

Capital, as defined by economists, has been applied to various purposes for the past four hundred years. It has served as the foundation for many of humankind's most extraordinary achievements, including economic prosperity and social improvements. Thanks in part to capital, today's society enjoys technological and medical progress, as well as declining poverty and hunger. Yet, the world still faces complex challenges and is constantly changing. The use of capital, too, must be adapted to new factors such as climate change and the cultural shifts brought by millennials. In this context, individuals, civil society, businesses and governments may recalibrate the purposes for which capital is used in an effort to mitigate unwanted externalities. Focusing capital on long-term purposes has the potential to address many of today's challenges, from data privacy scandals to the calamity of plastic waste. The time has come to counter excessive short-termism and start doing business as unusual: we invite you to revisit and expand the purposes to which capital is applied.

### **Rethinking social contracts**

Certain interest groups are bringing forward new trends as individuals rethink social contracts and demand new commitments from governments, from businesses, and from each other. As citizens, they are pushing for transparency and trustworthiness. When social media empowers individuals and society with new platforms for engagement, collective action emerges. As workers, people face fast-changing conditions due to factors like increased workplace diversity, the gig economy, demographic shifts, and automation. Hence, clarity about continuing education, benefits, and career paths becomes a priority. Meanwhile consumers no longer tolerate greenwashing or irresponsible management of personal data. Their relationship with businesses has become a vehicle for value-based activism and lifestyle expression. For businesses, reputations -- and sales -- are at stake.

### **Evolving capitalism**

Business leaders today are bombarded with expectations from stakeholders on issues like conscious capitalism, truth, sustainability, corporate social responsibility, social and environmental impact, and responsible investment. Still, there are no bulletproof, objective criteria for generating inclusive growth. In fact, taking a long-term view of the relevant interests and values may lead to positive results for all stakeholders. Some leaders propose a Hippocratic oath type of solution for businesses, with a new checks-and-balances system. Others are averse to any form of (self-) regulation. Traditionally, businesses have contributed to society largely by creating jobs and generating tax revenues. Now, an increasing number of young entrepreneurs and employees give equal weight to their economic, social and environmental missions. Finally, they are working to revitalise a vision of capitalism based on values and enlightened self-interest.

### **Policy-making for collective prosperity**

While some blame capitalism for the evils of the world, we may choose another approach. Markets can function to solve problems and shape an economy that melds profits with collective prosperity. Politicians can play a fundamental part in this pursuit: Countries have developed various approaches to creating the right incentives for individuals, society and businesses. On one side of the Atlantic, a focus on data protection has evolved. On the other, the United States promotes innovation with regulations creating so-called benefit corporations. The Chinese securities exchange commission is looking at instituting environmental reporting obligations. And in South Africa, pension fund regulations allow for impact investments. Policy-makers must design progressive policies that can adapt to the world's fast-changing scenarios. Technological advancements, unequal opportunity, political polarisation, and protectionist trade policies are challenges that require adequate responses.

### **Walking the talk**

Studies conducted by renowned universities, global consulting companies, and financial institutions all provide good evidence for expanding the way capital is used. In times of crisis of trust, investing in shared purpose bolsters reputations and public confidence. Talent retention and productivity increase when employees identify impact, meaning, and purpose in their work. Moreover, purpose-oriented action can mitigate the costs resulting from short-term conduct. To ensure sustainability, the capital system should incorporate the long-term interests of all stakeholders. To remain credible, leaders, in particular, need to walk the talk in all they do. How will individuals, civil society, businesses and governments use capital? This important question deserves more than a debate. An action plan for impact within our communities is required.