



**DGEP BOLD IDEA:
BUILDING THEORIES OF CHANGE ON REPARATIVE ECONOMIC JUSTICE**

DGEP's effort utilizes complexity science as a framework, and therefore can deal with the plurality of different cultures of exclusion, while harnessing that same plurality for global impact and is built upon the following ideas:

- Racial equity innovation is currently inefficient
- Not enough creative capital in the equity space (i.e. black risk capital)
- Must teach kids to create the racially equitable world they want instead of just navigating the racially inequitable one they have



The use of the word "Equity" in DGEP's name is intentional: referencing both planned outcomes and categories of opportunity, as well as a strategy of investment.

The goal and design of DGEP is to inherently be designed to connect to as many disadvantaged and disconnected populations as possible. A particular focus is on the relationship with these populations and their social and economic well-being.

Many other solutions focus on simply trying to mitigate a population's exclusion from an economic system, versus integrating them fully into the system and making it more equitable. The vision of DGEP is that, as equity scales, it pulls all disaffected populations into it.



DGEP BOLD IDEA: RACIAL ECONOMIC EQUITY BY DESIGN

The overarching “Theory of Change” that serves as the foundation of DGEP is driven by the belief that the racial inequity challenges and problems that our global society faces in contemporary times did not happen accidentally or in a vacuum. These racial inequities were designed into every foundational system of our society. This was Racial Inequity by Design.

In order to hold any hope of achieving systematic racial equity as a global society, the design of such a system must be as intentional as the inequitable one. This theory of change is driven by the belief there are no silver bullets to achieving such an equitable outcome, but that simultaneously it cannot be left to chance.

Thus, the theory of change that drives DGEP could not be described as one simple theory, but instead a series of complimentary racial equitable development frameworks and theories of change. However, even this is by design. Built on the foundation of complexity science, this effort believes that we cannot control complexity, but that we can harness it to achieve phenomenon at the system level through emergent properties. In other words, the simple answer is not always the correct one. Most importantly, our Theory of Change is dynamic and adaptable based on new information gathered through our real-time evaluatory feedback loop.

DGEP’s Theory of Change is powered by the Racial Equity by Design Triangle Offense: 1) STAMPS Ecosystem Model; 2) the 5 C’s of Community Economic Ecosystem Upbuilding; and 3) the 4 Pillars of Sustainable Inclusive Entrepreneurial Development.

Each of these distinct, but dynamic theoretical frameworks, create a foundational component to racial economic equity. Racial economic equity is the overarching theory of change in the DGEP Model – that there is no equity without equity. In a capitalistic society, in order to have relative social equity and well-being, there must be relative economic equity.

Thus at the center of the Triangle Offense is the intersectionality of Equitable Autonomous Power and Equitable Capital.

THE EVIDENCE BASE

Though a fundamental premise of the DGEP Model is that continuous social and equity innovation are both critical and necessary to ever reaching racial equity as a society, the contemporary evidence driving this vision is that of two central cases of analysis.

The first – a meta-level case – is the understanding of how the current system of inequity by design. There are incredible amounts of STAMPS Ecosystem artifacts from this inequitably designed system – both historically and contemporarily; as well as from successful and unsuccessful efforts to change it. There are many lessons to learn from these past and current models.

The second – a combined individual/micro/macro-level case – is that of Durham’s Historic black Hayti community. Hayti, from roughly 1865-1958, might be the closest that America (and perhaps the world) has ever come to a mixed-race, racially equitable community economy. As a consequence, Durham’s Hayti holds many lessons for the rest of America, and perhaps the world.

It is from these cases that we believe a sufficient body of evidences exists to successfully create a global economic system built on racial equity by design. We know that for 400 years, racial inequity has sustained itself by paying for itself. We believe that racial equity by design – if implemented strategically – will show how racial equity can sustain and pay for itself over time. This will undoubtedly be a great, if not impossible tasks. However, it is time that our Theories of Change, and strategies, match the challenges they are set to overcome. After all, as James Baldwin professed, the history of the black community is a testament to the impossible.



DGEP BOLD IDEA: A COMPREHENSIVE APPROACH

“The bright ideals of the past – physical freedom, political power, the training of brains and the training of hands – all these in turn have waxed and waned, until even the last grows dim and overcast. Are they all wrong – all false? No, not that, but each alone was over-simple and incomplete. To be really true, all these ideals must be melted and welded into one.

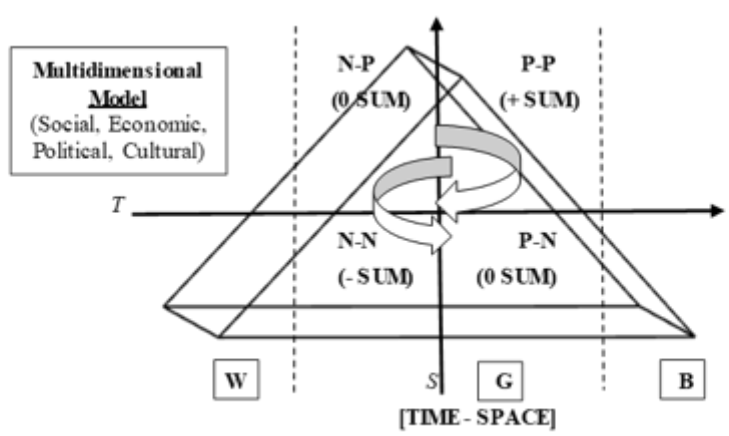
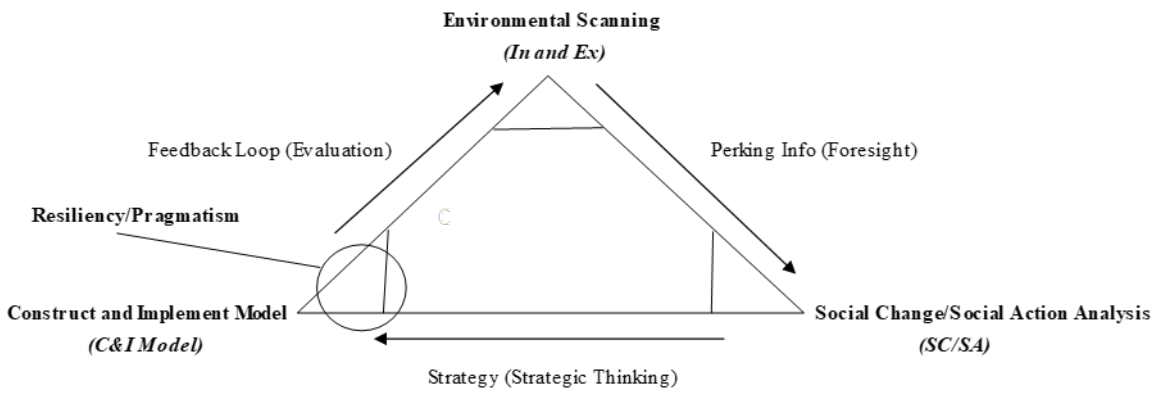
The training of the schools we need today more than ever – the training of deft hands, quick eyes and ears, and above all the broader, deeper, higher culture of *gifted minds and pure hearts*. The power of the ballot we need in sheer self-defense – else what shall save us from a second slavery? Freedom, too, the long-sought, we still seek – the freedom of life and limb, the freedom to work and think, the freedom to love and aspire.

Work, culture, liberty – all these we need, not singly but together, not successively but together, each growing and aiding each, and all striving towards that vaster ideal that swims before the Negro people, the ideal of human brotherhood, gained through the unifying ideal of Race; the ideal of fostering and developing the traits and talents of the Negro, not in opposition to or contempt for other races, but rather in large conformity to the greater ideals of the American Republic. We the darker ones come even now not altogether empty-handed: there are today no truer exponents of the pure human spirit of the Declaration of Independence than the American Negroes.”

WEB DuBois, *The Souls of Black Folk*, 1903

step 1 – RACIAL ECONOMIC EQUITY BY DESIGN: THE TRIANGLE OFFENSE MENTAL MODEL

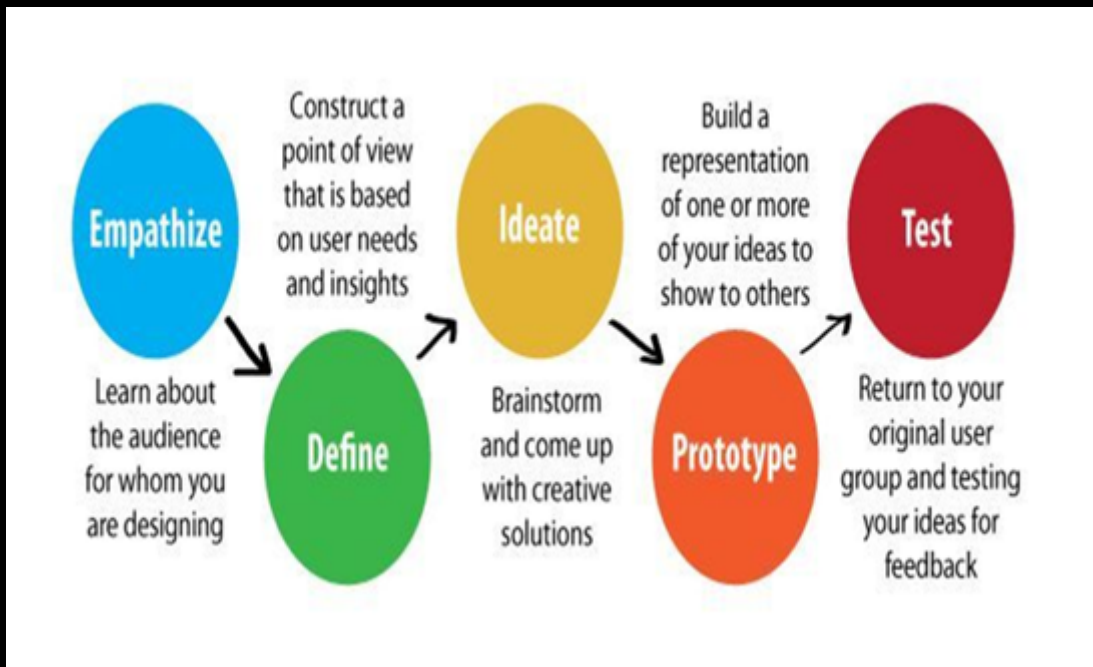
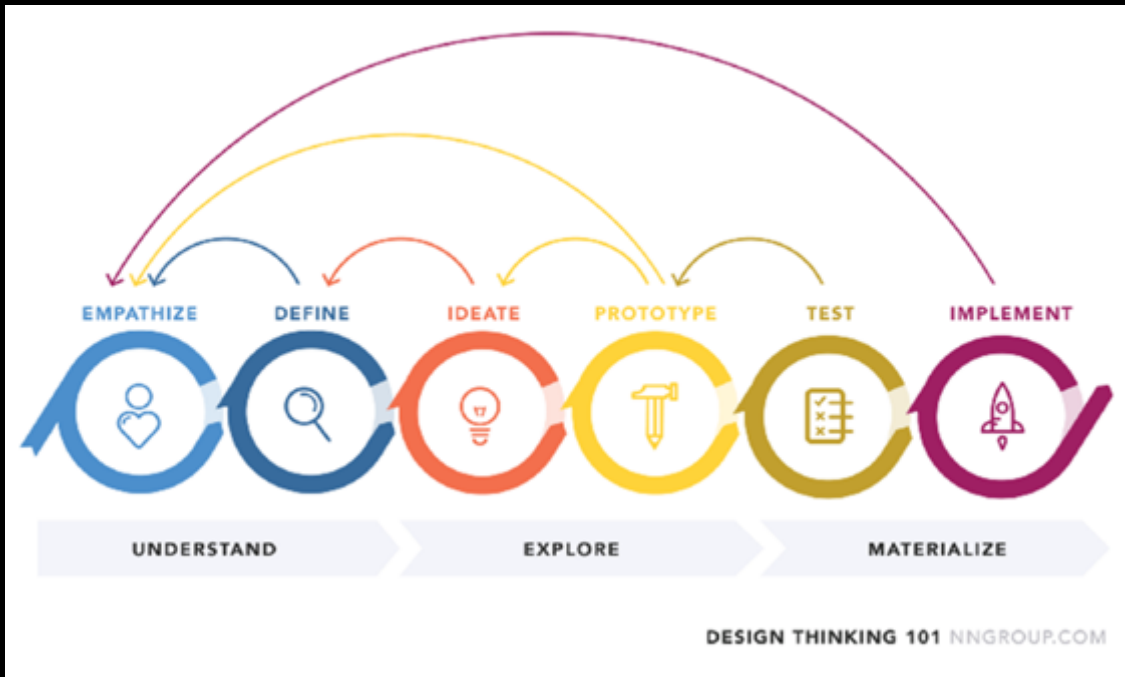
The first aspect of designing a racially economically equitable ecosystem is to use meta-cognitive modeling to ensure that the approaches to change will be comprehensive enough to adequately impact the problems wrought by racial inequity by design – which are substantial. This involves looking exhaustively across the environmental landscape, analyzing current and past attempts (those successful and unsuccessful), and using that information to construct new and innovative models of impact. Following implementation, the evaluative process starts again through environmental scanning and so on. The goal is to ultimately look through a multidimensional model across time and space to identify Positive-sum impacts ideally, and Zero-sum at worse – seeking to stay away from Negative-sum outcomes that will lead to more racially inequitable systems.





step 2 – RACIAL ECONOMIC EQUITY BY DESIGN: THE DESIGN THINKING MODEL

The second aspect of designing a racially economically equitable ecosystem is to utilize the design thinking model overlaid with a racial equity lens. This requires understanding that empathy is not the only emotion that one can begin with in the design thinking model. Instead, it is one of many possible to design a socioeconomic ecosystem. Recognizing this will allow a more comprehensive equitable design process as to allow for the parsimonious nature of the community of actors – public, private, philanthropic, academic, and community members – who will be impacted by and must impact the success of whatever is designed. This does not mean that every starting emotion gets equal consideration, but it does mean that each must be understood – both in theory and application. The design thinking model integrates with the step 1 meta-cognitive mental model.





DGEP BOLD IDEA: THERE IS NO EQUITY WITHOUT EQUITY!



“To be a poor man is hard, but to be a poor race in a land of dollars is the very bottom of hardship.”

WEB DuBois, *Strivings of the Negro People*, 1897

Nearly 125 years after DuBois’ quote, in 2021, blacks remain a poor race in an extremely wealthy country and world, and continue to bear the burden of what DuBois called “the Negro Problem” – or the feeling of poverty; cent-less, home-less, land-less, tool-less and savings-less, yet having to continuously enter into competition with “rich landed, skilled neighbors.” This is predominantly evident when analyzing the racial entrepreneurial landscape. Blacks remain a poor race and business class in America, during both economic expansions and contractions, even after more than a century-and-a-half of strivings.

A key factor in the ongoing lack of black wealth accumulation is the lack of capital in the black economic ecosystem. African-Americans, own the same proportional wealth in the United States in 2021 as they did in 1865, at the conclusion of 246 years of slavery. More specifically, the black community suffers from a lack of a foundational monetary system that helps determine the amount of capital that is invested in communities nationally and globally. Since blacks were among America’s and the world’s original sources of capital, they have been systematically designed out of the capital markets. This has been obvious by the way capital has flowed, or not flowed, to different racial communities – with blacks getting the least amount of capital.

Outside of capital invested in black forms of entertainment – such as professional sports and music – there is no equity risk capital in black America. With low levels of capital investment overall, primarily debt capital when it is available, and no risk capital invested into the autonomous minds of black children and young people, the entire equity of the black global diaspora remains underdeveloped. This reduces the aggregate confidence of both the black community from the development and execution of their own unique talents and gifts outside sports and music, and other communities. As a result, equity capital investment – the heart of wealth creation – is withheld and sparingly rationed to the black community, creating a vicious cycle of racial inequity.

Instead, capital is invested on behalf of black communities – usually into white-led intermediary efforts, organizations, and programs. In short, whites get equity capital and BIPOC, especially blacks, get programs. There is no hope of BIPOC racial equity without investments of financial equity into those individuals and communities.

What made Durham’s Historic Hayti the leading Black Wall Street in America was that it was built and sustained on a foundation of patient equity capital – Public-Purpose Private Capital. This led to its position as one of the most equitable socioeconomic ecosystems in America’s history.

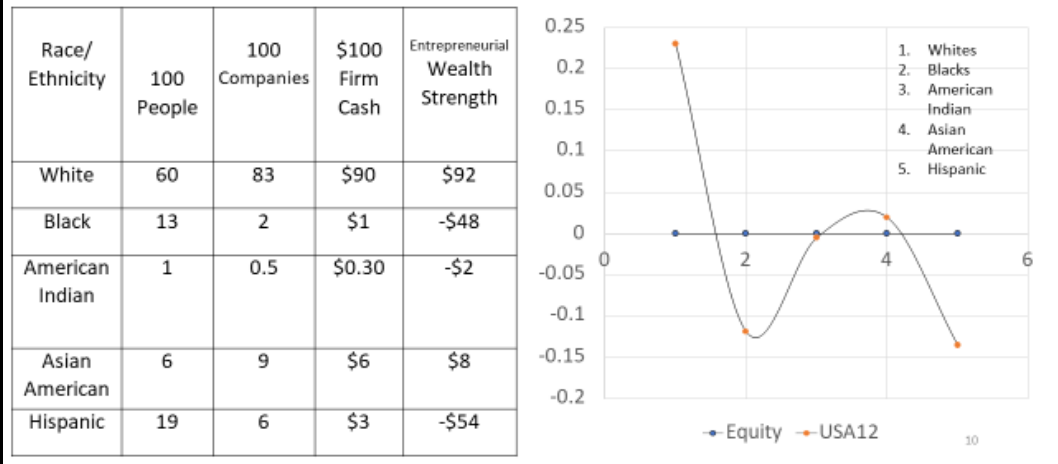


THE CURRENT STATE OF RACIAL ECONOMIC EQUITY



The challenge of addressing systematic structures of inequity are greater now than they were prior to the global spread of Covid-19 and the health-driven economic recession. Prior to the spread of the virus, economies were doing fairly well. “Racial equity investment” generally correlates to rising economies. A key to the success of any effort, and associated Theory of Change, is understanding the starting point of the problem that must be faced.

WHAT THE RACIAL BUSINESS ECOSYSTEM LOOKED LIKE PRE-COVID-19



2020 US Firm-Level Payroll Protection Program Racial Analysis

	Loan Count	% of Loans Received	% of Population	Under- or Over-Represented Loan Count	% of Equity
White	551,233	83.4%	60.1%	153,841	138.7%
Black or African American	12,783	1.9%	13.4%	(75,820)	14.4%
Hispanic	43,396	6.6%	18.5%	(78,929)	35.5%
American Indian or Alaska Native	3,855	0.6%	1.3%	(4,741)	44.8%
Asian	49,951	7.6%	5.9%	10,939	128.0%
Total PPP Loans	661,218				

Subsection of firms from total PPP pool: Loans above \$150,000 as of July 6, 2020

14% Race Data: estimates based on data extrapolated from SBA figures of the 94,501 applicants



The accompanying chart shows the enormous racial economic inequity PRIOR to Covid-19. At that time, both black and Latino communities, were on a path to zero wealth. Prior to Covid-19, black median wealth in America was expected to decline to \$0 by 2053, with Latino wealth declining to \$0 just two decades later (2073). These trends were already at the foundation of the increasing racial wealth gap – and the increasing gaps in social well-being (education, health, opportunity). Because Covid-19 has accelerated and exacerbated these inequities, it is more important than ever to execute bold, innovative, and imaginative strategies to address the racial wealth gap comprehensively and simultaneously – as opposed to in distinct efforts. The economic inequity representative in the chart are a result of the intersectionalities of oppression; and can only be solved with the intersectionality of efforts.



part 1. RACIAL ECONOMIC EQUITY BY DESIGN: STAMPS ECOSYSTEM


The key to understanding how to change a system is understanding how that system starts, forms, evolves, and operates. Socioeconomic systems are both complex and adaptive. Complex adaptive social systems have distinguishing characteristics that help us understand them.

EPIDEMIOLOGY OF CIV

A. NON-LINEAR DYNAMICAL SYSTEM

- ORDER UNDER CHAOS** – these systems on the surface look chaotic. Though they have characteristics of chaos and unpredictability, there is an intrinsic order to its patterns of movement and outcomes.
- BASINS OF ATTRACTION** – Agents of these systems tend towards certain attractors (usually what is deemed as important in the system). In social systems these attractors are things such as wealth/money, power, status, and happiness. Therefore, the whole system (by virtue of its parts) tends towards these certain attractors.
- SENSITIVE TO INITIAL AND NEW CONDITIONS** – the system's characteristics are highly influenced by its initial characteristics at time of conception. This foundation lasts long into the future of the system. In addition, systems are constantly taking in information and that information can have a dramatic effect on the system's shape and pattern depending on the power of the new information in influencing the system.
- PERIOD OF ADAPTATION AND CO-EVOLUTION** – these systems tend towards stability by attempting to adapt to new and influential information over a period of time. These systems are constantly in a flux as they go through chaotic episodes from the introduction of new information to the system, only to go through a period of adaptation and co-evolution as it looks for a state of equilibrium (stability).

B. WHOLE VS PARTS

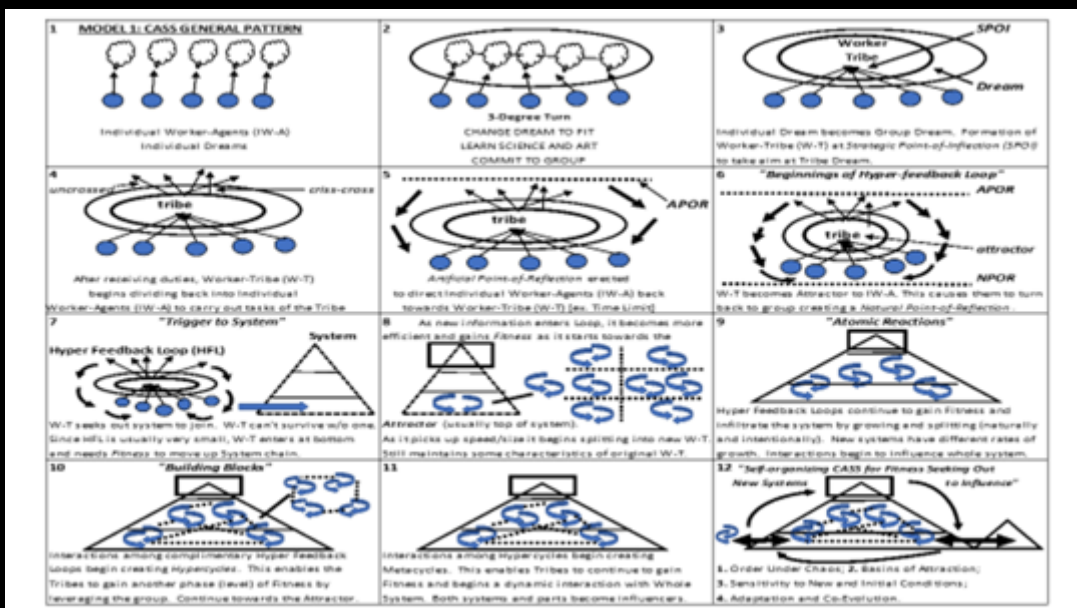


The parts interact with one another to create a whole. This is considered an **emergent phenomenon** because the whole is equal to more than the sum of its parts. The parts/whole relationship is a reciprocal one with an innate feedback loop. Therefore, the characteristics of the parts influence the characteristics of the whole while the characteristics of the whole simultaneously influence the characteristics of the parts.

C. CAN'T CONTROL THESE SYSTEMS, BUT CAN TRY TO INFLUENCE AND HARNESS THEIR COMPLEXITY

These characteristics comprise the fundamental properties of the socioeconomic ecosystem that we all currently exist in. These ecosystems designed, sometimes intentionally and sometimes unintentionally, and sometimes both, from their individual agents collective ambition and actions. In this model, these individuals can be thought of as “agent-entrepreneurs.” More precisely, they can be known as agent social entrepreneurs since their actions impact the design, development, functioning, evolution, and operations of society. These mostly autonomous agents fall into six disciplinary categories – the sciences, the technologies, the arts and humanities, the markets, the policies, and supports – or STAMPS for short. Most societies follow the general pattern of development.

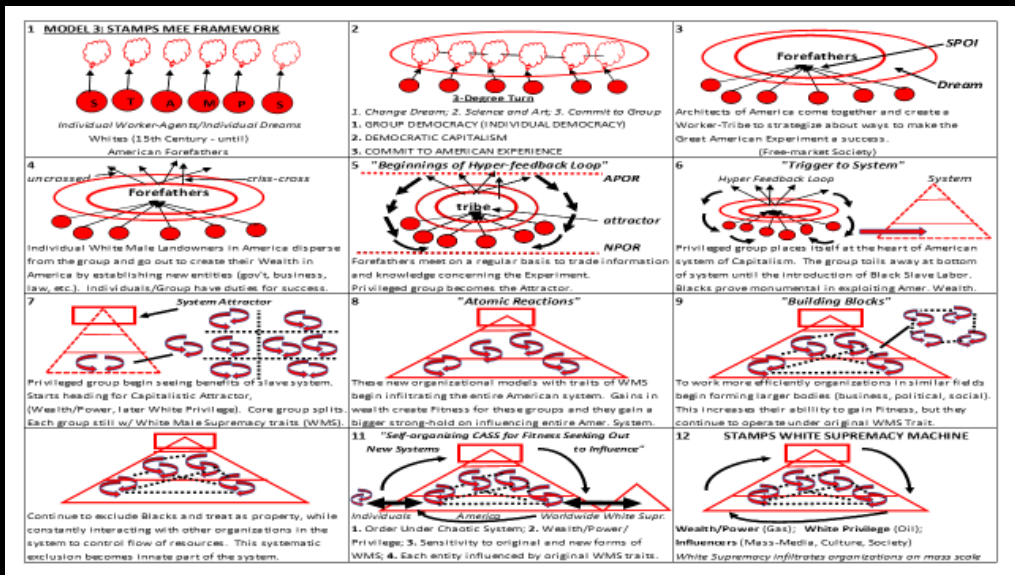
This is the basis for the STAMPS Ecosystem.





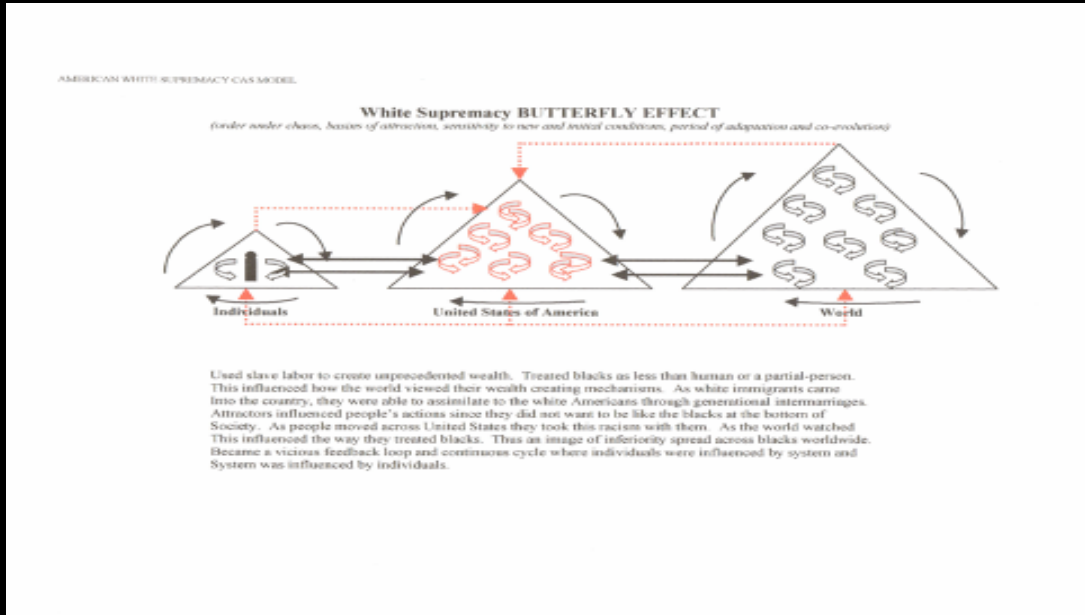
part 1.1. RACIAL ECONOMIC EQUITY BY DESIGN: STAMPS ECOSYSTEM

America was formed as a STAMPS Ecosystem powered with the initial conditions of white, male supremacy. Two significant trigger points of this system was in 1619 with the arrival of the first black African slaves to America, and then again in 1776 with the founding of the country while still maintaining black slavery. Every component of the America way of life was built around racial inequity built into the STAMPS Ecosystem. As a result, every institution upbuilt by the majority agents included the same racist characteristics present at the beginning of the ecosystem. This led to institutional racism which anchored the White Supremacy STAMPS ecosystem.



Because of the economic growth and expansion of America based on the White Supremacy STAMPS Ecosystem Model it strengthened the same systems at the global level – which had been seeded with the same “lighter versus darker” racial inequities. These systems became embedded at the global level – especially in the economic systems – which have ultimately impacted every other system. Thus economic injustice is the forerunner to social injustice, criminal injustice, educational injustice, environmental injustice, and well-being writ large.

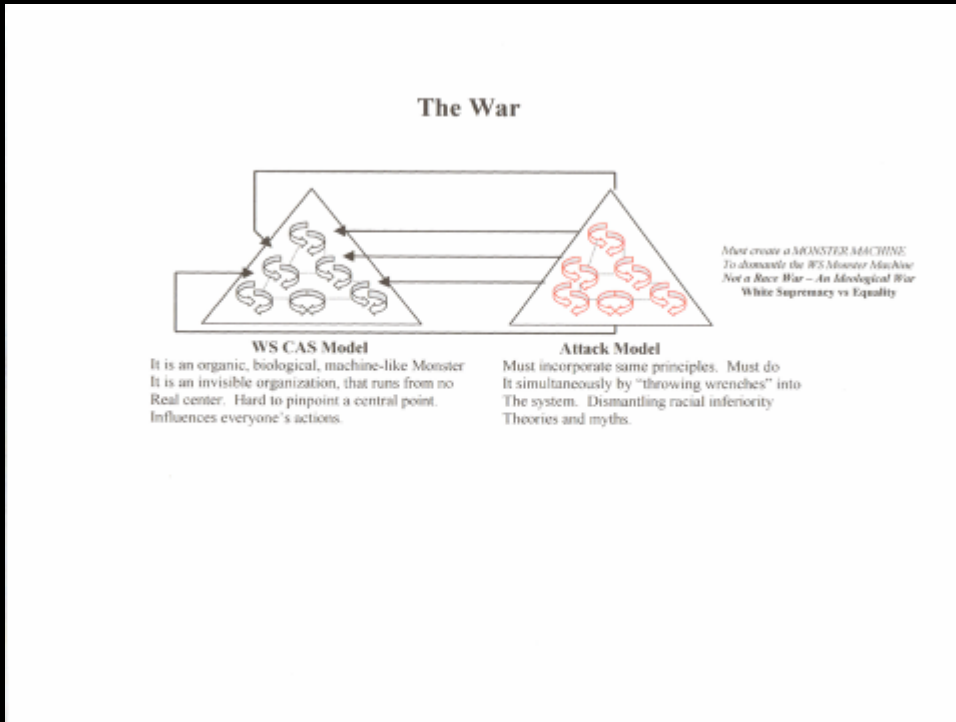
As a result of complex characteristics of social adaptive systems, the ecosystem has for 400 years fed on itself – influencing individuals, families, neighborhoods, communities, and institutions from the public, private, philanthropic, and academic sectors – across the entire STAMPS perspectives. This makes it incredibly hard to introduce new efforts at a scale large enough to alter the nature of the system – as it produces an endless array of innovative White Supremacy fractals.





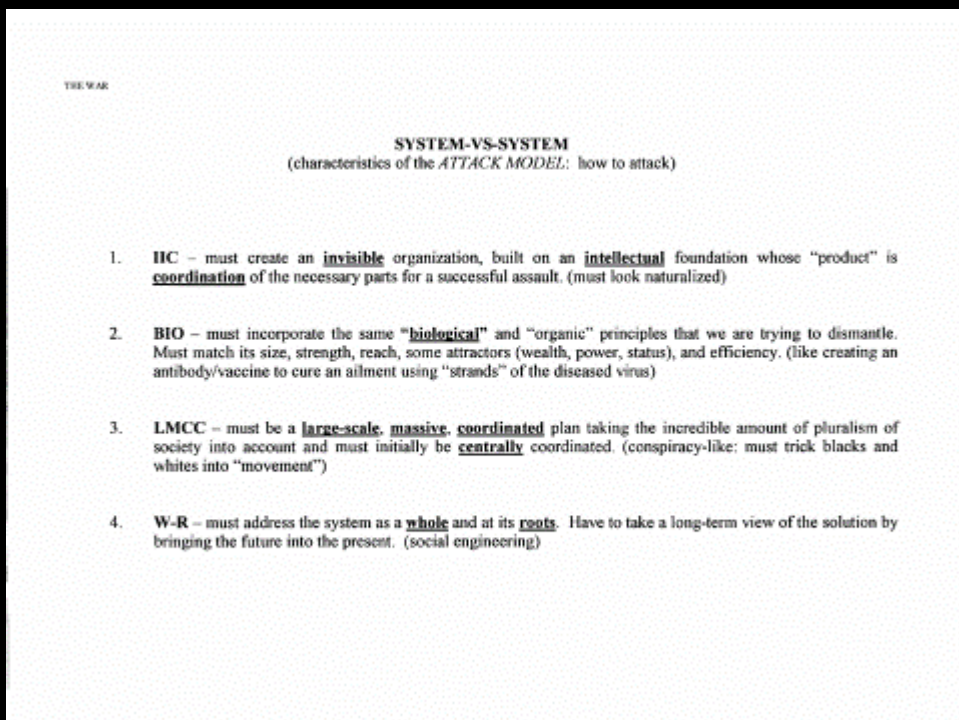
part 1.2. RACIAL ECONOMIC EQUITY BY DESIGN: STAMPS ECOSYSTEM

The robustness of the White Supremacy STAMPS Ecosystem, and its complex adaptive nature over the last four centuries, offers us a glimpse into the true magnitude of the racial equity – as it is an ideological war that continues to rage today. This ecosystem outlives any one individual or generation, making it even more difficult to overcome.



Analogous to the current global fight against Covid-19, the vaccine response has got to be as grand as the virus. White supremacy is a virus as potent as Covid-19 and spread in much the same way – person to person, group to group, and from global community spread.

The vaccine to White Supremacy is Racial Equity. And the only way to spread it at scale is to design a Racial Equity STAMPS Ecosystem as effective and efficient as that of White Supremacy. Ultimately it is not individual project or initiative versus individual project or initiative. It is System versus System.

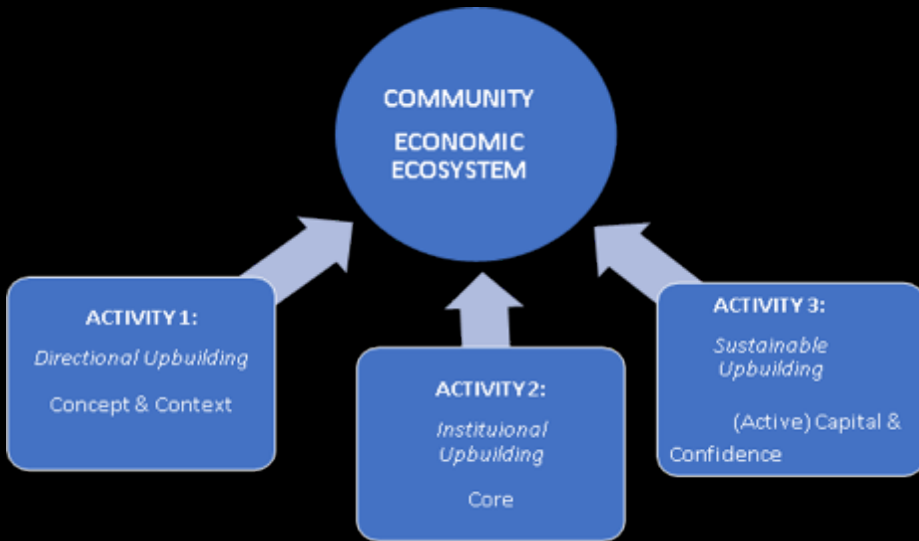




part 2. RACIAL ECONOMIC EQUITY BY DESIGN: THE 5 C'S OF COMMUNITY ECONOMIC ECOSYSTEM UPBUILDING

Process-Oriented Community Economic Ecosystems

The concept of the business ecosystem is well-known. A business ecosystem is a network of organizations – including suppliers, distributors, customers, and competitors – involved in the delivery of a specific product or service through both competition and cooperation (Moore, 1993). The concept of a community economic ecosystem is a broader one than that of an entrepreneurship or business ecosystem. Whereas an entrepreneurial or business ecosystem is composed of networks of interacting firms, a community economic ecosystem is composed of networks of interacting individuals, families, homes, firms, organizations, institutions and entities. The community economic ecosystem includes greater interactions across a wider range of diverse and varied community members. In addition to the diversity and variety of interactions, the interactions are also different from those solely in business and entrepreneurial ecosystems. The interactions tend to be built around trust, mutual benefits, and a desire for collective achievements.



The Five C's is the second leg of the Racial Economic Equity By Design Triangle Offense. The first leg, the STAMPS Ecosystem is a meta-level framework, seeking to understand how these broader systems of equity and inequity form and develop over time.

This second leg focuses on what it takes the agent social entrepreneurs to sustainably upbuild their community economic ecosystem. A central component of this work, is to ensure that racial equity is a founding characteristic of this work and part of the collective aspirations of the broader community. This model is relevant at all levels of community ecosystem building: micro, macro, and meta level – or local, national, and international.



part 2. RACIAL ECONOMIC EQUITY BY DESIGN: THE 5 C'S OF COMMUNITY ECONOMIC ECOSYSTEM UPBUILDING (CONT'D)

In **Activity 1**, directional upbuilding is driven by middlemen entrepreneurs. In this context, “entrepreneur” is not defined only as someone who starts a for profit business, but could involve an individual agent-worker involved in any number of efforts to support community upbuilding. In Activity 1, the middlemen group creates a community concept and assesses under what context they must function – or survive. Research emphasizes the importance of context, suggesting that each entrepreneurial ecosystem emerges under a unique set of conditions and circumstances (Isenberg, 2010). Each community economic ecosystem also emerges under a unique set of conditions and circumstances. Understanding the role of race as a contextual variable is critical to understanding how community economic ecosystems evolved in the past and the present.

In **Activity 2**, institutional upbuilding, the middlemen begin pursuing institutional upbuilding. This activity is the core of the process, and focuses on the types of entities that are established in a community. These are the categories and types of institutions that anchor strong community economic ecosystems. These categories may contain large and small firms, for profit and not-for-profit. These categories also serve to separate both the function and interests of the middlemen entrepreneurs, though there can be overlap.

In **Activity 3**, sustainable upbuilding, these middlemen determine the level of active community capital and confidence available and leverage that to begin upbuilding the community ecosystem in earnest. This activity understands “capital” to be a combination of five subcategories including community, experiential, financial, human and social. It understands “confidence” to include two kinds, internal and external, and measured by the belief that a community has in itself to succeed (internal), or the belief that an outside group has in that community to succeed (external). This confidence may be measured by the willingness to invest the aforementioned five forms of “capital” into the community’s concept (i.e., vision).

Since these capital and confidence levels are often low at the beginning of the upbuilding process, middlemen might have to begin the upbuilding process from a modest state. This means that the development process of a fully functional community economic ecosystem is an evolutionary one. This evolutionary process adds value to middlemen who aggregate their collective active capital and confidence towards a single effort to increase the chances of success – increasing both capital and confidence, as well as community sustainability – through learning feedback loops for future efforts across the ecosystem.

These three activities interact in dynamic ways providing feedback, positive and negative, to the community economic ecosystem over time and form the Five C’s of Community Economic Ecosystem Upbuilding: (1) concept; (2) context; (3) core; (4) capital; and (5) confidence. The Five C’s are categorized by their upbuilding function.

The middlemen interact with one another in continuously dynamic ways allowing concept and context to change over time, based on internal or external factors. Likewise, components of the institutional core can and do change over time, as entities, individuals, and institutions change. Furthermore, capital and confidence can change – sometimes growing and sometimes shrinking. Nevertheless, committed middlemen – through successes and failures – continue to pursue collectivist visions and activities, often within community enclaves. These institution-building middlemen when driven by the Five C’s evolve over time seeking to increase their community’s economic fitness across the three broad functions of upbuilding.



part 3. RACIAL ECONOMIC EQUITY BY DESIGN: 4 Pillars of Sustainable Inclusive Entrepreneurial Development

Undertaken collectively, cooperatively, and consistently, these four broad complementary strategies have the potential to provide the groundwork for an entrepreneurial and business ecosystem evolution that prevents black-owned firms in America from ultimately becoming extinct. The most important aspect is to normalize both black business inclusion and success, and expand its relevance beyond diversity and inclusion cycles, into the national culture of America. A sustained and significant Congressional commitment to invest in these strategies post-COVID-19, would begin this important effort.

The composition of the current inequitable landscape did not happen overnight, but instead from the culmination of more than four centuries of social and economic oppression, exclusion, and suppression. As a consequence, racial equity and systemic cultural change and practice across the business landscape will not come overnight. However, the most effective process to permanent transformation is to identify key metrics that will serve as the foundation of this aspirational and ambitious national cultural change, and intently, attentively, diligently, and watchfully track them.

Key Strategies for Permanent Transformation of U.S. Black Business Competitive Ecosystem
Overall Strategy: Change National Culture (and Measure)

Strategy 1: Increase Diversity of Black Entrepreneurial Pipeline	Strategy 3: Increase Scale and Diversity of Capital Available to Black Entrepreneurs and Businesses
Strategy 2: Expand Place and Space Available to Black Businesses	Strategy 4: Removal of Barriers for Black Entrepreneurs and Businesses

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