Chapter 13
A Not-For-Profit Economy for a Regenerative Sustainable World

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Abstract This chapter offers an overview and explanation of how society's relationship-to-profit plays a significant role in determining social and ecological outcomes. The way in which societies relate to profit plays out in terms of both formal and informal institutions. One formal institution that is key for sustainability is *relationship-to-profit*, the legal difference between for-profit and not-for-profit forms of business. This chapter explains how relationship-to-profit, as a basic building block of the entire economy, plays a critical role in determining whether the economy drives sustainability crises or allows for meeting everyone's needs within the ecological limits of the planet. This analysis reveals that the social and ecological crises of the twenty-first century have the same driver: the pursuit and accumulation of private wealth inherent in the for-profit economy. Yet, existent not-for-profit types of business offer a viable way out of this conundrum. In a market composed of not-for-profit businesses, all economic activity and profit would be oriented toward social benefit, keeping financial and material resources circulating to where they are most needed. The financial surplus of business activity would not accumulate in the hands of a few owners, as it does in the for-profit economy.

Keywords Sustainable economy · Sustainable business · Systems thinking · Post-growth economy · Degrowth · Not-for-profit business

13.1 Introduction

In order to understand how we might have a sustainable economy, we must first understand what is unsustainable about the current economy. Modern economies are predicated on the constant expansion of production and consumption. Without consistent growth, capitalist economies go into crisis (Magdoff & Foster, 2011). Less consumption in such an economy leads to less investment, less employment, and less economic stability—also known as a recession. We saw this in the global

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financial crisis of 2008 and as we are seeing it again now, with the economic slowdown caused by the covid-19 pandemic. The solution commonly put forward by economists is to restart economic growth. Yet, increasing consumption and production entails environmental impacts (Parrique et al., 2019), and the planet's biosphere is already in a dangerous state of decline (UN Environment 2019). Furthermore, the last few decades of economic growth have concentrated the world's wealth in the hands of a few, leaving hundreds of millions of people in poverty. In 2017, more than 80% of the new wealth generated by economic growth went to the richest 1% of the world's population, while the poorest 50% got none of it (Alejo Vázquez Pimental et al. 2018). It is clear that the current economic paradigm is failing in terms of ecological, social, and economic outcomes.

Economies must be reorganized to meet everyone's needs within the planetary boundaries. But, what kind of economy would that be? How would it be organized? What kinds of institutions would it have? Many sustainability scholars have identified competition for profit in the market as a key driver of economic growth, social exploitation, and ecological degradation (e.g., Jackson, 2017; Kallis, 2018; Magdoff & Foster, 2011; Schnaiberg et al., 2002). Yet, the solutions typically offered do not get to the roots of the problem. Proposals for more state intervention, redistributive taxes, and tighter regulations are end-of-pipe solutions that do not address the nature of the problematic economic institutions themselves. Some propose that a sustainable economy can be achieved through increasing the number of cooperatives, social enterprises, and sustainability certifications, but it is unclear how these business models would change the aggregate dynamics of the economy. Meanwhile, the discussion about transforming the whole economy is stale, often centered on around only two alternatives: capitalism versus the state-planned economy. Fortunately, there are other options.

The existence of not-for-profit types of business means that economies could be organized in a very different way. In the book *How on Earth*, we put forth the vision of a sustainable not-for-profit market economy (Hinton & Maclurcan, 2016). Such an economy can be expected to have very different dynamics than a capitalist for-profit economy. This chapter offers an overview of how the for-profit economy has a systemic tendency to drive sustainability problems, and how the not-for-profit way of organizing the economy opens up a whole new horizon for concrete possibilities beyond the trite debate of capitalism versus the state-planned economy. It puts forth a vision of a sustainable regenerative not-for-profit economy and offers some ideas about how such a transformation might take place.

13.2 The Institutional Building Blocks of the Economy

Before jumping into a discussion about alternative economic systems, it is worth clarifying the basic concepts and components of the economy for the diverse readership of this book. I use the term *economy* broadly to refer to any system in which people produce, consume, buy, sell, and trade products and services. Most of us participate in the economy every day, whether through our work or our consumption of goods. Think of the food you eat, the clothes you wear, the electricity you use, and the forms of transportation you use. Most of us access these goods by participating in the economy. Businesses, markets, and profit are key components of the economy. *Businesses* produce and sell goods. *Markets* are where businesses and customers meet in order to buy and sell their goods. *Profit* refers to the financial surplus left over after business expenses have been paid, such as wages, rent, and taxes (this type of profit is also known as "accounting profit").

Businesses, markets, and profit are not necessarily sustainable or unsustainable. Different ways of organizing these economic institutions will have different social and ecological outcomes. *Relationship-to-profit* is an institutional element that plays a key role in determining the sustainability of an economy (Hinton, 2021). As the legal distinction between for-profit and not-for-profit forms of business, relationship-to-profit encompasses the legal purpose and ownership rights of firms. The dominant forms of business in an economy have important implications for the sustainability of that economy as a whole. Thus, economies can be thought of as being mostly for-profit, mostly not-for-profit, or somewhere in between. Most economies today, including the global economy, are predominately composed of for-profit types of business.

13.2.1 Relationship-To-Profit is a Legal Dimension of Business

The building blocks of the economy are structured according to institutions—sets of social rules (Scott, 2014). Relationship-to-profit is a formal economic institution, as it encompasses a bundle of legally binding rights and responsibilities that pertain to firms. The two key institutional elements of relationship-to-profit are: financial rights and legal purpose. Financial rights are an essential part of organizing the economy, as they determine whether or not private owners are allowed to receive the profit of economic activity (Libecap, 1986). These rights are intimately linked to the legal responsibilities and purpose of the firm. Private financial rights (i.e., the right to distribute profit and assets to private owners) serve the legal purpose of delivering financial gain to owners. In contrast, collective financial rights serve the legal purpose of social benefit. The for-profit type of business allows for private financial rights and a financial gain purpose, while the not-for-profit type locks in a social benefit purpose and collective financial rights. In other words, not-for-profit (NFP) firms have a legal responsibility to deliver social benefit, and in order to make sure, they use all of their resources to that end; they are legally prohibited from distributing profit and assets to private owners (James & Rose-Ackerman, 1986). This key feature that distinguishes a for-profit from a not-for-profit entity is the nondistribution constraint (Hansmann, 1980). As Sect. 13.3 shows, this feature has significant implications for the larger sustainability-related dynamics of the entire economy.

Not-for-profit business can also be distinguished from traditional nonprofit organizations in that the former generates all or most of its revenue from the sale of goods and services (Hinton & Maclurcan, 2017)—also known as a "commercial nonprofit." This financial self-sufficiency is important for many reasons. It allows NFP businesses to have more control over the way they operate, rather than having to bend to the desires of their funders. More importantly, financial self-sufficiency means that NFP businesses are not just an extension of the for-profit economy, but actually have the potential to replace it.

The not-for-profit category includes a variety of business types, including charities that conduct trade, businesses that are wholly owned by a nonprofit foundation or charity, mutual companies, consumer cooperatives,[1] and state and municipally owned enterprises. In our research, my colleagues and I have found examples of NFP companies around the world and in all different sectors of the economy, including, healthcare providers, insurance companies, farms, retailers, energy providers, software designers, manufacturers, civil engineer companies, real estate agents, law firms, grocery stores, restaurants, gyms, cinemas, and banks (e.g., Hinton, 2021; Hinton & Maclurcan, 2016, 2017). There really are all of the ingredients for an entirely not-for-profit economy.

I choose to focus on *not-for-profit* rather than "social enterprise" because the latter has no solid legal definition; rather, it is a broad category that can be used to describe any business that has some sort of social mission (Borzaga & Tortia, 2007). A social enterprise's mission does not have to be legally binding. This means that large transnational corporations can operate their own social enterprises, to pursue social objectives in whatever terms they want to define "social benefit." This can lead to cooptation of the social enterprise label, which can diminish the public's trust in the label, just as greenwashing has diminished trust in eco-friendly terminology (Alves, 2009). Lastly, many social enterprise legal frameworks are for-profit, such as benefit corporations in the US (Berger, 2015). As I argue in Hinton (2020), these models do not have much potential to transform the for-profit economy and its dynamics in the systemic way that is needed because they maintain an alignment with the pursuit and accumulation of private financial gain.

13.2.2 The Informal Dimensions of Relationship-To-Profit

Although relationship-to-profit refers to a legal distinction, it also has corresponding informal social dimensions. These different types of business can be seen as aligning more with certain assumptions about human nature, motivation, and needs.

[1] It is worth noting that not all cooperatives are NFP. Worker cooperatives and producer cooperatives can usually be operated for the financial gain of their private owners. As such, they do not comply with the non-distribution constraint and can contribute to some of the destructive dynamics of the for-profit economy outlined in Sect. 13.3.1.

The underlying logic of the for-profit type of business includes outdated economic myths such as:

- Money is a good measure of success and progress, as “the bottom line”
- Human nature is mostly competitive and acquisitive
- Pursuing one’s own financial self-interest is the rational thing to do
- Investment for profit drives innovation and progress
- Consumption is a suitable proxy for the satisfaction of needs
- Technology can absolutely decouple economic activity from environmental impacts

The corresponding logic of the not-for-profit type of firm includes ideas like:

- Social (and ecological) well-being are measures of success and progress
- Money is best treated as means to achieve social (and ecological) outcomes
- Helping other people and the community, as a whole, is rational behavior
- Human nature is complex and shaped by context
- Investment should be made for positive social and ecological impact

These social norms, logics, and beliefs play a role in guiding and constraining the behavior of actors in the market (Scott, 2014). For instance, a community that takes for granted that human nature is ruthlessly competitive, and the profit motive is the best way of incentivizing innovation will influence its members to act differently than a community that holds a shared belief that human nature is highly cooperative and that all people have an innate drive to innovate. Likewise, actors shape the institutions around them by acquiescing, reinforcing, resisting, or changing their institutional contexts (Ibid). As key actors in the economy, businesses both shape and are shaped by the institutions around them. Accordingly, the formal and informal institutional aspects of relationship-to-profit guide and constrain businesses’ behavior.

13.3 The System Dynamics of Relationship-To-Profit

A clear understanding of relationship-to-profit as a basic institutional building block of the economy allows for important insights into the wider system dynamics. In particular, it allows us to see the social and ecological effects of different ways of organizing business and markets, due to the rights, responsibilities, incentives, and constraints embedded in relationship-to-profit.

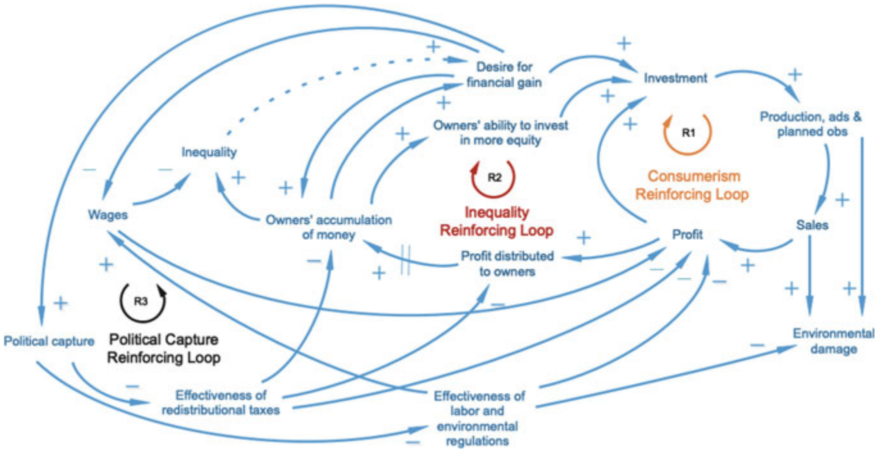

Fig. 13.1 For-profit economy dynamics from Hinton (2020), p. 251

13.3.1 The For-Profit Economy is Unsustainable

The for-profit way of organizing the economy (i.e., the capitalist economy) tends to drive unsustainable system dynamics.[2] The financial gain purpose and private financial rights lead to consumerism, environmental damage, inequality, market concentration, and political capture. Business managers are drawn to using certain types of strategies in seeking to deliver unlimited returns to the owners who hold the private financial rights of the company. In particular, they are incentivized to use exploitative cost-cutting strategies. For instance, the higher wages are, the less profit there will be, so there is an incentive to keep wages low (as shown in the inequality loop in Fig. 13.1).[3] Similarly, moving production to places where wages are low and regulations are relaxed can keep costs down. Lobbying for tax cuts, subsidies, and deregulation is another quite lucrative strategy (as shown in the political capture loop in Fig. 13.1). In seeking profit, business managers and owners are inherently incentivized to evade taxes, as a key business cost. Disregarding labor regulations and

[2] Capitalist economies are market economies in which businesses are privately owned and operated for profit (Oxford Dictionary 2020). As such, for-profit business is a defining feature of capitalism and the capitalist economy can be thought of as the for-profit economy (Hinton and Maclurcan 2017).

[3] Figures 13.1 and 13.2 are causal loop diagrams, a tool often used in systems thinking to map out the relationships between key variables in a system in order to identify causal loops that drive the system's behavior over time. The arrows depict causal relationships between two variables. A plus sign (+) signifies a positive causal relationship (e.g., an increase in investment leads to an increase in production, and a decrease in investment leads to decreased production). A negative sign (-) represents a negative causal relationship (e.g., higher wages lead to lower profits, or lower wages lead to higher profits). The R symbol signifies a reinforcing feedback loop, whereas the B symbol signifies a balancing feedback loop. Both Figs. 13.1 and 13.2 are described in more detail in Hinton (2020).

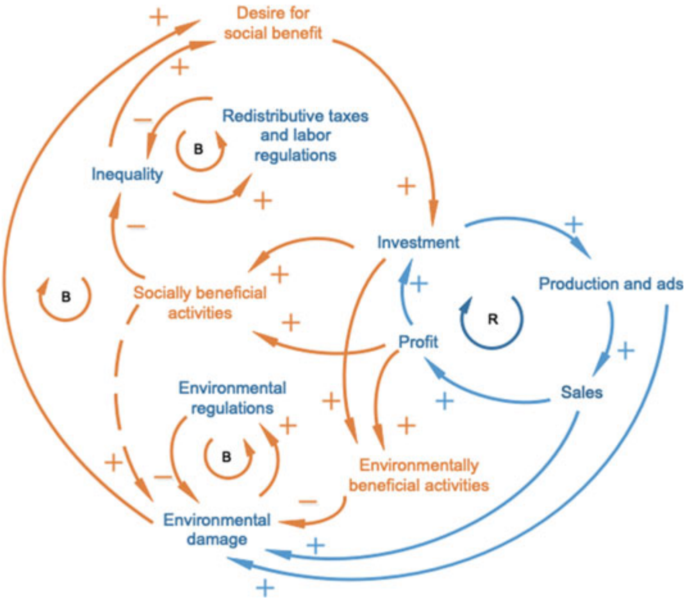

Fig. 13.2 Not-for-profit economy dynamics from Hinton (2020), p. 254

environmental regulations can also be quite an effective cost-cutting strategy. Profit-seeking managers are also incentivized to use harmful revenue-maximizing strategies such as: advertising and planned obsolescence (which push consumers to buy more products), price mark-ups, collusion and cartels, and mergers and acquisitions (Hinton, 2021).

Although companies are understandably reluctant to reveal how they employ these strategies, their widespread use can be seen in the global statistics. The International Labor Organization (ILO) has stated that wage stagnation characterizes the global economy (ILO, 2016). Oxfam reports that the phenomenon of political capture, in which private interests have an illegitimate influence on policy-making, is rampant around the world (Fuentes-Nieva & Galasso, 2014). Tax havens are estimated to result in about 200 billion USD of profit every year (which represents foregone tax revenue for governments around the world) (Wier, 2020). Nearly, 150 billion USD of profit is made from forced labor every year (ILO, 2014). And the ecological consequences of companies disregarding or negatively influencing environmental regulations is evident in the large-scale destruction of ecosystems around the world—whether one looks at plastics in the ocean, deforestation of rainforests, poaching of protected species, dumping of effluents into waterways, illegal fishing, or the loss of pollinators and fertile soil due to industrial chemicals (UN Environment 2019).

The widespread use of these strategies creates paths of least resistance; meaning that the more certain types of strategies are used, the more all businesses are under pressure to use them. Indeed, even well-meaning companies are often compelled to use exploitative strategies just to stay afloat in such a market. For example, if a clothing company increases its market share by offering lower prices than its competitors, which it is able to do because it sells products made in sweat shops at the expense of exploited workers, then it puts pressure on its competitors to also use exploitative production practices to be able to offer low prices.

Furthermore, the built-in incentive to suppress wages combined with the distribution of profit to private owner's results in increasing levels of inequality (Hinton, 2020). As owners accumulate more wealth, they are able to buy more shares in companies, delivering even more profit to them (as shown in the inequality loop in Fig. 13.1). This helps explain the fact that inequality is steadily increasing both within and between nations (Fuentes-Nieva & Galasso, 2014; Hardoon et al., 2016). Inequality is also exacerbated by the market concentration and political capture inherent in the for-profit economy.

In these ways, the for-profit economy drives increasing levels of consumerism, environmental degradation, inequality, market concentration, and political capture (see Fig. 13.1). This type of economy is fundamentally at odds with sustainability in systemic ways. Importantly, there is no feedback to signal that sufficient production and consumption has occurred because the key source of motivation is financial gain, which inherently has no limits. This system both drives and requires constant growth. In encouraging (and indeed even compelling) companies and managers to exploit people and planet for profit, it also entails structural violence.

To the extent that there is investment in socially and ecologically beneficial activities in a for-profit economy, these dynamics will be slowed down. However, the more financial surplus that is channeled into regenerative activities, such as planting forests or protecting vulnerable people, the less there is to distribute to private owners. That is why for-profit businesses tend to only invest in sustainability-oriented activities that align with achieving higher profitability, even though those activities are not very high-impact (Hahn et al., 2010; Lodsgård & Aagaard, 2017). Companies can even do more harm than good when they undertake corporate social responsibility efforts in order to increase their profitability, as they do so in a way that results in market expansion (Schneider, 2020). The expansionary and homogenizing tendencies of the for-profit economy decrease the diversity of economic actors and practices, which makes the system even more vulnerable to shocks. This type of economy abounds with vicious cycles that decrease stability and sustainability (as represented by the reinforcing (R) feedback loops in Fig. 13.1).

13.3.2 A Not-For-Profit Economy Provides a Basis for Sustainability

As I have explained in the sections above, a truly sustainable and regenerative economy are not likely to take shape within a for-profit institutional framework. How might the not-for-profit framework lead to different outcomes? Not-for-profit economies can be expected to be more sustainable due to their social benefit purpose and collective financial rights. The fact that a financial gain purpose and the private distribution of profit are precluded from these kinds of business, means that there are quite different system dynamics. There is no equity-based investment in these types of business, so there is no pressure on managers to deliver unlimited returns to owners. Instead, not-for-profit firms raise capital through debt-based investment, which entails the repayment of the loan or bond with a limited return on investment in the form of interest, or donation-based investment, which entails no financial returns to investors. The focus of NFP investment is to generate social and ecological well-being, rather than to increase financial flows (as shown in Fig. 13.2). Social benefit can include a wide variety of aims, including the provision of: education, health care, healthy food, transportation, housing, and renewable energy, as well as the protection of the environment. Not-for-profit businesses are legally required to use all of their resources to achieve their social benefit missions, which means that resources and surplus go to where they are needed most in an NFP economy (Hinton, 2020). Importantly, because investment is guided by social and ecological needs, the NFP type of economy has a feedback to signal when those needs are met or when more investment is required. This is shown by the multiple balancing feedback loops in Fig. 13.2. These kinds of balancing dynamics are not a systemic feature of the for-profit economy, which explains why inequality and environmental crises have been worsening so quickly in recent decades.

It is also worth emphasizing what the not-for-profit type of economy *does not* do, compared to its for-profit counterpart. It does not systemically enable and encourage a handful of private owners to accumulate evermore of the finite resources and wealth of the planet. It does not have built-in incentives for business managers to exploit workers, consumers, local communities, other value chain actors, ecosystems, and society as a whole, in order to generate more profit. As such a not-for-profit economy opens up the space for effective sustainability interventions, and allows for economic activity to slow down or even shrink, in ways that the for-profit economy does not (Hinton, 2020) (see Fig. 13.2).

Importantly, a focus on relationship-to-profit as a defining feature of different types of economies allows for a wider spectrum of possibilities than the usual dichotomy: capitalism versus the state-planned economy. The latter can be considered not-for-profit, but so can decentralized market economies that are organized to focus on social benefit rather than private Not-For-Profit, such as the not-for-profit World model in Hinton and Maclurcan (2016).

A not-for-profit market economy could function much more smoothly than the current economy. In the *How on Earth* book (Hinton & Maclurcan, 2016), we describe how a not-for-profit market economy could have much better social and ecological outcomes than the for-profit economy. The market becomes a sort of safety-net alongside a partner state, with both state and market working to make sure everyone's needs are met. Without the waste of time and resources in trying to redistribute accumulated wealth via government programs and philanthropy, the NFP market economy is inherently more efficient and leaner. Due to less of a desire for financial gain and limits on returns on investment, this kind of economy has less financial speculation than an economy driven by the quest for unlimited returns. Less financial speculation and fewer investment bubbles in turn lead to a more stable economy. As a market economy, it is decentralized, allowing for a diverse mix of businesses to take context-dependent approaches to meeting the needs of their communities. The decentralized aspect also allows for more flexibility, responsivity, and resilience than a more rigid centralized type of economy, which can become quite bureaucratic and is more vulnerable to corruption and other shocks.

With higher levels of economic equality and accessibility to resources, a not-for-profit economy allows for less production and consumption, as well as less work. In the absence of the profit-driven pressure to constantly produce and consume more, people would have more time. This time can be spent on fulfilling needs that are often best met outside of the economy, like the needs for affection, participation, leisure, identity, understanding, and creation (Max-Neef et al., 1991). This time can also be spent on meeting our material needs in more eco-friendly ways; for instance, sharing resources with neighbors rather than working to buy or produce new goods in the market. There would also be more time for self-provisioning of essential items, like growing your own food in a community gardens or mending or refashioning clothes rather than buying new ones.

13.4 A Regenerative Not-For-Profit Economy

The not-for-profit way of organizing business and markets provide the basis for a wider range of economic possibilities than is commonly discussed. It opens up possibilities for sustainability, but does not guarantee them. As such, it is best seen as a necessary, but not sufficient, condition for sustainability. A host of other institutional shifts need to happen in order to arrive at a truly sustainable not-for-profit economy. This section offers a brief vision of some of the other aspects of the economy that must change in order to have a sustainable, regenerative world.[4] It is worth noting that many of these ideas and practices have been central to Indigenous and non-Western ways of life around the world for many centuries. Therefore, the focus of these shifts is mostly on globalized capitalist societies. Furthermore, most of the shifts outlined below would need to take shape differently according to different local contexts.

Overall global levels of consumption and production need to decrease in order to allow ecosystems to recover (Parrique et al., 2019), so sufficiency-based values and lifestyles are a necessary ingredient for a regenerative economy. Sharing of goods and resources needs to increase, which entails emphasizing *access* to goods over ownership. Voluntary simplicity—or choosing to minimize consumption and not to pursue money and material possessions as a measure of success—has an important role to play in a regenerative economy (Alexander, 2015) and can also benefit our psychological well-being (Dittmar et al., 2014).

[4] For more proposals for regenerative economies, I can recommend: Alexander's *Sufficiency Economy* (2015), Eisler's *The Real Wealth of Nations* (2007), Gibson-Graham et al.'s *Take Back the Economy* (2013), and Kothari et al.'s *Pluriverse* (2019).

Accordingly, more accurate notions of human nature, motivation, and success are needed. For instance, contrary to conventional economic assumptions, humans are a highly cooperative species (Bowles & Gintis, 2013), and people's behavior and decision-making are largely shaped by their cultural and institutional contexts (Henrich et al., 2010; Scott, 2014). Thus, human nature is best understood as complex and context dependent. Furthermore, the economy can only satisfy human needs to a limited extent because many needs are the best met outside of the economy (Doyal & Gough, 1991; Max-Neef et al., 1991). Many needs are best met through connecting with others and with nature. Individual well-being is intimately tangled up with the well-being of one's whole community (Wilkinson & Pickett, 2010). A sustainable economy must also be based on an understanding of humans as part of nature, as one of many millions of species that share the Earth. This means fostering a sense of ecological stewardship (West et al., 2018) and acknowledging that there are ecological limits to economic activity (Jackson, 2017). Luckily, a shift in social norms, beliefs, and values in this direction may be well underway, with the rise of concern about social and ecological justice issues—as can be seen in globally connected social movements like FridaysForFuture, Extinction Rebellion, and Black Lives Matter.

In terms of the larger-scale policies and strategies that would be necessary for a regenerative economy, activists and scholars propose that governments should use social and ecological measurements of progress (e.g., O'Neill, 2012). Gross domestic product (GDP) can tell us how much economic activity is happening, but not how well people's needs are being met or how well ecosystems are doing. There are also calls for a shorter work week (Coote et al., 2021). Production and consumption need to happen as locally as possible because shorter supply chains are more resilient and reduce environmental impacts from the transportation of goods (Scott Cato, 2017). Products and waste must be recycled and reused wherever possible. Land ownership needs to be reformed in order to align with non-extractivist, not-for-profit principles. This can be done through community land trusts and ownership of land by not-for-profit entities. We also need strong laws that protect nature (Wijdekop, 2016) and investments in regenerating ecosystems, without the expectation of a financial return.

Education systems also need to change, in order to support and align with the transformations suggested above. Rather than preparing students to become cogs in the wheels of an exploitative capitalist system, education must instill an understanding of complex social-ecological systems and how we can provide for human and ecological well-being within these systems. To this end, education must encourage critical thinking, systems thinking, and democratic engagement with policy-making. We need curricula that encourage students to be empathic and care for each other and the biosphere.

13.5 Transformation Pathways

A major transformation of the economy requires a global social movement motivated by a collective vision of a better system. Maja Göpel's (2016) concept of *radical incremental transformation* is useful here. Radical change is necessary if we are to address the sustainability crises of the twenty-first century, so we need a radical vision for the future that we desire. However, we cannot get there with the snap of our fingers. Even radical change requires incremental steps over time. The key is that those incremental steps are clearly oriented toward the radical vision of the desired future. The not-for-profit world provides a radical vision, but the path to get there will have to be paved through incremental steps. This involves feedbacks between bottom-up social movements, calls from citizens for change, top-down policies, business transformations, and shifts in consumer behavior. A key aspect of institutions is that they are not written in stone, but are socially defined and altered over time in response to changing conditions (North, 1990).

The accumulation of wealth and power in the hands of a relatively small number of actors in the global economy means that NFP businesses cannot be expected to simply outcompete their for-profit peers. Rather they must be supported by a large social movement that simultaneously builds the NFP economy from the ground up and pushes for top-down policies that can open up the space for NFP businesses to flourish. A good start for policy-makers is to take away the subsidies and tax cuts that the largest for-profit players currently enjoy. Policies can also be drafted to encourage entrepreneurs to start their businesses as NFPs and to encourage existing for-profits to become NFPs. For instance, government seed-funding programs can focus on NFP forms of business. Critically, policies must protect not-for-profit entities' ability to do business, as there is mounting pressure from for-profit competitors to kick them out, based on the argument that not-for-profits do not belong in the market.

13.6 Conclusion

Social systems are in a constant state of flux—as we shape, and are shaped by the institutions around us. Just as our institutional contexts guide and constrain our behavior, we can accommodate, reinforce, resist, or work to change these institutions. As social norms and values shift in response to our planetary crises, the legitimacy of conventional ways of organizing business and markets is increasingly being called into question. There is a search for appropriate alternatives that align with the pursuit of social-ecological justice in the twenty-first century. The not-for-profit way of organizing business and markets—with its focus on using resources for social benefit rather than financial gain—opens up a range of possibilities for organizing economies more sustainably.

As the previous chapters of *Transformation Literacy* have laid out, the global sustainability crisis is a systemic problem that calls for systemic transformations.

A not-for-profit economy is a systemic transformation that gets to the roots of the crises of the capitalist economy, while also providing the basis for the other kinds of transformations that are necessary for a regenerative sustainable world.

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