

# Practices and models of financing

## **Objective 7.2**

To introduce a selection of financing practices and models that seek to meet basic needs in ways that strengthen community and regional resilience and promote systems change.

We have seen that the dominant money/finance system creates a powerful array of obstacles to transition. As the Bank of Canada history example illustrates, even though we have clear alternative ways of mobilizing the massive financing needed, the public interest has been compromised in favour of private profit. However, though the prospects of sovereign money creation is weak at the moment, it is gaining some steam as we will explore under Objective 3.

In the meantime, there is no lack of creativity and innovation going on that seeks to counter the status quo and bridge the multiple financing gaps that exist. We introduce here several of these innovations that have emerged in the context of deepening volatility over the last 40 years. Some involve marshalling money already available in a community. Some involve creating alternative currencies. Others seek to leverage private resources through providing tax incentives for citizens to redirect their investments, from the global market to local and regional needs. Some are small and organized around specific functions or localities. All are important to be aware of. Together they enable us to envision a new democratic money architecture of convivial financing with an eco-system of practical tools and strategies relevant to problem solving in diverse contexts.

Clearly, on their own, they do not adequately address the scale of financing needed to rapidly advance “Drawdown Solutions.” However, diffusing innovations such as those highlighted here can strengthen our adaptive capacity and expand our ability to meet basic needs. Moreover, skillfully communicated, they can be leveraged to educate and animate people in ways that can help construct a broad base of understanding necessary to build coalitions for large scale financing solutions, including issuing democratic low-cost money through central banks.