A Framework for Constructive Capital:
Investment, Integrity, Impact

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Part Six: Conclusion – The Case for Constructive Capital

The development of a *Framework for Constructive Capital* has revealed a series of mutually reinforcing themes. This brief conclusion highlights several of them.

1. The *Cornerstones of Constructive Capital* are aimed at supporting capital flows that have positive impacts on governance, and at stemming capital flows that have negative impacts on governance. At this time of extreme economic disruption, as well as pressure on the attainment of the SDGs, they can serve to bolster confidence that investments will achieve their intended objectives. The Sustainable Development Agenda, notably SDG 16, informs and inspires many aspects of this *Framework*.

2. The *Framework* is undergirded by both economic rationales and broader democratic values. It is committed to long-term value creation for both companies and societies. The *Framework* also expressly articulates numerous values and fosters a values-driven culture.

3. The *Framework* is implemented on a local basis, but it is shaped by international policy mechanisms and relies on data from institutions of global economic governance. It is also attentive to the inter-relationship between corporate governance and global governance. In turn, the *Framework* may exert influence at the international level.

4. The challenges of risk and resilience feature in this report, reflecting the discourse around both private sector and public sector measures. However, current circumstances also underscore the significance of systemic risks, such as the threats posed by pandemics and climate change. This points to the need to prioritize complementary and comprehensive systems-based strategies.

5. Consequences and impact, and not the financial flows as such, are crucial to understanding Constructive Capital and Corrosive Capital. For this reason, impact assessments undergird the implementation of the *Framework*. Indeed, this posits the question: what is the impact of a given investment on systemic integrity? Such a focus also complements the broader interest in impact evaluation across various institutions and stakeholders, offering additional avenues for influence, innovation, and advancement.

6. The current period has been dubbed “The Great Reset.” This raises prospects for a different understanding of the relations between business, government, and society. There is significant momentum to drive change and help attain shared objectives. The *Framework* responds to this period of re-setting, relying on new collaborations across sectors, actors, and jurisdictions. There is also another key imperative: the restoration of trust. The *Framework* depends upon – and contributes to – a multi-dimensional reinforcement of this essential attribute of democracies and markets alike.

7. The *Framework for Constructive Capital* can play a part in a high-stakes quest: the revitalization of democracy. Its context, cornerstones, and concepts affirm the ideals of accountable governance, individual freedom, and social and economic inclusion. Practical application depends on active participation across communities. Moreover, a vibrant and responsible business sector is central to its success. The *Framework* can show how private enterprises and democratic institutions work together to build democracies that deliver.
These themes signal the powerful potential of this Framework for Constructive Capital. Transborder capital flows can be a force for supporting both accountable institutions and responsible business communities. Successful outcomes of such investments will in turn create an even stronger case for Constructive Capital. There is an urgent need to move forward on this agenda now, as the world is “building forward” to a more resilient and inclusive future.

Today, as authoritarian influences around the globe seek to undermine democratic values, the Center for International Private Enterprise is convinced that Constructive Capital is more vital than ever. In its decades of work at the intersection of democracy and markets, CIPE has seen how easily corrosive investments from autocratic regimes can erode public trust, particularly in emerging economies. CIPE hopes that a wide range of stakeholders from governments, businesses, associations, civil society, professional bodies, and academic networks will engage with the ideas presented in this report. Through necessary reforms and principled actions, countries at both the origin and destination of capital flows can create conducive conditions for Constructive Capital. This may also help mitigate the negative effects of corrosive investment flows. Across sectors, the Framework for Constructive Capital can serve as a valuable resource for practical strategies.

CIPE’s newly launched Center for Accountable Investment (CAI) offers an innovative opportunity for thought leadership at the intersection of democracy and markets. It seeks to identify and refine tools and methodologies regarding Constructive and Corrosive Capital that can be deployed within CIPE’s project portfolio. CAI pursues a dual strategy to put the Framework for Constructive Capital into practice, seeking to increase the flows of Constructive Capital and reduce the effects of Corrosive Capital. CIPE’s work with local partners from around the world has always given the organization a unique perspective. Through CAI, CIPE will bring that knowledge and experience to the global democracy community.
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About CIPE

The Center for International Private Enterprise (CIPE) is a core institute of the National Endowment for Democracy and a non-profit affiliate of the U.S. Chamber of Commerce. CIPE’s mission is to strengthen democracy around the globe through private enterprise and market-oriented reform.

Founded in 1983, CIPE partners with local business associations, chambers of commerce, universities, think tanks and advocacy groups worldwide to implement innovative, cost-effective, business-led solutions to complex policy and governance challenges.

Currently CIPE has more than 300 programs or grants in more than 80 countries.

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About OA Foundation

The Oxford Analytica Foundation offers interdisciplinary research and thought leadership on current developments and emerging trends at the national and international levels. In so doing, it aspires to elevate the quality of decision-making and action on questions of social and economic significance.

The in-house team offers exceptional and diverse experience, skills, networks and expertise across the private, academic and non-profit sector, and a unique ability to convene and inform change-makers.

OA Foundation supports the strategic planning and implementation of projects across a range of themes linked to the Sustainable Development Goals, including rule of law, sustainable development, corporate responsibility, and climate change and conservation.

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