

Elements of a Reimagined Democracy: Unleashing Local Capital & Pent-Up Capital



A community bond process helped make the seemingly impossible possible - the metamorphosis of a former convent into a sustainable urban village that is welcoming, open and inclusive. Photo: [The Mount Community Centre](#) in Peterborough, Ontario.

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Tuesday, June 26, 2018 -- Peter Pula

Curator's Note: *The Reimagining Democracy blog series by Peter Pula continues with an exploration of six key elements of a reimagined democracy. In this blog,*

Peter writes about another two of those elements: unleashing local capital and unleashing pent-up capital. His [previous blog](#) contemplates citizen-led community building and democratic workplaces. The remaining blog considers an additional two elements: schools and inclusive and Generative Journalism for a new narrative. To read Part 1 in this series, click [here](#).

Unleashing Local Capital: Social and Intimate Finance

I have come to see capitalism as the ideology or worship of capital, of money. Absentee investment is the root of so much in the way of dissociation. Money for money's sake, and not for what it can do. Instead, we should look at intimate and engaged investment, that puts the power of money to good use.

And yet, there are so few mechanisms for someone who is lucky enough to have steady work to find a way to invest in an intimate way in their community's enterprises. There are mutual fund and financial services managers galore who are conduits into the capitalist markets, but there are so incredibly few ways for us to invest in our local economy intelligently, easily, and with the support of a stable infrastructure.

There are tools here and there to accomplish this. Social and community bonds are a developing form and some of them are fairly simple. Peterborough's Mount Community Centre exists today, in part, thanks to a community-bond process. RSF Social Finance is doing interesting things. The folks from Totnes and the Transition Town movement worldwide offer up success stories too.

In a reimagined democracy, we could connect the people who have the money but don't know what to do with it, with the people who know what to do and don't have the money. And, we could create the flow-through and elegant structures necessary to bring new things to life.

It is strange to me that it is easier to invest in businesses, markets, and systems we know little about and over which we have absolutely no control, than it is to do so in our local economy.

Think of the money invested by residents of a city like Peterborough that is not invested in that same city.

Unleashing Pent-Up Capital

Another crying shame is how much money is tied up in foundations, charities, and private funds. I know of a local project in the town where I live. The person trying to get it off the ground has an indication of interest in providing a good chunk of seed money contingent on the getting of a charitable partner. The difficulty the foundation has is that it legally has to flow the dollars to a non-profit with charitable status. And that means finding a non-profit willing to govern the funds in trust, and for whom the project is germane to its stated reason for being. After several rejections, the project, which is pretty much ready to rumble otherwise, is stuck. The money is available, but the channel is not. If you know of a channel, please call me.

In the meantime, large endowment funds for the most part do not spend their stored-up capital. They only spend the interest on that capital. These means that a tremendous amount of money concentrated and granted to foundations, usually by way of massive business operations of years gone by (many of whom arguably do owe a debt to society for resource extraction, infrastructure, and such) lies sitting untapped and unused. What if this capital was unleashed to support local people in rising up to create the communities they wish to create?

Right now, this capital is tied up and can only be flowed through institutions, many of whom are confined in their own silos and programs.

In the meantime, citizen expertise and willingness to work is left rotting for lack of fertilizer.

In a reimagined democracy, we could connect the people who have the money but don't know what to do with it, with the people who know what to do and don't have the money. And, we could create the flow-through and elegant structures necessary to bring new things to life.

This money was concentrated in the previous and passing age. It would be a tremendous help if it could be harnessed to usher in the new one.

This blog is Part 3 of a 4-part series on the topic of reimagining democracy. The final segment explores two additional elements of a reimagined democracy: schools, and inclusive and Generative Journalism for a new narrative. To ensure you don't miss any of this content, sign up for the free Axiom News e-news by clicking [here](#).

Reimagine Democracy Blog Series, Blog 1: [“Beyond Voting: It’s Time to Reimagine Democracy.”](#)

Reimagine Democracy Blog Series, Blog 2: [“Elements of a Reimagined Democracy: Citizen-Led Community Building & Democratic Workplaces.”](#)