challenge is not simply how to generate more economic growth but how to create something better and different, an economy designed to underpin quality of life for all.

That is the message of the ALT/Now program which brought together a clutch of creative and committed Canadians to come up with practical business ideas for creating a better game: an economy that generates shared prosperity for all because it builds on the contributions of all.

Creating the “better game” will involve rewriting the rules of the economy so it generates broadly based, mutual gains across the income spectrum. Those new rules would bring with them new relationships and business models, flows of resources, and solutions that work for people who need innovation in the fundamentals for a good life: secure incomes from better jobs with locally rooted businesses which support local supply chains; better ways to save; affordable housing and childcare, pensions and healthcare.

That is why the projects the ALT/Now program has created are both small and big at the same time. ALT/Now entrepreneurs are not utopian: they seek to solve real, everyday problems facing many Canadians. Yet their solutions embody the principles of a better market economy that works with people to create a shared prosperity; one that is deeply rooted because it builds up the long-term assets of sustainable local economies and fosters a sense of belonging. Some examples make the point:

Kira Gerwing wants to rewrite the rules of the real estate game so that commercial property developers have an incentive to provide a genuinely affordable housing in the heart of cities.

Carolyn Davis wants to devise an alternative to payday loans, to rewrite the rule that says poor people pay more to borrow. RJ Kelford and Monica da Ponte are both exploring ways for people on limited incomes to build up savings.

Devon Carr and Thérèse Regenstreif are exploring ways for people working in the “gig” economy to feel more secure, rewriting the rule that says flexible work spells insecurity.

All 21 entrepreneurs started by asking “how might we?” change the economy in fundamental ways (see next page).

We urgently need new models like these because Canadians from across the country told us they feel as if they are playing a game where they are perpetually at a disadvantage. For many people the modern economy is unaccountable and unequal while also delivering to them stagnant incomes. There is little wonder that many feel let down and fed up. If people feel they are always on the losing side, it should be no surprise that they turn their backs on conventional solutions and mainstream politics. If politicians and government, big business and policy-making elites neither understand nor address their needs, then populism will all too easily fill the void.

To address Canadians' needs the economy needs to be remade from within to generate better outcomes. That means creative, system-wide solutions which make the economy both fairer and more productive in the round. That will mean looking after our natural resources more carefully while making the most of our limitless human, social and creative resources. Here Canada has a special opportunity.

Canada has not been immune to the rise in inequality in the developed world amidst persistently slow growth in the aftermath of the 2008 financial crisis.

Yet Canada is far from the worst case.

Just as importantly, the research done by the ALT/Now cohort confirmed that Canadians have a rich array of traditions and resources to draw upon in devising better solutions, including: Indigenous values of interdependence and reciprocity; the strong sense of social cohesion amidst diversity which animates Canadian urban centres; the improvisational ingenuity of young people working in the gig economy, and the down to earth spirit of practical problem solving which runs through Canadian culture. Canada has an array of local and civic organizations already working away at these problems from Community Foundations and Credit Unions, to Community Land Trusts and associations of the self-employed. More large businesses such as Suncor and RBC are seriously pursuing models of shared value creation and sustainable growth. Social actors such as the United Way have been doing painstaking work with coalitions of business to make the case for a living wage. Social impact investors are searching out new areas of growth among social businesses which generate both financial and social returns.

Canada has an opportunity to bring together these ingredients, old and new, to create an economy which will serve all Canadians and which could provide a model for people who want to rewrite the rules of the game.

Canada remains a shining example of an open, tolerant, multi-cultural society which promotes immigration as well as a strong sense of pride in place. Canada is an open yet rooted economy. As Canada prepares to celebrate its 150th anniversary, now is a particularly good time to take stock and to explore how the future economy can draw on the thinking and traditions of the First Nations– the oldest ideas of an interdependent, patient and reciprocal economy may yet provide the most fruitful.

Let's start with why the current economic game is not working for most people, who feel they are perpetually on the losing side.

PARTICIPANT CHALLENGES JAN – SEPT 2016

POWELL RIVER

How might we broaden participation in the benefits of meaningful financial, business, and capital asset ownership? / Sean Melrose

VANCOUVER

How might we have housing developers who build projects that distribute broader benefits to more people? / Kira Gerwing

How might we reduce child care costs of the middle class through mutual reciprocity? / Meseret Taye

How might we evolve social enterprise to move from supported employment to supported entrepreneurship? / Kiri Bird

How might we drive demand for land / real-estate projects that benefit all stakeholders? / Dawn Bowles

How might we enable people to move between means of earning a livelihood, sustainably? / Devon Carr

WEST VANCOUVER

How might we ensure over-representation of indigenous people in tech entrepreneurship? / Denise Williams



CALGARY

How might we provide the financially underserved with ways to borrow and save so that they improve financial stability? / Carolyn Davis

How might we make employee ownership the obvious choice for business succession? / Seth Leon

How might we unlock capital to help tackle economic inequality? / Tracey Wood

How might we enable groups of people to take a shared approach to financial flourishing? / Denise Hearn

CARDSTON

How might we capture and recycle more spending in local communities? / Steve Pedersen

OWEN SOUND

How might we stimulate an economically diverse rural community? / Francesca Dobbyn

TORONTO

How might we improve information flows to enhance the agency of precarious workers? / Thilo Schaefer

How might we help Canadians build economic resiliency? / Monica Da Ponte

How might we build financial resilience in young adults? / RJ Kelford

How might we support entrepreneurial development and job creation amongst the immigrant community in a sustainable way? / Christine Stanchus

How might Indigenous place-making become the norm for defining our public places and kickstart Indigenous industries, technologies, and employment? / Calvin Brook

HALIFAX

How might we unleash the catalytic power of philanthropy in rural spaces? / Angela Bishop

MONTREAL

How might we enable people to embrace erratic income? / Therese Regenstreif

OTTAWA

How might we enable wholesome food to be a normal part of life in the squeezed middle? / Karen Secord

2. Inequality Hurts, Everyone

Inequality - the gap between the richest and the poorest - has risen in all developed countries in the last two decades. Canada is by no means the worst case, but nor is it the best. Rising inequality is why the economy is not working well for many people: too few people in the middle and at the bottom gain too little from growth.

The gap between the richest and the poorest Canadians has widened. Between 1989 and 2013 the income of the top 20% of Canadian households rose by 37%, while the bottom 20% saw their incomes increase by only 9%. The incomes of the middle fifth of households rose by 23%, higher than in many other OECD economies.¹

Those trends, which affect all Canada's provinces, are leading to a growing polarization, most evident in many Canadian cities. Toronto in the 1970s was a mainly middle-class, middle-income city, with pockets of wealth and poverty. Now it appears to be a city of extremes, with the rich and the poor living cheek by jowl and very little room left for those on middle incomes. For many Vancouver paints an even starker picture. Vancouver's downtown property market is one of the most over-heated in the world, yet poverty has risen in its inner core.

Toronto and Vancouver might be special cases. More worrying perhaps is the growing gap between the incomes and wealth of those large cities and people rural towns which has only widened.

Inequality in incomes and housing is leading to a widening wealth gap. The wealth of higher income households is growing faster than any other group. The top 10% of Canadians own almost half (47.6%) of all wealth. From 2005 to 2012 their net worth rose by 42% while the share of the bottom 10% fell by 150%.²

Inequality is bad for all of society, not just those at the bottom who are the most immediate and obvious losers. Unequal societies tend to have worse health outcomes across the economic spectrum, and higher levels of stress and anxiety.

- Inequality is bad for social mobility as it becomes harder for people to escape poverty through study and hard work. That undermines people's belief that the education and jobs market gives them a fair chance of making something of their life.
- As inequality widens, so life expectancy falls; depression and obesity rise. That is true for the rich as well as the poor. Everyone's health and well-being suffers in a more unequal society.
- As communities become polarized by income and wealth, so it becomes increasingly difficult for them to summon the shared will and resources to tackle big shared challenges, from infrastructure to education, health, and the environment. That most hurts those people who have the least and who benefit from collective provision.
- At the extreme depopulation of rural areas and smaller towns with struggling economies can leave them struggling to sustain the social and physical infrastructure, from roads to schools, necessary for daily life.
- If democratic political systems do not generate better economic outcomes for the majority, then it should be no surprise that many people become politically disaffected and turn to non-mainstream parties of left and right. Extreme inequality can lead to polarized, unstable politics.
- Inequality is bad for economic growth. Widely spread growth in incomes creates broadly based demand driven by a large middle class. Unequal economies tend to be more unstable because they are too dependent on the demand of the well-off for luxury products; witness the overheated market for luxury and investment properties in city centres.

1 Source: Statistics Canada (CANSIM table 206-0032)

2 Source: Statistics Canada, Survey of Financial Security, 1999, 2005, 2012.

Rising inequality is the product of self-reinforcing negative dynamics which lead to the accumulation of income, wealth, and opportunity among the already well off. That is not because the rich are greedy. It is a function of how the modern economy works.

The growth of high-skilled, knowledge-based jobs which involve innovation and problem solving reward those with skills and human capital. The decline in middle income, manual, manufacturing jobs leaves people who have fewer skills dependent on low productivity, low wage service jobs. Their wages rise more slowly. Those differences are only likely to widen if automation threatens more routine jobs, including many white-collar jobs.

Initial inequalities in wealth and incomes are further entrenched through education and social networks, unequal access to housing and financial services such as pensions. People who have the skills and connections to prosper in the networked, knowledge-driven economy do well; those who lack those skills and connections find life harder. More segregated cities lead to less mixing, lower social mobility, and less social cohesion. The economic disparities between urban and rural, metropolitan and provincial are a reflection of these forces at work.

A democratic society based on mutual respect for the equal worth of all its citizens cannot remain healthy for long if its economy works against that by promoting growing inequality. Rising inequality undermines the quality of life for everyone. If inequality is neglected it will fester and provoke disaffection and dismay further down the road. At some point, those who feel marginalized and left behind by the current economy will make their presence felt. That should be one of the main lessons of the political tumult of 2016 in the US, the UK and the rest of Europe.

That analysis of the causes and costs of inequality provided the backdrop to the ALT/Now program. To start the search for solutions ALT/Now participants went to find out from scores of Canadians what they hoped for from an economy designed to help them live well.

3. Money and Meaning

In Richmond, British Columbia, Jessica, a 44-year old single parent, gave Meseret Taye an account of the good life that would strike a chord with many of the people ALT/Now interviewed:

“ Having a good life is feeling prosperous and not necessarily about wealth but being satisfied with what you have and living well within that.

Diverse and rich friendships, contributing to the world in a way that makes you feel like your life has been worth living and caring for the people around you and kicking ass when needed based on your values.

I've put a lot of thought as a single parent into how hard it is to make ends meet and the pursuit of money versus finding a way... you do need a certain amount to live a prosperous life with whatever means you have and sometimes that means adjusting what you're satisfied with instead of trying to increase the wealth and finding ways to get deeper satisfaction within what you have. ”

Meghan is a 26-year-old neuroscience graduate, living in Montreal and doing temporary work. She told Thérèse Regenstreif this is how she sees her future:

“ It's hard to imagine having kids; it must be so hard, I can barely feed my cat.

But if I do have kids then I would really hope for them to not have these sorts of weights placed on them, to not be indebted in the way we all have

been, starting off your life like you are set back - right from the beginning things are hard, things are not predictable, so I hope for them they don't have to do these sorts of jobs that aren't good for anyone which suck your soul just to make ends meet.

I hope that they can actually live, like, a really balanced and inspired life. ”

Meghan is not alone in feeling the economy thwarts her ambitions to live a balanced and fulfilling life.

Many like Nadia, a young indigenous woman living in subsidized housing in Toronto yearn for a sense of place, somewhere they can call home. She told Cal Brook and Denise Williams:

“ I left my community because things were bad there. Most of the people I know have also left and are here in Toronto. There are great services for Indigenous people here. You wouldn't know it but most traditional healers now live in cities because they aren't able to practice back home. I guess the city will be my home now - but it doesn't look or feel like our people have a place here. ”

People said they wanted a sense of place in part to give them a sense of purpose, especially in their work. This is what Robert, a Vancouver property developer told Kira Gerwing:

“ There's a reality that our economic system assumes that entire segments of society will be free and clear home-owners by 65, and that's not the reality for many people. Some people don't have any RRSP, no home, no savings - if you start looking at that, that's the sharp end of the stick if people aren't owning their homes. I want people to have good livelihoods - good jobs, affordable housing. At its core, I care about people. ”

That sentiment was shared by Augusto and Tina, street market vendors on Vancouver's Downtown Eastside who told Kiri Bird that work mattered not just because it provided them with money but a sense of dignity and autonomy.

“ I won't stand in a food line,” Augusto told her. “I want to buy my own food. I want to have dignity. I am here at 6:00 am every day, without fail, rain or shine. ”

Tina concurred:

“ This is bigger than just people selling crap, it's giving them hope. It's showing people they can be in charge of their life. ”

The interviews ALT/Now did with Canadians of all ages and backgrounds from all over the country revealed strikingly common aspirations.

The guiding theme is that while money matters they also want more meaning in their lives: a place to call home, a community to belong to, relationships that matter. How much they earn and how much they can save matters but better solutions cannot be delivered by a cheque in the post. It takes more than money. People want a sense of meaning in their lives, and some are prepared to trade money for meaning.

To provide meaning, they want their lives to have a narrative, a story about who they are and who they are trying to become. People want solutions that reduce instability and insecurity in their incomes because they want to make it easier to plan with a purpose for the future. That helps them to build a life animated by a story that they amount to something.

They want an economy that sustains relationships rather than straining them. The most obvious example is the escalating cost of childcare which takes a toll on families in which

parents need to work. Many young parents find themselves dependent on their own parents for help. Young people without those family networks find life more difficult. Of course, a successful modern economy is one in which transactions can be swift and seamless, made with the swipe of a thumb over a smartphone screen. Yet people also want an economy that supports good relationships, at work, at home, and in communities. That requires more stability, time, conviviality and deeper interaction.

People want an economy that fosters a sense of affiliation and belonging. The modern, innovative, open, global economy brings many benefits, but it can often feel distant and rootless. People also want a place to call home, to put down roots, to invest in, with others. They want a sense of belonging that comes from the way they make their livings because they have jobs with locally rooted firms, in a sustainable local economy, which feeds local supply chains as well as global. That is more difficult when the economy is so fluid and mobile; when so many rural towns are struggling to sustain themselves; when so many people are drawn to cities that are both dynamic and yet also increasingly polarized. People want an economy that works by building bonds of association, which becomes more efficient by making us more social, which rewards people for making the patient investment to put down roots.

An economy which delivers meaning and money to people would foster these three things: a sense that everyone has a narrative to their life; good relationships and community belonging. The Canadians that ALT/Now talked to are under pressure, but they are not despondent. They are resilient and adaptive, working hard and looking forward. They are trying to play the game better. But many feel as if they have taken that as far as it can go. They need a better game, which means rewriting the rules and changing the economy from the inside out.

4. Needs and Opportunities Aboard

Many Canadians are working harder, doing two and three jobs to piece together an income. Many others are learning to get by on less by sharing more, within families, across generations and with friends and neighbours. Young people especially want to take advantage of digital technologies that help them assemble solutions on the fly.

Yet time and again Canadians reported their capacity to play the game better was all but exhausted. They need the rules of the game to change to give them a better chance of success.

The projects created by the ALT/Now program are trying to show how that is possible, in two directions. First, by taking concrete business opportunities for new solutions which address the needs of people now. They are immensely practical. Second, by illuminating how wider systems of markets, regulations, social norms and public policy need to change to allow solutions such as these to scale. Change comes from a combination of places: from the grassroots up, with entrepreneurs developing solutions outside the mainstream, often in marginal markets; from lateral coalitions of the willing, which can bring in social movements of consumers, activists, and innovators; from endorsement by larger businesses and institutions, which throw their weight behind new approaches; and, finally, from enabling public-policy frameworks which create the space for new solutions to grow.

ALT/Now has deliberately started at the grassroots with entrepreneurs seeking out unmet need and opportunity. But these solutions will only succeed if they can catalyze wider changes to systems, markets, and norms. We are at the very start of this process of evolution as people start to recognize that the economic status quo is no longer delivering for many people.

The way the current economy is squeezing people, reducing their horizons and limiting their ambitions, creates a huge opportunity to devise better solutions which deliver more money and more meaning to people from all parts of the community.

ALT/Now took “making money and meaning” as its design brief to help our entrepreneurs narrow their focus on a number of areas of clear opportunity:

Making a livelihood in new ways:

- Helping people who have precarious incomes create a shared safety net through associations of the self-employed.
- Creating platforms to help micro-entrepreneurs gain more security through association.
- Reviving stranded rural economies through collaborative production and consumption.

Reducing the Squeeze on the Middle:

- Shared child-care networks for people in part-time work or with unpredictable hours.
- Communities growing and making food to bring people together and learn vital skills.

Helping people to build up assets:

- Building up wealth among workers through employee ownership.
- Digital tools that enable young people to save for life goals automatically via smartphone apps.
- Helping people develop financial literacy and resilience to get beyond living paycheck to paycheck.
- Providing alternatives to payday loans to help people who suffer monthly cash flow problems.

Helping people to afford decent homes:

- Creating new models for commercial developers to build residential developments with a mix of tenants, owners, prices and returns for investors.
- Co-dwelling schemes to allow people to better share limited resources.

Creating economically viable, diverse and integrated communities, for example through:

- Creating indigenous models of innovation and place-making.

The solutions ALT/Now is proposing are not revolutionary because they address what most people want: a secure livelihood, which gives them enough to save and plan; costs of living, especially for housing, food, and childcare, which are manageable; a decent home to live in within a diverse, safe, and integrated community. It is not rocket science. The fact that these seem to be beyond the reach of many people is a sign of how dysfunctional the economy has become.

ALT/Now entrepreneurs decided from the outset that our solutions needed to change the way resources flow around the economy by being demand-driven, rather than redistributing resources from the top to the bottom through state transfers. In that sense our solutions are market-based. Yet we quickly realized that this would require reshaping how markets work and in particular how resources flow through the community.

5. New Resource Flows

Canada is rich in resources: physical, material, human and cultural. Inequality is rising because there is an in-built tendency for too many economic resources to flow to and accumulate among the already wealthy.

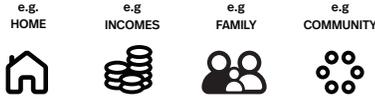
To create a better economy these dynamics need to change.

Economic System Dynamics and Resource Flows

POSITIVE MUTUAL GAINS DYNAMICS

SHARED FLOURISHING

ENABLED BY MUTUAL GAINS DYNAMICS



NEW SOCIAL BUSINESS MODELS



SHIFTS IN RESOURCE FLOWS



TO CHANGE DYNAMICS : CHANGE RESOURCE FLOWS

CHANGE ECONOMY FROM WITHIN

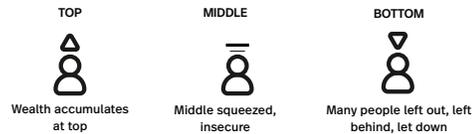


COSTS OF INEQUALITY



NEGATIVE ACCUMULATION DYNAMICS

CREATE DIVIDED SOCIETY



DRIVERS

DEEPLY INGRAINED REINFORCING
SKILLS & EDUCATION
SOCIAL NETWORKS
UNEQUAL STARTS
INTER-GENERATIONAL TRANSFERS
GEOGRAPHY

HIGH INEQUALITY

ASSETS
LIFE CHANCES
INCOME

NEGATIVE ACCUMULATION DYNAMICS

Our whole economy and society would be better off if resources flowed to more people. It is not just the poor and the middle that would benefit from that: the rich would too. It is not a question of taking from the rich to give to the rest but redesigning the economy so over time it generates a much more broadly based and deeply rooted shared prosperity.

One aspect of what we mean by a deeper shared prosperity: one built on a solid stock of shared assets. The other aspect of deeper shared prosperity is that economic life should support relationships, belonging and a sense of personal purpose. It should bring not just more money but more meaning to people's lives; it should not just be a stream of exchanges between rootless investors and consumers but one rooted in a sense of responsibility to place and community.

ALT/Now projects aim to change resource flows in a mix of four ways:

- **Open up** resource flows, so more people get access to them.

A good example is the way ALT/Now projects propose reforming housing finance and development to make homes more affordable for people on average incomes. Other projects open up access to jobs, insurance, and investment. The resources are there; it's just that access to them is difficult.

- **Share** resources so idle and under-used resources can be used more efficiently by more people.

For example, ALT/Now projects are looking at how people can share child care arrangements to provide a mixture of flexibility and security for parents with young children. Several projects explore what can be done to revive local, rural economies from the inside out. They build on Indigenous values of interdependence. The resources are there, but they are under-used because they cannot be shared in clever ways. ALT/Now projects bring people together to make them more efficient by making them more social.

- **Repurpose** resources which have been discarded or which are under-used.

ALT/Now projects rework and renew resources. They do not leave assets, communities, and people stranded by change but connect them up to the flows of resources that could revitalize them. They look for capabilities and strengths in communities that are often written off.

For example, one ALT/Now project is exploring how brownfield sites in inner city laneways could be redeveloped to provide affordable housing. The resources are there, but they are just under-utilised, written off or neglected. Bespoke, complex, resource intensive solutions are costly to maintain. ALT/Now uses the principles of frugal innovation to create simple, lean, clean and social solutions, which minimize claims on resources.

- **Grow** resources through more intelligent forms of investment and support for new ventures of all kinds.

For example, ALT/Now projects are exploring new forms of investment funds which would stimulate local and social economies, especially investments in learning and human capital. The resources could be grown in better ways through more intelligent forms of investment. Communities often have assets and capabilities that need a little more investment to bring them to life. The most obvious example is Karen Secord's food project which brings together schools, restaurants, and communities to grow and share food in new ways. ALT/Now is trying to encourage people to rethink what economic growth is, where it comes from and how we foster better quality not just greater quantity.

Canada is a rich and successful society, with plenty of resources. To create an economy which is more prosperous and more productive those resources need to be used more efficiently by being used more fairly. That means ensuring resources, in the broadest sense – money, skills, time, social capital, information, knowledge – flow around society to benefit the majority. That creates a stronger economy for everyone.

The next question is how to create real businesses which make possible these new flows of

resources. What would they look like if they provided housing, loans, childcare, food, transport?

6. New Business Models

We need business models that create new relationships, between consumers and suppliers, landlords and tenants, entrepreneurs and investors, employers and employees. Those business models must shift the way that resources flow through society to favour broadly based participation. That will only be possible at scale if we change the rules of the game – the norms, rules and public policy frameworks which govern markets and within which business operates. Our aim should be to foster business which is not about maximizing short term profits at all costs but exercising a sense of stewardship, helping to build a more locally rooted economy.

If we can create new resource flows, enabled by new business models, then we have a chance of creating market solutions which sustain shared prosperity.

The models developed through ALT/Now have five main features.

They thrive not on competitive advantage – their ability to out-compete the opposition – but through **complementary advantage**, which means working with others to create solutions. That means sharing value rather than controlling it. They recognize they often only have a part of a full solution, so they have to collaborate with others who have complementary components. They are expert convenors, bringing together alliances and coalitions.

This commitment to growing and sharing value with others leads to three other striking features of ALT/Now businesses.

They are **hybrid solutions**. They mix things up to create solutions that work. For example, Kira Gerwing's new approach to mixed housing developments provides investors and developers with commercial and financial returns while promoting social housing. RJ Kelford's digital savings tool uses new technologies to promote older forms of mutual networks and association. Many of the businesses aim to create economic, social and environmental returns. They are not just interested in profits.

They are highly **relational** and so participative solutions. They employ social technologies which make us more efficient by making us more social. They work by bringing us together, most evidently in Cal Brook's and Denise Williams' plan to create indigenous, urban spaces for economic regeneration and Karen Secord's effort to get families involved in growing the food they eat. They provide greater economic security by anchoring people in relationships and networks. These solutions are productive and efficient because they are social. They encourage people to participate and contribute, to work and to give, as well as to receive and enjoy.

They are **catalytic** solutions. They achieve their goals by catalyzing resources which are already out there but which need linking and connecting in new ways. Kiri Bird is working with low-income entrepreneurs to create more sustainable businesses. Meseret Taye is exploring how families can share resources for better child-care. They connect people who have spare resources to those who can use them more productively and efficiently. That means these organizations can potentially have a large impact without becoming large themselves if they manage to mobilize resources in other organizations.

The kinds of businesses we have in mind would embody an ethic of stewardship rather than profit maximization or shareholder value as their guiding value. No one ALT/Now project came up with this idea, but it underpins what most of them are striving to achieve.

Stewardship means taking a longer term, patient perspective on investment and growth, rather than seeking short-term, transactional gains. Stewards do not flip resources to make the

most money in the shortest time. They do not exploit assets to the point of exhaustion. Good stewards are mindful of the external costs their actions might have. Stewardship embodies an ethic of reciprocity: helping your neighbours is the best way to strengthen the value of your own property.

Stewardship implies a responsibility to care, nurture and grow resources for the long term. Stewarding finite, natural resources means limiting their exploitation to prevent their over-use. Stewarding human capabilities and culture means, on the contrary, unlocking their limitless potential. We should be aiming for an economy which is immensely frugal with natural resources but lavish and innovative in making the most of its creative and cultural assets.

Making stewardship central to the new rules of the game makes sense for a number of reasons.

Stewardship speaks to the Indigenous value of reciprocity, humility, patience and interdependence. Yet it also chimes with many current critiques of capitalism, not least from within the business community itself. Stewardship embodies the values of care which are important not just for the environment but also for the vital work that goes on within families. Yet stewardship is not anti-innovation at all: proper stewardship of our combined intellectual, creative and inventive capacities would enable innovation to flourish, especially in forms which do not have negative environmental consequences.

7. Changing Systems

Our solutions are demand driven: they respond to what people want. They will grow and spread because they help to solve problems. In that sense, ALT/Now's solutions work with the market because we believe we need to mobilize what the market is good at. The market is one of the most important systems that we need to change to make the economy work better. Businesses large and small, new and old are not the only protagonists in this. Investors, consumers, regulators, and policy-makers also matter in reshaping how markets evolve. We imagine that all will need to be involved in coalitions of change.

We want to utilize the decentralized experimentation that markets allow and which allows resources and investment to flow into solutions that attract demand. Even people we spoke to who are earning very little do not want hand-outs. They want to be able to stand on their own two feet. They want affordable products and services that are tailored to their needs. They want decent communities to live in which means those communities must be economically viable. They want jobs that pay.

We believe lasting solutions have to work with and through the market. Yet we need to reshape markets, so they work in a different way.

Markets can go wrong when too much power and too many resources end up in the hands of too few people. Companies can dominate markets for their own ends. Markets do not work well if there is too much debt and instability, insecurity and inequality; if demand is patchy and partial; if opportunities are not fairly shared. Markets work best when they are open and competitive but fair and responsive to need, where everyone has the same chances and information.

Markets are not created just by the raw dynamic of supply meeting demand. Markets are social and political institutions, which operate within a framework of norms and codes, laws and regulations. These can be remade to reshape how markets work and so to create different outcomes.

Entrepreneurs, moreover, do not just respond to demand, they can unlock and tap into it. The Walkman and the iPod were not a response to existing demand: they used technology to create

a market for personalized, mobile music.

Just as important, social movements often also create new ways for markets to work. The organic food market was opened up by campaigners turned entrepreneurs more than two decades ago. The way people are employed has been reshaped by anti-discrimination legislation which flowed from social and political campaigns. Environmental campaigners and entrepreneurs are working in tandem to remake the role of renewables in energy generation. Social movements can change values, norms, and behaviour and so reshape what is expected of how markets work.

Working together social movements and innovative entrepreneurs can create and shape new markets: they can rewrite the economic rules rather than playing within them. ALT/Now is just one part of a much larger mosaic of initiatives across Canada and outside in which entrepreneurs, businesses, investors, activists, and policy-makers are trying to make markets work better.

The time is ripe for this kind of system-level change.

Several factors need to come together for a system as complex as a modern economy to change, wholesale.

- The existing system must start to under-perform in ways that mean it loses legitimacy. Many people feel the current economy is failing on a number of counts, from stagnating wages to rising environmental costs.
- Viable alternatives need to appear, often in unusual niches. ALT/Now is just one among several efforts to spawn these alternatives in Canada and more widely.
- These new alternatives have to attract the resources they need to grow. That means attracting investment, both philanthropic and commercial, but also demand from consumers and resources in kind in the form of legitimacy, goodwill, reputation and social capital.
- Incumbent systems, which stand in the way of growing alternatives, need to lose their grip, start to break up and accept that they too need to change. People within these incumbent systems have to want to switch sides, to start to work with the new alternatives, which become the new normal, accepted way to do things. That is why it is important that people within established businesses are starting to raise questions about the future shape of the economy.
- The legal and public policy frameworks which help to keep systems entrenched need to accommodate and encourage change, whether that be new forms of business, ownership structures, forms of employment or kinds of investment.
- The entire system needs to be governed by a new sense of purpose enshrined in the new rules of the game. The most effective way to shift a system is to give it a new purpose to align around. That is the place to start, where the leverage is greatest. That is why the idea of stewardship is so important.

To **attract more resources** to these alternative solutions, we need to think laterally. It is not just a question of creating investable businesses that venture capitalists and venture philanthropists can put money into. The fundamental test is whether these solutions attract consumers and participants who want to buy their products and invest their time in their activities. Stewardship implies owners and investors should pursue strategies which do not seek to maximize financial returns but instead target a mix of financial, social and environmental returns. They need to build complementary advantages, encouraging co-investment by a wide range of partners.

Kira Gerwing's affordable housing model needs enough investment to unlock further investment from traditional, private sources. Monica Da Ponte's approach to promoting saving among people with limited incomes might spread fastest by piggybacking on existing services provided through Community Foundations and Credit Unions. Some of the financial and savings products envisaged on the program might best scale by being adopted by big banks who

want to develop socially responsible services. Cal Brook's and Denise Williams' approach to indigenous urban spaces will prove attractive to public / private regeneration partnerships. Karen Secord's cooperative food programs might scale more like an open source social movement, perhaps through schools. There are many ways these projects can spread and scale, without necessarily needing business investment of the traditional kind.

The more scalable these models are, the more people in **dominant systems** of government and business will become interested in exploring them as they too acknowledge (as many already do) that the status quo is not working.

As traditional institutions – from education to welfare and health, from banking to pensions and real estate, come under more pressure to change, so more people in these systems will want to learn from entrepreneurial alternatives.

Innovation invariably involves making new alliances, between public, private, philanthropic and entrepreneurial actors. Big institutions with credibility and clout need to be prepared to put their reputations and resources behind new approaches. They are vital allies in change.

Finally, a broad coalition will make it easier to rewrite **public policy frameworks** to encourage change.

At ALT/Now we wanted to start our work from the grassroots with entrepreneurs devising solutions to the needs people have. We wanted to encourage action and initiative. Yet virtually every project on the ALT/Now program requires a corresponding shift in public policy to allow them to come to fruition, for example governing precarious work, employee benefits and minimum wages; over community ownership of land and forms of mixed tenure.

8. The Canadian Model

In 2013 Nobel Prize-winning economist Joseph Stiglitz said:

“ I see us entering a world divided not just between the haves and have-nots, but also between those countries that do nothing about it, and those that do. ”

Some countries will be successful in creating shared prosperity – the only kind of prosperity I believe is truly sustainable. Others will let inequality run amok.”

Canada has a prime opportunity to be one of those countries that does something about the threat of division posed by inequality. In the wake of the US elections that opportunity is also a responsibility, to show there are different and better ways to run an economy and develop a diverse, fair society.

Canada can show how to create an economy which is open and dynamic yet rooted and inclusive, an economy which delivers not just more money to more people but more meaning in terms of belonging, relationships and purpose. At the heart of that will be an ethic of stewardship which will govern the way resources are used so that more people have opportunities to take part.

We are richer than ever and live longer lives than any previous generation. We are blessed with an abundance of technology that makes our lives unimaginably easy and comfortable compared to only 50 years ago. We are more educated, connected and literate.

Yet the world seems more fragile, contested, unequal, uncertain and volatile. Too many people feel they are living on the edge of a precipice, as if what little they have could be taken from them at any moment. More challenges are just around the corner. Artificial intelligence and machines that can learn fast could displace many people from routine jobs. The environment



continues to degrade at an alarming rate. Climate change, rising sea levels and competition over resources could provoke more tension, conflict, and migration. Political systems in many countries are in turmoil. Authoritarian, nativist, and populist leaders are on the rise in many parts of the world. There is no room for complacency and increasingly no reason to think the status quo will hold. Things we might have once taken for granted – the rule of law, the spread of democracy, the power of multilateral institutions to govern the world order – can no longer be relied upon. Many people, understandably want to respond to these challenges by holding more tightly to the status quo. At ALT/Now our conviction is that we need new solutions and new thinking which go well beyond conventional wisdom.

We need an economy in which people come first, in which people can make a decent living doing work they feel proud of and as part of a community to which they belong, which is open to outsiders and celebrates difference. Effective solutions need to be written into how we work and save, how we look after our children and put food on the table, where we live and how we make our homes. Canada can lead the way in building a true next generation economy, one organized around an ethic of stewardship and shared prosperity.