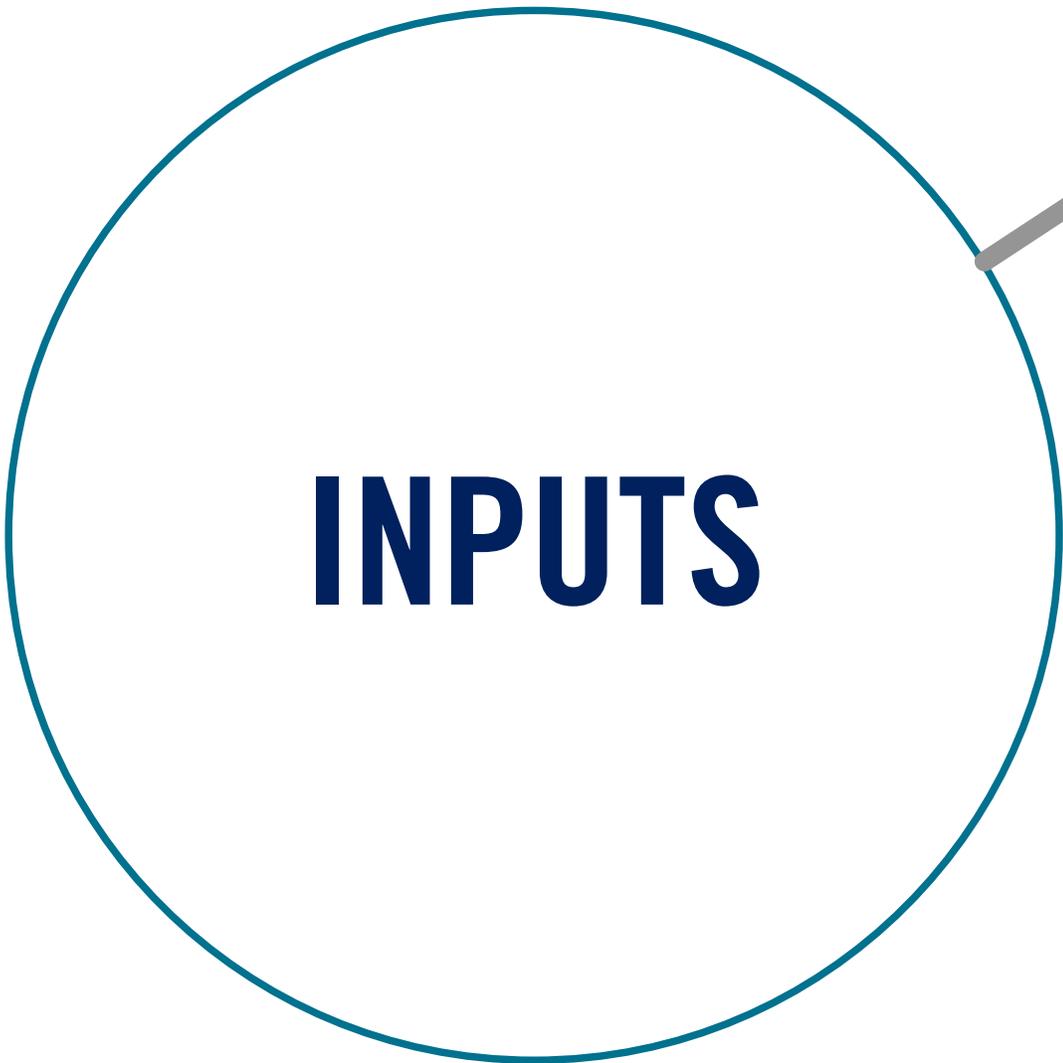






# A THEORY OF



# CHANGE FOR ACHIEVING

**ACTIVITIES**

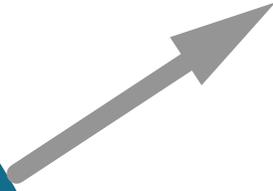


**OUTPUT**

**EVING DEMOCRATIC**

**OUTCOMES**

**OUTPUTS**



# ECONOMIES



**IMPACT:  
DEMOCRATIC  
ECONOMIES**



# A THEORY OF CHANGE FOR ACHIEVING DEMOCRATIC ECONOMIES

## INPUTS

- Commitment
- Coordination
- Creativity
- Curiosity
- Economic resources
- Human resources
- Interest
- Participation
- Purpose

## ACTIVITIES

- Building community
- Educating
- Engagement and advocacy
- Experimenting with new models
- Learning
- Research
- Social entrepreneurship
- Socially responsible investing
- Strategic litigation

## OUTPUTS

What are you doing to help society democratize the economy? Tell us about the contribution of your business, network, organization, university, etc.?

@ProjectPoder, #NewParadigm

- Communities of practice
- Community-based economies
- Innovative business models
- Multi-stakeholder partnerships
- New knowledge about democratic economies

- New rules of the game
- Strong institutions for corporate accountability and transparency
- Triple bottom-line investment
- Updated pedagogical approaches

## **OUTCOMES**

### **CIVIL SOCIETY AS ACCOUNTABILITY GUARANTOR**

- Civil society actors are organized around an objective of guaranteeing corporate accountability and transparency;
- Civil society actors are strong, numerous, informed;
- Civil society actors think creatively and strategically, effectively using existing mechanisms and possibly creating new mechanisms for ensuring corporate accountability and transparency.

### **STRENGTHENED DEMOCRACY AND RULE OF LAW**

- Civil society actors have official status to function as watchdogs against state capture by the private sector;
- There is transparency about the overlap between the public and private sectors, including how businesses and investors affect public decision-making;
- Business transparency is mandated and enforced by law, and governments compel disclosure of companies' social and environmental liabilities;
- Laws require businesses to respect human rights and adhere to standards of corporate accountability;
- Enforcement mechanisms provide strong incentives for compliance with corporate accountability standards.

### **RESPONSIBLE FINANCIAL INDUSTRY**

- Regulation curbs socially harmful speculation and enforces better risk management;
- Investors adopt and adhere to the highest standards of transparency with regards to their investment activities;
- Investors abide by the highest due diligence standards and commit to protecting and respecting human rights, and remedying human rights violations for which they are responsible.

### **SUSTAINABLE BUSINESS**

- Business reporting in the public interest is standardized, accessible, comprehensive and regular;
- Businesses protect and respect human rights, and remedy human rights violations for which they are responsible;

- Corporate Social Responsibility entails obligatory commitments to norms of transparency and accountability;
- Businesses champion inclusiveness and adhere to the norm of environmental, social and financial value.

### **CORPORATE GOVERNANCE IN THE STAKEHOLDER ERA:**

- The shareholder primacy norm transforms into a stakeholder governance norm;
- Affected stakeholders exercise their fair share of responsibility over decisions related to environmental, social, and governance factors.

### **IMPACT: DEMOCRATIC ECONOMIES**

#### **CIVIL SOCIETY AS ACCOUNTABILITY GUARANTOR:**

Citizens hold businesses accountable to higher standards for human rights, labor and environmental compliance;

#### **STRENGTHENED DEMOCRACY AND RULE OF LAW:**

Businesses answer to the state and to citizens, and the state answers to citizens; The outer limits of free markets are respect for human rights and protection of the environment.

#### **SUSTAINABLE FINANCIAL INDUSTRY:**

Improved regulatory framework, greater transparency and more responsibility in the financial sector serve the public interest.

#### **RESPONSIBLE BUSINESS:**

Improved business transparency and accountability serves the public interest.

### **CORPORATE GOVERNANCE IN THE STAKEHOLDER ERA:**

Companies are governed by stakeholders, not stockholders.