

Introduction

The Rethinking Capital Foundation's mission is to rethink the rules that govern modern capitalism to create a more just, prosperous and equitable society.

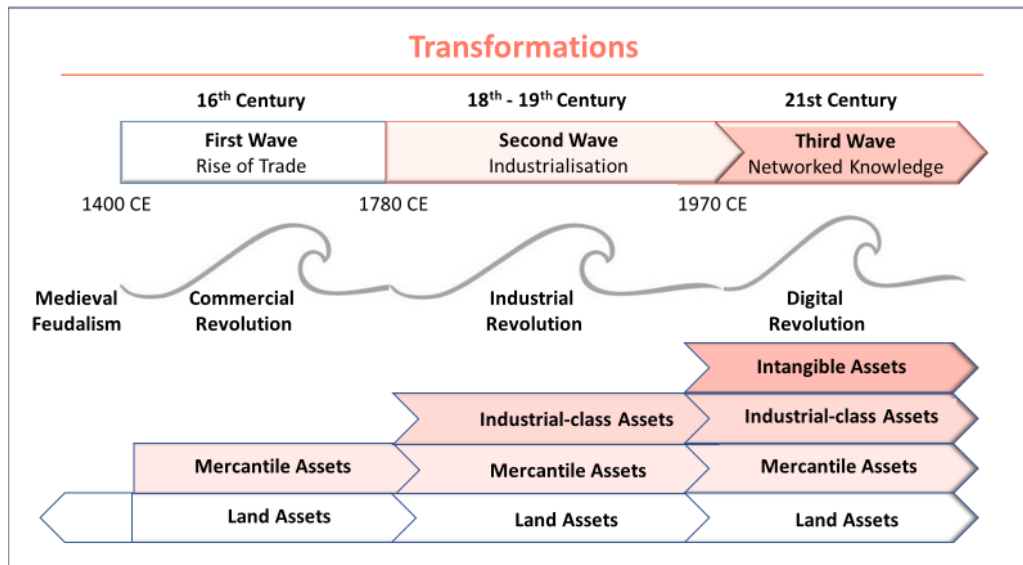
The Rethinking Capital Foundation is the home and go-to authority for normative thinking and practice. Bringing together leading thinkers and practitioners we are developing the ideas, systems and practical tool kits that will achieve a 'Normative Reset' of modern society.

This 'normative' approach recognises that social norms are changing constantly and seeks to reflect the world as it should be in line with these norms, not how it may be at the time. Fundamental changes are also taking place in how the economy works and how value is created. All these are having transformative effects. Social, political, governance and financial systems need to evolve in line with these changing values and norms to remain 'fit for purpose' to serve society's needs.

It has never been more important to find new solutions to the challenges the world is facing.

As we write this, we are under threat in all parts of our global system – the economy, natural environment, and society. The industrial era with its factory-based system of production has been supplanted by digital revolution, networked knowledge and artificial intelligence. These new intangible engines-of-growth are global, instantaneous and vastly different from the mechanical industrial-type production of the 20th century.

This is the third time in capitalism's history that a similar shift has occurred.



We take a holistic, integrated, multi-disciplinary approach to rethink how capitalism works:

Focusing on society and its evolving norms and values and not simply 'free' market outcomes; and introducing a new orthodoxy. This approach preserves the best of modern capitalism while providing solutions fit for today, unlocking value and realigning decision making and incentives to help achieve sustainability outcomes.

- **We're rethinking economics:** using a capital centric, rather than a market centric, analytical framework for updating economic analysis, business practice and policy – recognising that the post-industrial economy has shifted from a three to a six capitals framework.
- **We're rethinking accounting:** building on existing GAAP and double-entry bookkeeping systems, and informed by existing International Accounting Standards, to build normative financial statements that incorporate all tangible and intangible assets/liabilities to properly recognise how value is now created.
- **We're thinking governance:** moving from short-term financial-based decision making to a normative decision-making framework where decisions can be made in the best interests of both shareholders and all stakeholders, now and in the future.

Our programme

The Rethinking Capital Foundation is developing and applying this normative approach, shaped by our model of systems change which sets out the dynamics of change and the interventions required to achieve a Normative Reset.

Programme elements

Thought and Practice Leadership: Setting out the building blocks for normative thinking and practice through a series of papers, such as economics and accounting, governance and policy.

Policy: Updating economic and social policy-making to reflect the reality of what is currently driving value creation and building social and relational capital in the modern economy.

Taxonomy, Data and Measurement: Innovating in accounting and related practices such as reporting and auditing, standards, data and measurement. For example, utilising a new taxonomy so that all commercial grade intangible assets and liabilities are incorporated into management financial statements.

Decision-making: Creating an enhanced framework to transition:

- governments from passive bystanders to active participants in social and economic change.
- corporate governance from an over-focus on financial returns to broader definitions of success.
- accountability for board members, senior management and other decision-makers, by aligning the best interests of shareholders and all stakeholders.

Road Map: Focusing on how economics, accounting and governance can be transformed through a small number of interventions, such as transitioning to net zero, to help create a more prosperous, just and equitable society.

The Rethinking Capital Foundation was established through the work of Rethinking Capital <https://www.rethinking-capital.org/> which also brought about the setting up of 'The Catalysts' <https://www.thecatalysts.io/>

