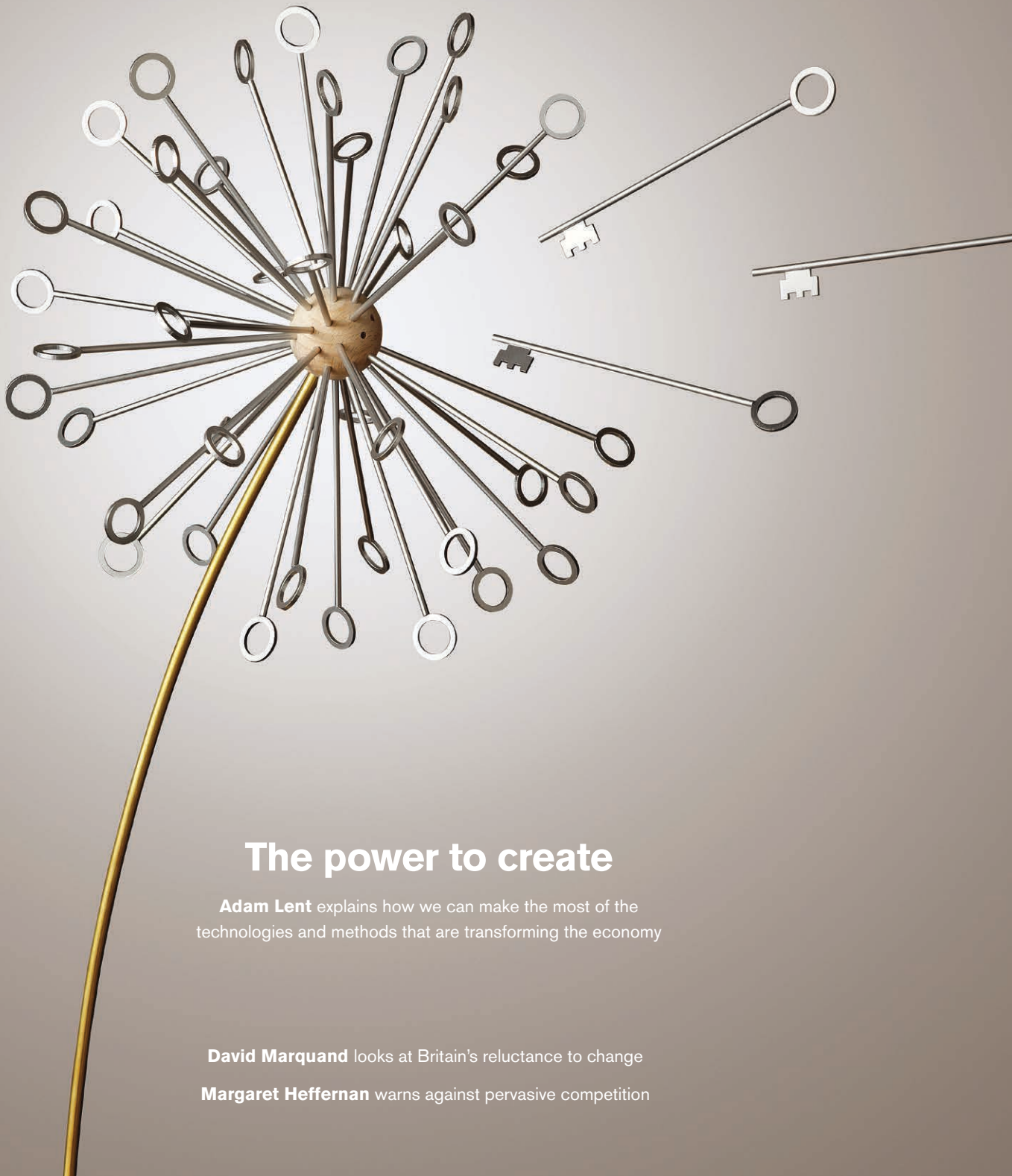


RSA

21st century enlightenment

Journal Issue 2 2014



The power to create

Adam Lent explains how we can make the most of the technologies and methods that are transforming the economy

David Marquand looks at Britain's reluctance to change

Margaret Heffernan warns against pervasive competition

CYF

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- Developing the social innovators and influencers of the future
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 - Contribute towards the growth of the Fellowship for the next 100 years
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RSA





“THE ABILITY TO CREATE IS A FUNDAMENTAL PART OF WHAT IT IS TO BE HUMAN”

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“THERE IS NOW SPACE FOR ALTERNATIVE FUTURE NARRATIVES”



MATTHEW TAYLOR

The RSA's new world view proposes that everyone has the ability to live creatively and take control of their own lives

Fixed parliamentary terms in the UK mean that, like sporting events or centenaries, we can now prepare well in advance for the general election. In a parallel universe, citizens would be anticipating such an important occasion with growing excitement. But as we watch the parties veer between scoring points off each other and making retail promises to various target groups, the hope that an election could be the focus for a productive national debate seems forlorn. It may be in vain, but the RSA will be doing its bit to try to raise debate to a higher level.

Elections tend to be fought on three terrains. The first is competence; which party and leader are seen to be the least likely to screw up, especially on the economy. The second is values; which party seems to be most in touch with the popular mood on the issues that are most concerning people.

Broadly speaking at the time of writing, the Conservatives are ahead on the former with Labour just ahead on the latter (although when it comes to immigration and welfare reform, neither party seems to be able to satisfy the electorate's appetite for greater toughness).

Arguably, however, neither of the major parties (the beleaguered Lib Dems seem to be having difficulties getting any message across) have developed much of a story on the third terrain: the future. At issue here is not simply policy promises (the electorate is generally pretty indifferent to these), but which party seems to understand – and be best prepared for – the future. Labour strategists, for example, argue that when their party has taken power from opposition it has been in part because of an ability to 'win the future'. Think of Atlee's postwar vision, Wilson's 'white heat of technology' and Blair's 'New Britain'.

For much of the past four years, the country has felt mired in crisis and, even now, only a small minority feel they are benefiting

from the economic upturn. There is still a great deal of tough austerity to come. In these circumstances to talk positively about the future might seem irrelevant or, worse, complacent. But there is now space for alternative future narratives and the quality of political debate (bemoaned by David Marquand) would benefit from hearing them.

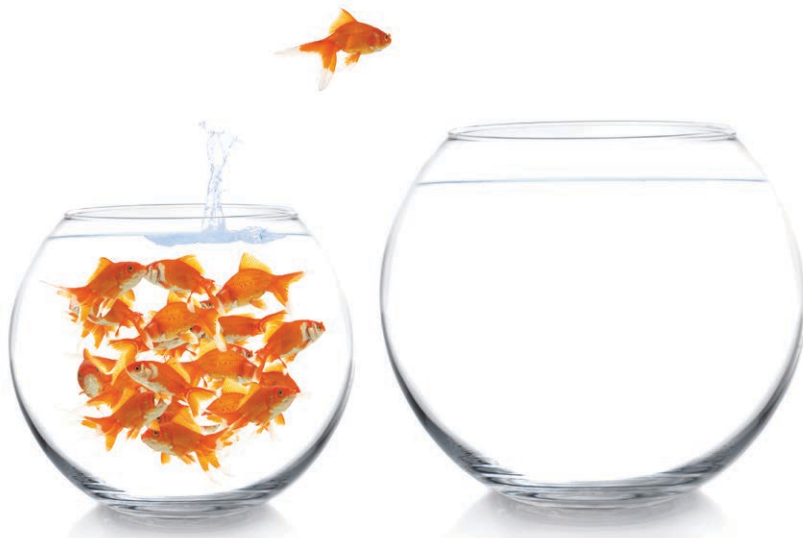
The RSA's emerging world view (the subject of pieces in this journal by my colleagues Adam Lent and Joe Hallgarten) has a longer term goal than simply enlivening the next election campaign. But at the time of writing, as I prepare for my annual lecture in July, I hope that the ideas around what we call 'the power to create' might contribute to a more expansive political discourse.

The power to create identifies the possibility of a tipping point, where it becomes possible to realistically aspire to all people being able to live creative lives. The tipping point results from changes in human capability and appetite, in the technological transformation wrought by the web, and in the growing demand from employers and the state for, respectively, creative workers and citizens.

But there are also barriers to be surmounted before this tipping point can be reached. There is still a view that the creative life – a life of fulfilment that we actively choose – is only for a social elite. There is the working of institutions premised on sorting people, functions and jobs into the creative and routine. And there are concentrations of power and resources that stand in the way of our society being a pluralistic meritocracy in which there are many paths to creativity and success is duly recognised and rewarded.

For the RSA, the development of a world view is part of a broader process that aims to build on the substantial progress made in recent years and to focus more of our energies (in our research, in events and Fellowship activities) on doing fewer things, but doing them in a way that makes a real impact.

As the parties work on their manifestos and are tempted to once again increase the number of promises they make, the principle of doing less – but doing it better – might be another RSA goal they could usefully consider. ■



BUSINESS

SELF-EMPLOYED SALVATION?

The UK is experiencing a boom in microbusinesses and self-employment. The number of people working for themselves has increased by about 30% since 2000, with the result that one in seven of the workforce are now self-employed. Nor does this trend show any signs of abating: 183,000 more people became self-employed in the first quarter of 2014.

This phenomenon throws up a number of important questions. What 'types' of microbusinesses are becoming more commonplace? What has caused the large increase in recent years? And what effect are they having on the economy and wider society?

Late last year, in a bid to answer these questions, the RSA and the e-commerce website Etsy launched a new research project called The Power of Small. In May, the RSA published the first report of three, *Salvation in a Start-up?*, which examines in detail the reasons why so many people are turning to self-employment.

The report highlights a number of myths that surround this phenomenon, namely that most of the newly self-employed have been forced into that position, that the boom in self-employment is largely accounted for by 'odd jobbers' and that the growth we have seen in the past few years is a blip that will die down once the economy returns to full health.

Although the economic downturn has played some role in bumping up the self-employment figures, the RSA report argues that much of the explanation for the increase lies in deeper, more structural changes in our economy and society. These include changing mindsets, shifting demographics and the emergence of new technologies.

The report also identifies a paradox in the lives of the self-employed. They earn less and work longer hours, yet appear to be one of the happiest groups in the labour market. Many in the workforce seem willing to forgo material benefits for greater meaning, freedom and control, something the report argues is a sign of a new 'creative compromise' at work.

"The fundamental lesson from our research is that we need to learn to live with the self-employed," said Benedict Dellot, who wrote the report. "Yes, there are a substantial number who are forced into the position, but there is little doubt that the vast majority enjoy being their own boss. Many commentators seem to want to hark back to a golden age when being an employee in a large organisation was the overwhelming norm. Not only is this futile, it also distracts us from the task of improving the living standards of the self-employed and ensuring their needs are no longer overlooked in government policy."

■ [Read the report at www.thersa.org/publications](http://www.thersa.org/publications)

CITIES

SKILLS REPORT PUBLISHED

The RSA City Growth Commission's second report found that the political debate around the skills agenda remains impoverished and it is unclear how government initiatives add up to an overall strategy that contributes towards wider economic growth. In *Human Capitals: Driving UK Metro Growth through Workforce Investment*, the Commission concluded that local administrations in cities should have the power to control government spending on skills and set local labour market policy.

The Commission argues that public investment in skills is uncoordinated and often insensitive to local demand. It sees initiatives becoming confused as approaches are designed to address headline unemployment.

"Currently, the UK skills system is too slow to adapt to changes in the economy and to employers' demand for not only new skills, but new ways of working and communicating," said Jonathan Schifferes, senior researcher at the RSA. "It is vital that we get up to speed as quickly as possible in this area, as in-work progression is important for alleviating poverty and reducing long-term pressure on the public finances."

The report recommends handing local authorities control of adult skills budgets at the metro scale and introducing a statutory framework for a metro minimum wage, where local authorities could apply for a special minimum wage to be introduced in their area.

In addition, the Commission highlights the need for in-work progression. Proposals to increase the amount of training going on in the workforce include adults repaying the costs of development or training through an earnings-linked tax.

■ [Download the second report at www.citygrowthcommission.com](http://www.citygrowthcommission.com)



ONLINE

NEW RSA SITE

The RSA's new website, due to launch in the autumn, will offer powerful ways of finding and connecting with other Fellows based on their skills and location.

It will also offer opportunities for Fellows to receive tailored information based on their interests and make it easier to get involved in both the Action and Research Centre and other Fellows' projects, such as those awarded RSA Catalyst funding.

"It is great that we can finally offer the long-desired ability to easily find and connect with like-minded Fellows across our global network," said RSA director of Fellowship, Oliver Reichardt.

The design and capabilities of the new site have been developed following detailed research and user testing among both Fellows and non-Fellows. The website uses a responsive design, meaning that it will work well on all tablets and mobiles, irrespective of their size, and will be much easier to use and more attractive to view. The first stage of the website will launch in late autumn with more features being delivered over the following months.

The new website enables Fellows to:

- Find other Fellows by skills, interests and location
- Receive personalised content based on their interests
- Find things easily due to attractive website design



LEADERSHIP

AFRICAN DIASPORA LAUNCH

The RSA launched the new Diaspora ChangeMakers network at a high-energy event at RSA House on April 28. In a project funded by Unbound Philanthropy and Comic Relief, the RSA chose 100 people of African heritage out of a pool of 1,000 applicants to take part in a year-long programme of leadership training, networking and project development. The aim is to foster new links between people from the diaspora who are working for social change.

The April launch was the first chance for the 100 ChangeMakers to meet and learn about one another's work. In a similar format to the RSA Fellowship network's 'Engage' events, the attendees took part in speed networking activities to meet as many people as possible and discuss how to make the network useful and sustainable. After an introductory speech by Dr Titilola Banjoko, an expert in diaspora contributions to African development, the ChangeMakers took turns to pitch their projects and let others know how they can get involved.

The ChangeMakers are working on a huge diversity of projects both in the UK and on the African continent. Those profiled at the launch included Peninah Achieng's public research project commemorating the contributions and sacrifices of African soldiers during the First World War, Danmore Sitole's campaign to combat the stigma experienced by HIV-positive people in the employment market, and Betty Makoni's work campaigning for girls' rights and an end to sexual violence in Zimbabwe and beyond.

■ *RSA Fellows who are interested in finding out more about the Diaspora ChangeMakers network, or who might be interested in offering some time to mentor ChangeMakers who wish to develop skills in areas such as business development, are encouraged to contact Matthew Parsfield at matthew.parsfield@rsa.org.uk*



EDUCATION

OUTSTANDING ACADEMY

In May, Ofsted published its report on Arrow Vale RSA Academy, awarding the school 'outstanding' in every category. "This is a wonderful endorsement of the work of the principal, Guy Shears, and the school's staff and governors," said Alison Critchley, chief executive, RSA Academies. "It is also welcome recognition of the effectiveness of the RSA's approach to school improvement, whereby support is provided by practicing teachers and head teachers from a partner school in the RSA Family – in this case from Whitley Academy – rather than by a central pool of advisers."

The RSA's model of school improvement is relatively unusual in the world of Academy chains. It requires no small commitment on the part of the partner school. Whitley's Principal, Lorraine Allen, has dedicated enormous time and energy to providing support and practical advice to Shears and his team. Whitley Academy has seconded a senior member of staff to work as vice principal at Arrow Vale for the past two years, which has provided an excellent professional development opportunity as well as benefiting the school. But the partnership extends more deeply than this. Staff at all levels have worked together, bringing benefits to both schools.

The RSA Academies' approach is self-sustaining. With Arrow Vale RSA Academy being judged to be outstanding, there is increased capacity to grow the RSA Family. "The lead inspector asked me what was next for the school," Critchley said. "Part of my answer was that Arrow Vale will be able to take on the role of school improvement partner for another school joining the RSA Family, just as Whitley has supported Arrow Vale RSA Academy."

Arrow Vale's success means that the RSA Academies team is in a position to welcome one or two new schools into the Family. They would particularly like to hear from primary schools in the West Midlands that are interested in joining the RSA Family of Academies.

■ *Get in touch with Alison Critchley, chief executive, RSA Academies, at alison.critchley@rsa.org.uk*

RSA ACADEMY, TIPTON

OXBRIDGE SUCCESS

RSA Academy in Tipton is celebrating its first Oxbridge entrant, with a little help from the RSA Fellowship. Alex Beddall will read English at St Peter's College, Oxford, in October. As the RSA Academy, Tipton, follows the International Baccalaureate (IB), students get their results earlier than those that take A-levels. Alex achieved the 39 points required for a place at Oxford. The Academy's IB average rose from 28 points in 2013 to 30 this year – the global average of all IB schools.

"We are extremely proud of all our students who have got their IB Diploma results," said Daulton Redmond, principal of RSA Academy, Tipton. "This year has seen the academy's average point score increase once again, putting us among the best IB academies in the world. We are especially proud of Alex, who is the first to earn a place at Oxford and a great example to our younger students."

Earlier in this school year, Alex received some coaching and support from a local Fellow, Bill Good FRSA. Bill – and his family – provided coaching and advice for Alex on the interview process at St Peter's, which Alex found incredibly helpful.

NEWS IN BRIEF

FELLOWSHIP SURVEY 2014

We are sending an online survey to all Fellows via email to understand your thoughts about the RSA. If you are not on email and would like to take part in the survey, please contact us on 020 7451 6860 to request a paper copy. The best and most cost-effective way for us to keep in touch with you is by email. If you have not already informed us, let us know your email address at fellowship@rsa.org.uk

NEW PROJECT INVESTIGATES TALENT

Working with the University of Manchester, the RSA is investigating the role social networks play in how we develop, promote, recognise and reward talent in music. The RSA will publish a short pamphlet and premiere a short film, featuring interviews with people in their working environments.

■ *Share your definition of talent with others at www.thersa.org/channellingtalent – and join the conversation on #RSATalent – from August 10.*

PREVIEW



A BRIEF HISTORY OF HUMANKIND

Historian Yuval Noah Harari was awarded the Polonsky Prize for Creativity in the Humanistic Disciplines. His magnum opus *Sapiens* challenges everything we know about being human: our thoughts, our actions, our power and our future.

Where: RSA

When: Tuesday 9 September, 1.00pm



SMALL CHANGES TO MAKE A DIFFERENCE

In the field of influence and persuasion, Robert Cialdini is the world's most cited living social psychologist and the author of the seminal work *Influence*. He returns to the RSA to reveal the small changes that make the biggest impact when persuading others.

Where: RSA

When: Thursday 18 September, 1.00pm



POLITICAL ORDER AND POLITICAL DECAY

Influential political scientist Francis Fukuyama tells the story of mankind's emergence as a political animal and the development of the state, law and democracy. He explores the modern landscape – with its uneasy tension between dictatorships and liberal democracies – arguing that, in the US and other developed democracies, unmistakable signs of decay have emerged.

Where: RSA

When: Wednesday 24 September, 1.00pm



MIND CHANGE

Leading neuroscientist Susan Greenfield considers the implications of the vast new range of technologies that are creating a new environment around us all. How can we ensure that these powerful forces bring out the best in us and allow us to lead more meaningful and creative lives?

Where: RSA

When: Thursday 2 October, 1.00pm

Events and RSA Animate producer Abi Stephenson has selected the highlights above from a large number of public events in the RSA's programme. For full event listings and free audio and video downloads, please visit www.thersa.org/events

FOR HIGHLIGHTS OF RECENT EVENTS, SEE PAGE 49

THE POWER TO CREATE

Governments, business and our institutions need to make the most of the technologies and methods that are transforming our economy

by Adam Lent

The economist Eric Beinhocker once wrote that for 130,000 years of human history not much happened economically before all hell broke loose 250 years ago. He was not wrong. There were explosions of inventiveness, such as during the Roman Empire, but these would come to an end with the fall of the political system that sustained them. Average incomes improved at glacial rates: in the first century, most people could expect an income of around \$1.20 a day; by the 18th, it had risen to \$1.70.

This all changed in the late 1700s. Britain became the birthplace of an extraordinary revolution that would come to transform the world. Modern capitalism was being built on the back of an enormous flowering of commercial innovation: new machines, new products, new production systems, new business structures and new markets came to life.

Children learn in school that the Industrial Revolution lasted from about 1760 to 1820. But the revolution never stopped. There is a clear line of continuity from the opening of Arkwright's Cromford textile factory in 1771 to Stephenson's Rocket in 1829 to Carnegie's Pittsburgh steelworks firing in 1875 to the production of the first Model T in 1908 to Toyota's groundbreaking move to flexible production in the 1970s.

The impact was enormous. Average global incomes grew tenfold in just eight generations. Public healthcare took unimaginable strides and communications networks advanced rapidly. Millions now travel internationally every day and mass education is widespread.

ADAM LENT IS
DIRECTOR OF THE
RSA'S ACTION AND
RESEARCH CENTRE

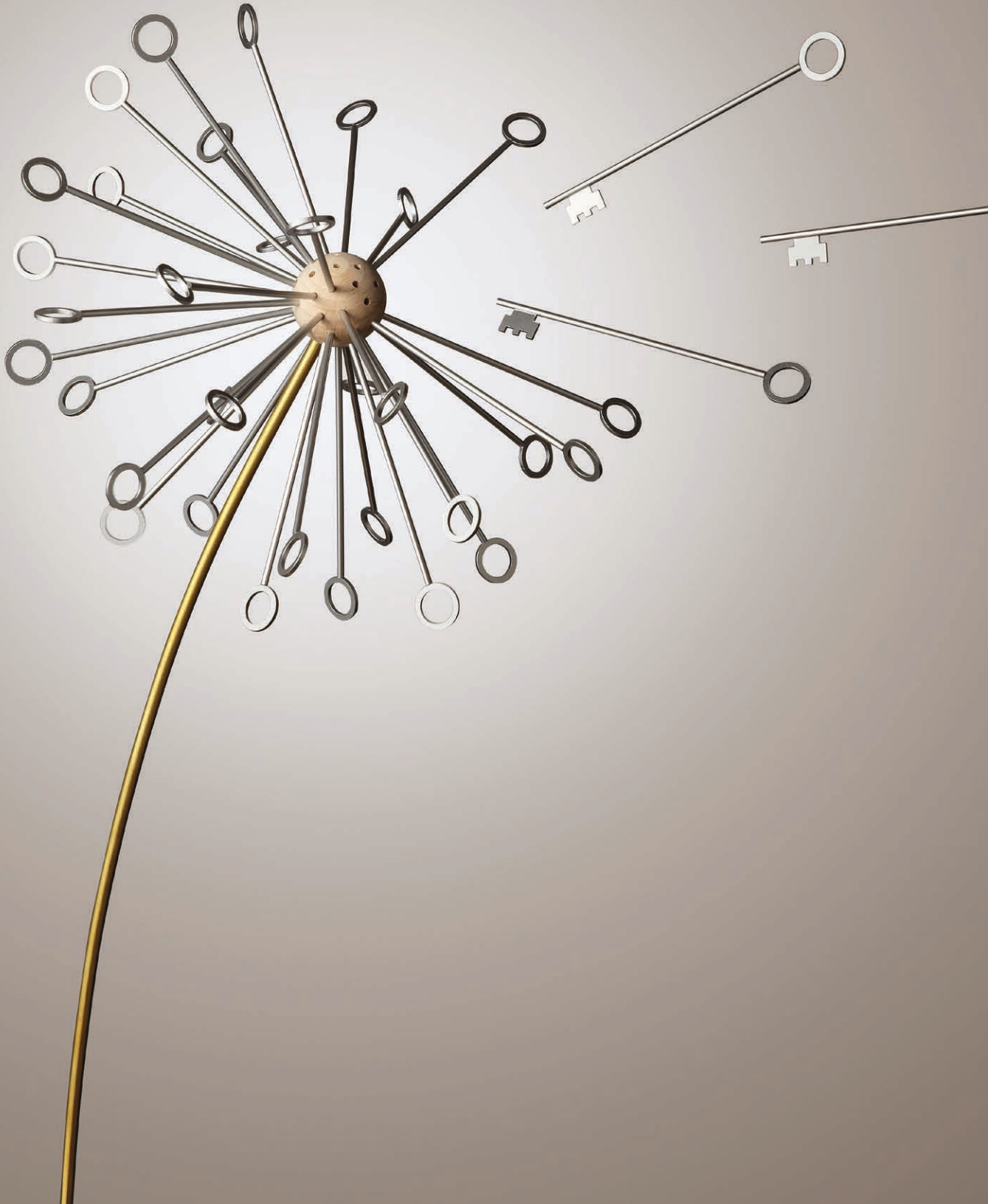
The debates about why this happened have raged ever since, but what they miss is that something very human was released in the 1760s: the power to create. The human compulsion to turn ideas into reality suddenly intensified and has kept intensifying ever since. A switch was flicked and, thankfully, it has proven very hard to turn off. We are entering what could be the most impressive phase in this history, a period when creativity is driven not by an entrepreneurial elite backed by technical specialists, but by everyone. All hell looks likely to break loose once again.

CREATIVE TIMES

For many years, the way of creating and selling things, whether a manufactured product or a service, has been well established. During the past century, the modern corporation turned the creative process into a highly segmented system where each element had its own department.

Typically, the internal structures of the corporation were very hierarchical, but a powerful hierarchy also existed externally. The corporation actively created things and customers passively consumed them. Companies would use market research to find out what their customers wanted but, ultimately, the only way a consumer could be proactive was when deciding whether or not to buy a product or service.

In creative times, however, that hierarchy is disappearing. It began with the open innovation trend around the turn of the century as companies like Lego and Procter & Gamble discovered that letting customers in on some of the R&D and design work once carried out exclusively >>





behind closed doors reaped commercial dividends. But the collapse of traditional creative hierarchies has accelerated rapidly since then.

This has happened most noticeably in industries that rely on information. Publishing, journalism and the entertainment sectors are going through a radical transformation, posing an existential challenge to the newspapers, networks and companies that once dominated.

But this shift is now happening outside entertainment in new and unexpected ways. Airbnb, which lets people rent their homes or spare rooms for short periods, has hotel chains everywhere worried. Crowdfunding and peer-to-peer lending is transforming the way startups and, increasingly, growth businesses raise finance, taking it out of the hands of banks and venture capitalists. Even the highly controlled world of central banking is not safe, as alternative currencies such as Bitcoin and Litecoin seek to offer consumers an alternative to state-backed money. And soon the ‘internet of things’ – which allows everyday objects to send and receive data over the internet – will allow people to shape, in precise detail, the way their products are manufactured and their energy is generated.

The overall result of this is that concentrated forms of power are beginning to weaken. As the writer Moisés Naím has argued in his recent book *The End of Power*, hugely powerful institutions such as multinational corporations, nation states, newspapers and conventional armies find their authority being eroded year on year. Individuals and small groups, often benefiting from the networking power of the

internet, are setting up their own initiatives and doing things their own way.

This is not to say that governments and corporations are devoid of all power – far from it – but the capacity of these bodies to enforce their will is spectacularly diminished when compared with 30 or even 20 years ago.

REASONS TO BE CHEERFUL

This seizing by the masses of the power to create has huge benefits. The ability to create is a fundamental part of what it is to be human. Throughout history, philosophers and others have noted the inexhaustible capacity of humans to imagine an alternative way of doing something and then to turn that vision into reality. When we are being creative, we are more fully human and, as a result, more fulfilled.

Indeed, an important concept behind the rise of liberal democracy was the belief that greater freedom was a good thing, as it would allow humans to reach their full creative potential. This is a principle captured rather poetically by the liberal thinker Wilhelm von Humboldt (1767–1835) in a quote that hints at the promise today’s creative times may hold:

...man never regards what he possesses as so much his own, as what he does; and the labourer who tends a garden is perhaps in a truer sense its owner, than the listless voluptuary who enjoys its fruits... In view of this consideration, it seems as if all peasants and craftsman might be elevated into artists; that is,

“WE ARE ENTERING A PERIOD WHERE CREATIVITY IS DRIVEN BY EVERYONE”

men who love their labour for its own sake, improve it by their own plastic genius and inventive skill, and thereby cultivate their intellect, ennoble their character, and exalt and refine their pleasures.

But as well as being a good thing in itself, the power to create offers new routes to a better society. Establishing a world where millions can apply their ingenuity to solving problems is far more likely to bring about adequate solutions than one where this power is delegated to an exclusive elite. The enormous and continuing impact of the open-source movement is built on the principle that many minds can spot and solve problems far quicker and better than a few technicians.

But the power to create enables problems to be solved at an even deeper level. It has the capacity to develop completely new economic, political and social forms that better meet people’s needs. This is because they are designed by the people themselves, rather than handed down from on high.

The US writer Steven Johnson, for example, has noted how online peer groups have created a new world of information exchange and action that relies on neither the centralised control of the state nor the price mechanism of the market. Initiatives like NHS Citizen, which aims to develop a user voice on the NHS Board, are showing how large organisations can now engage democratically with a huge population of users or customers.

RISKS OF REVOLUTION

This is, however, where the downside of the power to create has to be acknowledged. Mass creativity is a highly disruptive force. As we can see from the publishing and entertainment worlds, the radical shifts promoted by the power to create can lead to firms shrinking or going bust and people losing their jobs. It also, of course, leads to new firms and jobs being established, but that is little comfort to those suddenly shut out of labour markets because their skills are no longer needed. The risk is that this disruption, like the shifts in manufacturing in the 1980s and 1990s, will leave certain communities permanently excluded from economic and social well-being.

The other risk is that a counter-trend emerges simultaneously with the expansion of the power to create. Mass creativity relies on mass platforms like Google, YouTube and Facebook. This places enormous concentrated power in the hands of a new elite of internet companies just as other, older institutions’ power is dissolved. Clearly, as recent revelations

in the media have shown, this situation can also offer new ways for the state to reassert its control of populations if surveillance is abused.

There is clearly an urgent need for business, government and civil society bodies to understand the rise of creative times and to respond adequately. Attempts to hold back the deluge will fail and only serve to damage those who try to do so.

Efforts by authoritarian governments, for example, to control social media may give them some short-term respite, but the longer-term implications for the competitiveness and development of those nations’ economies are negative. Equally, businesses that try to undermine disruptive competition by flexing their legal or political muscles – such as New York hoteliers’ attempts to ban Airbnb or the London taxi trade’s opposition to the car-hire app Uber – are short-sighted.

SEARCHING FOR SOLUTIONS

This is a revolution that needs to be embraced and encouraged. The benefits – in terms of human fulfilment, economic growth and quality of life – are too great to ignore. That must mean government, business and civil society asking hard questions about whether current education and training regimes are fit for purpose in creative times, whether intellectual property and other regulatory systems enable or stifle mass creativity and how sectors that have historically been less subject to major innovation, such as public services, energy and transport, can be opened up.

However, we also need the right response to the dangers of the power to create. Government- and business-led programmes to support and retrain those who lose their jobs need to be put into place. Communities that might be particularly badly affected by the changes must not be allowed to drift for decades, as was the case with the parts of the UK and the wider world that were once reliant on heavy industry. Targeted support and investment to help these areas adapt to a new economy centred on mass creativity need to be put in place rapidly, rather than years after the worst effects of economic and social deprivation have set in.

Finally, we need a robust regulatory environment for the internet that ensures it remains a space for the flourishing of unexpected and creative human endeavour driven by commercial competition and social innovation. It is too precious to become a tool for the promotion of the interests of a few giant companies or, worse, the expansion of the more secretive and authoritarian aspects of government.

Joseph Schumpeter, the economist who placed the “creative destruction” of capitalism at the heart of his analysis, once said that pessimism always seems more profound than optimism. As the global economy still struggles back to health almost six years after the banking crash, pessimism is certainly de rigueur.

But the releasing of the power to create could be the next big step in humanity’s progress. There is good reason to be optimistic, but it is up to governments, business and civil society to make sure the potential is met. ■

THE RIGHT MIX

Organisations made up of people with different skills are more creative when bound by a shared cause

by Charles Leadbeater

FC Barcelona reinvented how football was played, turning it into a collective and creative exploration of movement. Pixar reinvented the animated film, with movies such as *Toy Story* and *WALL·E*, setting new standards for compelling storytelling. High Tech High, a chain of revolutionary charter schools based in San Diego, has reinvented what it means to be a school, organising learning almost entirely around team-based creative projects that are conducted in the real world as much as in the classroom. Pratham, perhaps the leading educational social enterprise in the world, has tutored millions of pre-school children in India from the single-room homes of young women. Cambridge University's Laboratory of Molecular Biology unravelled the genome of a complete organism just years after Francis Crick and James Watson had uncovered the double-helix structure of DNA and cleared the way for radical advances in genetics.

A football club, an animation studio, a school, a social enterprise and a laboratory: all of them became leaders in their fields thanks to a track record in creativity, innovation and excellence. They vary in their size, ownership, legal form, culture and geography, but have several key things in common.

They have all had visionary leaders, often several. Barcelona's most recent success came under Pep Guardiola, himself a disciple of the great Dutch visionary Johan Cruyff. The brilliant and charismatic Sydney Brenner created the Laboratory of Molecular Biology. High Tech High is the brainchild of the educational entrepreneur and maverick Larry Rosenstock.

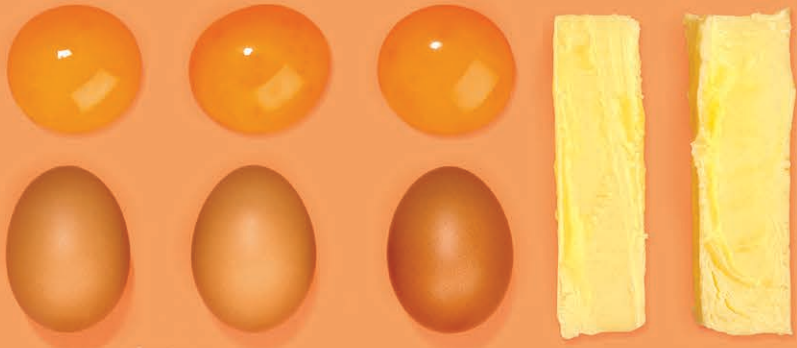
CHARLES LEADBEATER IS THE AUTHOR OF *THE FRUGAL INNOVATOR* (MACMILLAN, 2014)

But it is what these leaders did that matters. In each case they developed around them what we should now recognise as the basic unit of sustained innovation: a creative community with a cause. The leaders only achieved what they did because they became the focal point for a much larger creative community. We think that innovation comes from brilliant individuals – and in a way it does – but the lesson of these examples is that the most effective innovators build creative communities and provide them a cause.

These leaders can be crucial in preventing the organisation from resting on its laurels. In the past two years, for example, Barcelona has suffered from both having its competitors focus most of their resources on defeating them and the departure of Guardiola as coach. If he had stayed on, the club might have been able to transition to a new era more smoothly. After he left, something of the club's cause – which he embodied – was lost.

THE RIGHT BLEND

Communities, rather than individuals, are the basic unit of sustained innovation, as innovation invariably stems from creating new ways to blend old and new ideas and resources. Those combinations usually come from people with different ideas, knowledge and insights finding one another and out of their conversations come new mixes and blends. Sustained, successful innovation usually comes from communities that can assemble all the necessary skills for the complex task of taking an idea from the drawing board and into the real world where it can be used. >>





Pixar is a prime example of such a community. At the heart of the company is a creative team of artists, animators and storytellers, where communication is fluid, hierarchy is flattened and creative decisions are made through peer review. The atmosphere at Pixar is not unlike the highly dynamic community Sydney Brenner created in Cambridge. Brenner would convene informal seminars at short notice so people could not prepare in advance and had no option but to share early ideas.

Communities sustain innovation through ideas mutating, growing and adapting as they are shared. That is how engineers in 19th century Cornish tin mines developed the steam engines that would eventually power trains, ships and factories, going ever deeper in more difficult conditions. It is also how Dutch sailors in the 17th century tested and then adapted their designs to meet different conditions. As the community spread out it encountered new conditions, devised new solutions and so new ideas spread.

CREATIVE CONTEXT

But a community can only become creative under three conditions. First, the members have to be reasonably skilled at what they do. Barcelona's footballers go through thousands of hours of training to develop their extraordinary fitness, skills and communication. Second, the community needs a diversity of skills, knowledge and outlooks. A community made up of people with the same background and view of the world will come up with similar solutions. Pixar's staff set one another extremely high standards for the work they do, but they also respect the range of skills needed to make a film. Third, a creative community needs to be curious and outward looking. At High Tech High, learning is organised around a sense of

curiosity to tackle real world problems. Teachers must display this curiosity themselves to inspire it in their students.

Groups with diverse skills and outlooks come up with innovative solutions more often than groups of very clever people who share the same outlook and skills. The challenge, however, is to organise such a creative, curious, diverse community. Hierarchies, rules, targets and bureaucracy are useless. Communities get organised by the laws of attraction: people are attracted to one another and to a cause they share.

A shared cause provides people with a sense of momentum and purpose. Pratham has gathered its community of many thousands of educators around the common cause of changing India's dismal record in basic education. Its CEO, Madhav Chavan, is an inspirational leader and former trade union organiser who has applied the principles of mass-membership recruitment drives to pre-school education. High Tech High was created to reclaim what makes learning exciting. Having a cause attracts followers and grows the community.

But having a cause also provides perspective, which is vital to innovation. Radical innovators often challenge orthodoxy because they have a cause. They create different solutions because they stand for something different. That is at the heart of a string of innovations in the food industry, from Ben & Jerry's direct challenge to the 'big food' industry to Whole Foods' conscious capitalism.

In a world where new ideas, technologies, services and applications are emerging all the time, what really counts is being able to pick out what matters fast. Successful entrepreneurs spot emerging trends early when others need more time to analyse the data. Making sense of the world and spotting what matters becomes a lot easier if you know what you stand for and what your underlying purpose is.

“THE MOST SUCCESSFUL BRANDS STAND FOR SOMETHING”

Many of the most successful innovators are ideological as much as technological. They do not just offer consumers new products and services, but new and more successful ways to live. Nike outsells Adidas because, while Adidas thinks it is selling shoes, Nike has long understood it is selling ideas and feelings, embodied by shoes. Adidas is a great shoe innovator; Nike is an ideological innovator.

HOW TO CHANGE

If we want a more innovative society, we need more creative communities. To this end, education should be redesigned to ensure young people develop the social, emotional and intellectual capabilities to form, contribute to and lead communities of this kind. Schools should be creative communities with a cause; too often they are places where children go to be processed along a pointless production line of tests.

A prime model of the kind of education required for communities of this kind comes from La Masia, FC Barcelona’s academy, where young players go through the detailed drills necessary to build up their movement, passing and interchange. A La Masia student who starts at the age of 10 and makes his senior debut at 20 will have completed 2,300 training sessions, 3,070 hours of practice and hundreds of thousands of routines that train players to keep the ball. As Graham Hunter put it in his history of the making of the great Barcelona team of the first decade of this century: “They have the work ethic of navvies and the geometrical imagination of Da Vinci.” All education should be an experience in creative, collaborative self-governance, in which children learn how to address open, ambiguous challenges, rather than come up with the right answer on demand.

It is a similar story with organisations, most of which see themselves as hierarchies of power and position, rather than communities of ideas. Companies will not be innovative unless they can foster within and around themselves the sense of creative community that abounds at Pixar. The best companies make a profit as a by-product of making things better for consumers and society. Organisations will need to embrace this mission-driven capitalism if they want to attract and animate a creative community. The most successful brands do not just deliver good products and services; they stand for something.

Companies such as Apple and Unilever see the purpose of their business as helping society to learn. Business

innovation should be seen as a vast attempt to help us learn how to live better lives. We should pay companies because they help us live more successfully. Set against that yardstick, most companies – the UK banks, for example – have failed miserably and now are desperately trying to recover a sense of social purpose.

Finally, all of this sheds new light on why we have become so detached from national governments and conversely so attracted to cities. Creative communities with a cause propel big political changes, such as the civil rights movements and the movement for women’s suffrage, and changes to legislation and welfare provision. At its best, public service should be a community with a cause, as it is in times of crisis, for example during the English floods of early 2014 and whenever the NHS seems endangered.

Yet most of the time the state seems well resourced but stuck, more like a monument than a movement. Governments are led by technocratic, managerial politicians in charge of unresponsive, inward looking and cautious bureaucracies that seem increasingly distant from citizens.

As European societies face new challenges – tackling climate change, generating meaningful work for young people, creating quality of life in older age – so the state will have to mobilise new solutions and energy from within civil society. Many of these challenges defy traditional public service solutions, in which the state defines in advance and then delivers services to and for people. They require solutions that citizens assemble – with and by themselves, supported by the state – as they are needed. These challenges demand politicians who can lead creative communities with a cause.

Organisations as movements are becoming more common, in part thanks to digital technologies that allow more collaborative, distributed forms of organisation to emerge, often rapidly and at low cost, as people coalesce around common objectives. These technologies are creating a new culture of citizenship in which citizens learn that how they govern one another is at least as important as how citizens are governed by the distant state.

The place where this all comes together is in cities, the focal point for creative communities. There is no finer current example than London. The people gathering in London from all over the world are creating a highly cosmopolitan, civil, convivial, safe and largely self-governing city, in which their difference generates a flow of new ideas in culture, work, entertainment, and business. The very weakness of London’s patchwork state of the mayor, the Greater London Authority and the boroughs, means that citizens themselves, with one another, transact the main business of governance in London. The city stands for an ideal of a self-governing, creative community. That is London’s cause.

So if you want to be a successful innovator, make sure you are part of a creative community. Do not get isolated. Look for a new angle. Always stay connected. You will not win unless you can pass. Find people who share your cause. ■

PATHS TO PROGRESS

The return to business as usual since the financial crisis can be traced to the complex way the British state was formed

by David Marquand

For the best part of seven years, Britain has been living in the shadow of the economic and financial crisis whose first British intimation was the run on Northern Rock in 2007 and which climaxed in the failure of the Royal Bank of Scotland a year later. Though the worst is now over, the output lost during and immediately after the crisis has been lost forever. The collateral damage – blighted lives, falling real wages and shrunken public services – is all around us. But there is an extraordinary paradox about our present state. Despite talk of tough times and hard choices, the institutions, culture and assumptions that procured the crash are still riding high. A few examples give the flavour. In April 2014, Barclays shareholders, notably including institutional shareholders, revolted against the excessive bonuses that had been agreed by directors. Shortly afterwards, Bernie Ecclestone, the boss of Formula One, was put on trial in Germany for alleged bribery.

In May Margaret Hodge, chair of the Commons Public Accounts Committee, denounced the investment bank Lazard for making “huge bucks at the expense of ordinary taxpayers” in relation to the share flotation of the privatised Royal Mail. The government had paid Lazard £1.5m for advice on the flotation; the shares were sold for much less than they turned out to be worth. Lazard bought six million shares at 330p a share and sold them all at 470p a share, reaping a profit of £8.4m. A few days later, Barclays and HSBC, together with a number of other banks, were sued for rigging the price of gold. Later still, *The Sunday Times* Rich List revealed that there

DAVID MARQUAND'S LATEST BOOK IS *MAMMON'S KINGDOM: AN ESSAY ON BRITAIN, NOW* (ALLEN LANE, 2014)

are now 104 billionaires in the UK, worth a total of just over £301bn, and that London is home to more billionaires than any other city in the world. The Hinduja brothers, who headed the list, are worth a total of £11.9bn, compared with £10.6bn the previous year. The following month, the High Pay Centre – a think tank that monitors pay at the top of UK business – reported that the average income of the poorest 20% of British households was lower than the equivalent figure in virtually all other north-west European nations, and on a par with former communist countries such as the Czech Republic and Slovenia. On the other hand, the highest-earning 20% in Britain were the third richest in the EU, behind only France and Germany.

What are we to make of all this? The 2007/2008 crisis was the second most devastating in the long history of capitalism, surpassed only by the crisis of 1929 that led to the Great Depression in the 1930s. But the crisis of the 1930s caused policymakers in the US, Germany and even, to some degree, in the UK to jettison the economic orthodoxy of what was then the recent past and search for new approaches. (These new approaches were not all benign: among them was the Nazis' rise to power in Germany.) This time, however, new departures are conspicuous by their absence. No modern-day Roosevelt has called on his countrymen to ‘drive the money changers from the temple’; no 21st century Lloyd George has called for a British New Deal. There is a nominally socialist government in France, but it is a pale shadow of Léon Blum's Popular Front government in the 1930s. On left and right alike, the hunt is on for a cleaned-up version of business as usual; for a return to the pre-crash search for the imaginary sunlit uplands of ever-rising material living standards. >>



“THIS TIME, NEW DEPARTURES ARE CONSPICUOUS BY THEIR ABSENCE”

Left and right differ in emphasis and style. Raucous shouting matches during prime minister’s questions in the House of Commons, smearing and jeering by the overwhelmingly right-of-centre popular press, and desperate attempts to give inconsequential policy distinctions more importance than they deserve are all features of the landscape. But these are examples of what Freud called “the narcissism of minor differences”. What matters is that left and right both cleave to the fundamentals of the pre-crash, neoliberal public doctrine, just as they did in the long boom of the late 1990s and early 2000s. The three Cs that have encapsulated the common sense of the age since the early 1980s – choice, customer and competition – still dominate public debate and shape public policy. The great question posed by the crash – what is to replace the public doctrine that came to grief six years ago? – has rarely been asked and even more rarely answered. Commentators such as Will Hutton and Edward and Robert Skidelsky have challenged that doctrine and the behaviours that flow from it, but the response from the political world has been an embarrassed silence. It is hardly surprising that mainstream politics turn off the voters, or that Ukip cuts into both the Labour and the Conservative core constituencies.

THE PAST REPEATS

On a deeper level, the attrition of the public realm; the remorseless growth of inequality; the social pathologies associated with its growth; the humiliations suffered by those at the bottom of the economic pile; the callous indifference of those at the top; the penetration of state institutions by corporate interests; the decline of public trust; and, not least, the hubristic irresponsibility of a sometimes criminal financial sector – all the stigmata of pre-crisis Britain – loom as large as they did before 2008. They are reflected, among other things, in a frenetic house-price bubble in London and south-east England, for which government policy bears a large part of the blame, coupled with an ominous rise in household debt. The European Commission has urged the British government to rein in house price increases; the International Monetary Fund has warned that the bubble imperils Britain’s economic recovery.



George Santayana’s aphorism that those who forget the past are condemned to repeat it seems increasingly apposite.

Why should this be? After all, crises create opportunities for the future as well as suffering in the present. Political will and imagination, not ineluctable fate, determine the outcome. The crisis of stagflation that ended the long postwar boom in the 1970s and discredited the Keynesian social-democratic orthodoxy that had accompanied it, is an outstanding case in point. The crisis of stagflation was also a crisis of the state. Like medieval barons defying a feeble king, overmighty vested interests, ranging from trade unions to Ulster loyalists, made it impossible for governments to govern as they thought fit; it became commonplace to ask if Britain had become ungovernable. The stolid Labourism and whiggish conservatism, whose champions had presided over the long boom, were patently bankrupt. The Hayekian New Right seized the opportunity for a new departure and achieved a political and ideological hegemony that has lasted to this day.

There are plenty of other examples. The proximate cause of the great French Revolution that began in 1789 was a deepening fiscal crisis of the Ancien Régime that could not be resolved within the parameters of the old order. The



Estates-General, convened in 1789 after nearly two centuries of desuetude, was hauled out of the dustbin of history in the hope that its re-emergence would somehow overcome the fiscal crisis. Tsarist Russia's defeat to Japan provoked a crisis of the autocratic system, manifested in the abortive 1905 Revolution. The long, drawn-out crisis of British rule in Ireland led, after much bloodshed, to the secession of the 26 counties of southern Ireland from the UK. The Italian crisis provoked by the general strike of 1922 gave Mussolini the opportunity to bluster his way into office. The crisis of the French Fourth Republic in the late 1950s brought de Gaulle to power and led to the establishment of the Fifth Republic.

Why have things been so different this time? Why has our crisis ended with a whimper rather than a bang? Why has an alternative, more radical road not been taken? One reason is that the political class has been sorely lacking in imagination and creativity. The three mainstream parties seem unwilling or unable to think outside the box of the prevailing orthodoxy.

But this only forces us to question why the prevailing orthodoxy has prevailed for so long. The answer, I believe, lies in the complex history and curious nature of the British

state. At the heart of the Hayekian counter-revolution of the late-1970s and 1980s lay an unacknowledged paradox. The counter-revolutionaries saw the state as an enemy, or thought they did. The growth of the state in the 20th century, they insisted, had choked the springs of free competition, the true guarantors of personal freedom and human flourishing. The crisis of stagflation was the most obvious result, but for them that was a symptom of a deeper crisis of personal and public morality. The task, as Sir Keith Joseph put it, was to re-create the conditions under which free competition and bourgeois morality would flourish as they had in the 19th century.

WIELDING THE STATE

The trouble, however, was that the only agency capable of recreating these conditions was a powerful and intrusive state. Only such a state could cut through the clinging cultural and institutional foliage that stood in the way of the market order that the Hayekians sought to resurrect. Faced with the unforeseen contingencies and setbacks of government and the inevitable resistance of intermediate institutions, Hayekian neoliberals turned for salvation to the state whose wings they had sworn to clip. At first sight, the state to which they turned – the 'market state', as the American legal philosopher and historian Philip Bobbitt called it – is a very different creature from the state of the Keynesian social democrats of the postwar period. The Keynesian social-democratic state sought to tame capitalism in the interests of social justice and cohesion. The market state has done very nearly the opposite; its objective has been to return capitalism to the wild.

This difference matters. But the continuities between the Keynesian social-democratic state and its neoliberal successor matter more than the differences. The Keynesian state was supposed to discharge the crucially important function of economic management, which no one had dreamed of before Keynes came on the scene. Indeed, no one could have dreamed of it, since the very notion that there was something called 'an economy' that could and should be 'managed' did not exist. But the state that Keynes himself had taken for granted and that Keynesian social democrats relied on was the familiar old state, run by the familiar old people, with the familiar old mindset.

Crucial to that mindset was the ideological and cultural legacy of more than two centuries of astonishingly successful imperial predation. Thanks to the creation of the Bank of England in 1694 and the contemporaneous invention of the national debt, the English – and subsequently the British – state could mobilise credit on a scale that none of its continental rivals could emulate. It could and did subsidise continental allies, enabling it to concentrate its energies on a successful race for empire >>



against a far more populous France. The Treaty and Acts of Union of 1707 between the two sovereign and independent kingdoms of Scotland and England told essentially the same story. England secured its northern frontier, ruling out any repetition of the ‘auld alliance’ between Scotland and France; the Scots accepted the English law of succession to the throne, ruling out a Jacobite succession; the Scottish and English parliaments were merged; and Scotland became a junior, but richly rewarded partner in what was now a British empire. The British state created by the Acts of Union was, in many ways, a benevolent one. It presided over the gradual establishment of equality before the law; the Scottish Enlightenment, one of the glories of 18th century Europe, took shape under its wing. But it was also a ruthless and rapacious war-making machine. Despite the loss of the American colonies in 1783, the British Empire, which emerged from the wars against revolutionary and later Napoleonic France, girdled the globe. By the same token, the British state was, above all, an imperial state.

The Keynesian social-democratic state of the mid-20th century inherited that tradition. Slowly, half-heartedly and with many backward glances, the politicians who presided over it – and the officials who managed it – gradually liquidated the formal empire, which their predecessors had built over two-and-a-half centuries of successful predation. Under the Attlee

government of 1945–1951, the British Raj in India, once the brightest jewel in the British crown and the lynchpin of the empire, vanished only a couple of years after victory in the most terrible war in British history (which Indian troops had helped to win). Not only India and Pakistan, but also Burma and Ceylon became independent states. The Palestine Mandate, a poisoned chalice that Britain had secured after the First World War, came to an end a little later. But the Macmillan government of 1957–1963 far outdid its Labour predecessor in decolonisation. Under Macmillan, vast tracts of Africa, which had seemed securely part of the British Empire only a few years before, were granted independence, as were Malaya and Cyprus. The process was not painless, but the liquidation of the British Empire was accomplished with far less angst than the liquidation of its French counterpart, or even than the end of Belgian colonialism in central Africa.

As so often, however, appearances were deceptive. Lack of angst did not betoken painless adjustment to the loss of empire; it betokened a stubborn refusal to recognise its implications. The imperial state lived on, beneath the skin of its post-imperial heir. Its longevity was partly due to the buttressing longevity of an informal ‘Anglosphere’, embracing much (though not all) of the British Commonwealth as well as the United States, the Republic of Ireland and Britain itself. There was a strong

“IT IS NOT SELF-EVIDENT THAT RECENT WARS HAVE SERVED THE INTERESTS OF THE BRITISH PEOPLE”

element of myth about the Anglosphere, but myths can shape behaviour and British public policy and popular attitudes cannot be understood if the Anglosphere is left out of the story.

In any case, the attitudes and assumptions embodied in the imperial state – and, above all, in its approach to the society over which it presided – are what matter, not its historicity. To oversimplify, the imperial state in its heyday had been as remote from the British people as it had been from the peoples of the Raj or of the white dominions or of the African and Caribbean colonies. The British Empire was not the property of the British people, any more than the Hapsburg Empire was the property of the Austrian and Hungarian peoples. When the imperatives of empire clashed with the interests of the quaintly termed ‘mother country’ – as they did, for example, when the preservation of sterling’s role as a global currency clashed with the needs of the domestic economy – the former took precedence over the latter. The most obvious example is Britain’s return to the gold standard in the mid-1920s. Another is the Wilson government’s refusal to devalue the pound in 1966.

AFTER EMPIRE

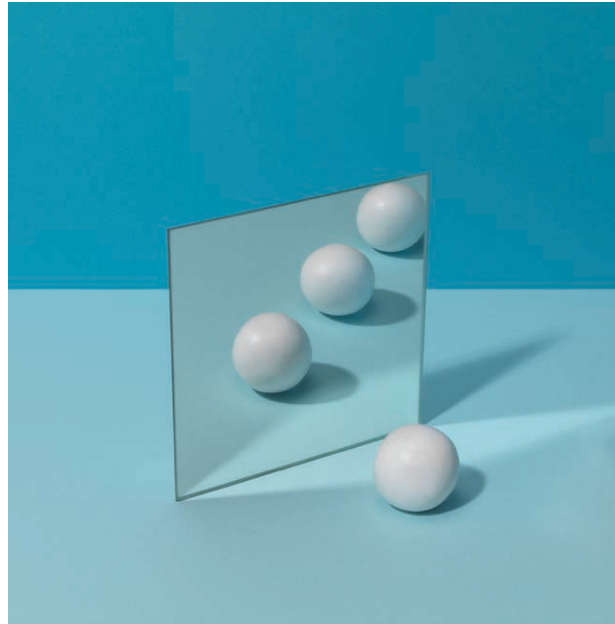
As the second example implies, the assumptions, understandings and priorities fashioned during the long high noon of the imperial state survived the end of empire. The Keynesian social-democratic state was also an imperial state; more importantly, the same is true of the market state of the past 30 years. Unlike the largely pacific Keynesian social-democratic state, it has been astonishingly bellicose. The Falklands War, the first Gulf War, intervention in Sierra Leone and Kosovo, the Iraq War, and the long, drawn-out war in Afghanistan were all inspired by a mixture of motives, such as the preservation of the nation’s honour, a sense of duty to the international community, and the imperatives of the Anglo-American special relationship. But to put it at its lowest, it is not self-evident that any of them served the interests of the British people. Moreover, the market state has been incontinently centralist. It has seen the intermediate institutions that stand between the citizen and the state – local authorities, trade unions, self-governing professions, universities and the BBC, to mention only the most obvious –

as enemies; and it has done its best either to force them into a market mould or to clip their wings so drastically that they can no longer perform the functions they were set up to discharge.

What has this to do with the strange survival of the pre-crash public doctrine and the failure of nerve and imagination that has prevented Britain’s political class from taking an alternative, more radical path in the past six years? Simply this. Society could not be forced to take an alternative path by fiat from an aloof and often inward-looking Westminster and Whitehall. To lead anywhere, such a path would have to be owned by active citizens, able and willing to take part in a politics of negotiation and consensus-building, to accept the disciplines of collective choice and to carry out the duties that those disciplines imply. Passive acquiescence in decisions taken by ministers and officials at the apex of the state, often after lobbying by unaccountable private interests behind a veil of secrecy, would not be enough. Positive engagement would be indispensable. And to make engagement possible, it would be necessary to carve out spaces in which negotiation and consensus-building could take place.

This would entail a profound change in the public philosophy. In his already classic work, *The Idea of Justice*, the Nobel prize-winning economist Amartya Sen has pointed the way. Democracy, he insists, is not just a matter of ‘institutional virtuosity’, important though democratic institutions undoubtedly are. It is above all a matter of what he calls ‘public reasoning’ – an approach to governance found in Periclean Athens, in ancient Iran and India, in seventh-century Japan and in the South African Transkei in which Nelson Mandela grew up. The great question is whether a public philosophy centred on the ideal of public reasoning could fly in 21st century Britain. There is, of course, no way of telling. But two things are clear. The first is that it will not fly without a drastic reconstruction of the British state. The second is that such a reconstruction is already under way in the non-English nations of the UK.

The creation of devolved administrations and legislatures in Scotland and Wales has tapped civic energies that were barely in evidence a generation ago. England has so far lagged behind. But no divine law decrees that it is bound to do so forever. The first essential is to rescue local government from its status as a humiliated Cinderella and to furnish it with constitutionally entrenched protections against incursions by the central state. Further steps along the same path might include citizens’ assemblies chosen by lot, on the model of the assemblies set up to recommend changes in the electoral system in two Canadian provinces and local and parish councils also chosen by lot. All of these are perfectly feasible; they could be set in motion almost without delay. In one of the most haunting poems of the past century, Robert Frost suggested that, once made, a choice between divergent roads cannot be unmade. The task is to prove him wrong. ■



PENSIONS GROW UP

The government's recent announcement on collective pensions was the result of more than six years of research and advocacy by the RSA

*by David Pitt-Watson FRSA
and Dr Harinder Mann FRSA*

On a summer's weekend six years ago, the RSA embarked on a new project. It assembled a group of 'citizen juries' to understand how the millions of people who have pension savings would like the financial system to operate. The aim was to use the outcome of the citizen juries as the basis for future action.

These citizen juries were, in the main, unconvinced that they wanted greater involvement in how their money was managed. But they were concerned that the current system was not run in their best interests. They wanted to hand over the management of their money – and the complexity that goes with it – to an institution they were convinced would be on their side. In particular, they were aghast at how a seemingly small annual charge of 2% meant that nearly half their pension pot might disappear by the time they come to retirement.

These concerns became the basis of the RSA's Tomorrow's Investor programme, which addresses the fundamental

DAVID PITT-WATSON
ESTABLISHED THE
RSA'S TOMORROW'S
INVESTOR
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“THE RSA CAN WIELD REAL INFLUENCE AND MAKE REAL CHANGE”

problems with the UK pension system as it presently stands. Thirty years ago, most people were enrolled in pension schemes that provided a retirement income related to their salary. These schemes were known as ‘defined benefit’. People knew how much their pension would be and the company they worked for provided a guarantee that they would receive the agreed amount. They were trustworthy and guaranteed a good level of income in retirement, the funds for which were guaranteed by the employer.

However today, defined benefit schemes are in decline as employers are no longer willing to underwrite that guarantee. Many predict that there will soon be no private sector firms in the UK offering them to new employees. They are being replaced by ‘defined contribution’ schemes that create individual pots of money for the worker. The problem with this is that the saver does not know how much pension that pot of money will buy. Furthermore, the fees that are charged on these funds are not fully disclosed and transparency is poor. When these schemes and their fee structures were explained to our citizen jurors, they felt the most pressing issue was to come up with a more trustworthy pension system that provided better and more predictable outcomes to its members.

That search led the project to look at pension systems around the world, of which the Dutch and Danish systems have been rated the best for a number of years. They are not perfect, but these systems understand that the keys to a good pension system are to have an effective system of saving and to work out how best to ensure that the saver will always have an income in retirement, no matter how long they live.

Insurance is best achieved by pooling risk, which tends to make outcomes higher and more stable. And even greater gains could be made by creating large, low-cost investment institutions that pass on their cost advantage to the saver. If a typical young Dutch person, and a typical young British person were both to save the same amount for their pension, retire on the same day and die at the same age, the Dutch person’s pension is likely to be at least 50% higher. More than half of this advantage comes because pensions are typically run collectively. They tend to be low-cost as the companies running the schemes are not for profit and governed by trustees whose interests are purely in securing a better outcome for members.

The RSA reviewed six studies that compared the outcomes of individual and collective pensions, all of which showed

significantly better outcomes for collective provision of 25% or more. So, while it was clear that collective defined contribution pensions would offer better outcomes, the law had to change. To make this happen, there had to be a consensus amongst stakeholders, workers, consumers and employers. For the past four years, the RSA has been at the centre of putting together a coalition of social partners who are motivated to support what would be one of the most progressive changes to our pension system since the introduction of workplace pensions.

Through gaining the support of the Confederation of British Industry, the Trades Union Congress, the National Association of Pension Funds, the Consumers’ Association and the Association of Member Nominated Trustees, the RSA built a group that encouraged the government to introduce legislation to allow for collective pension arrangements to be set up in the UK. All three main political parties support the idea.

With private pensions accounting for 6.5% of UK GDP, an increase in productivity of between 25% and 50% could contribute as much economic benefit as North Sea oil, which accounts for 2%–3% of GDP. Of course, not every employer will adopt collective provision, and it will take many years for pension saving to build up. Nevertheless, the prize, to both the economy and those who have lost confidence in the pension system due to its poor outcomes and inefficient structures, is potentially huge. The project shows how the RSA can take an idea and, through engaging the public and Fellows, can wield real influence and make real change. It represents another win in the RSA’s long history of pushing ideas that support society through the promotion of commerce.

But many challenges lie ahead. First, the government must ensure that collective pensions are properly regulated and have appropriate governance, otherwise the system will be open to abuse. Second, the brave first movers to adopt a collective defined contribution will need to be found. Here, the Tomorrow’s Investor project hopes its work with industry over the past few years will ensure that large workplace schemes will come forward.

As with any innovation or change, critics will exist. Some of the issues they raise will be legitimate; others may be self-serving. But, over the long term, in the Netherlands as elsewhere, collective pensions have proved robust and effective over many generations, providing better and more predictable outcomes. That, surely, is a prize worth winning. ■



SEEING THINGS DIFFERENTLY

As new technology makes learning visually more accessible than ever before, we must get back to basics to allow visualisation to reach its full potential

by Shaaron Ainsworth

SHAARON AINSWORTH IS DEPUTY DIRECTOR OF THE LEARNING SCIENCES RESEARCH INSTITUTE AT THE UNIVERSITY OF NOTTINGHAM

Visualisations surround us as we work, play and learn. Enter a typical classroom and you will find the walls covered with pictures, photographs, cartoons, diagrams, maps and graphs. But the world is changing. Interactive whiteboards are now commonplace and teachers project animations onto them while annotating and describing the images for the students. Textbooks are no longer predominantly textual, but are rich with images, and their digital versions burst with videos and multimedia.

Graphs need not only be constructed by calculating values from an equation, organising them in a table and then translating them to paper. Now anyone can draw them using

ILLUSTRATION: JAMIE JONES/MP ARTS



software. We can even grab part of the line and see the equation change as a result. And students in the classrooms do not just consume visualisations produced by others, but sketch their ideas, upload videos they have created and summarise their understanding using mind-mapping software. It is perhaps only within formal assessments that we continue to place so much emphasis on written expression.

Given the multiplicity and ubiquity of visual representations, it seems sensible to ask whether this is a good thing for education. Are students benefiting from visualisations as they learn languages, study mathematics or develop their understanding of scientific practices? Or, instead, have we dumbed down and prettied up education without considering the consequences?

As ever, the answer is nuanced. There are distinct benefits to learning with visualisations, but it is more complicated than simply asserting that ‘a picture is worth a thousand words’ and hoping for the best. As we continue to move into an increasingly visual digital future, what do we know about learning with visualisations that can help us design better educational experiences?

VISUAL QUALITIES

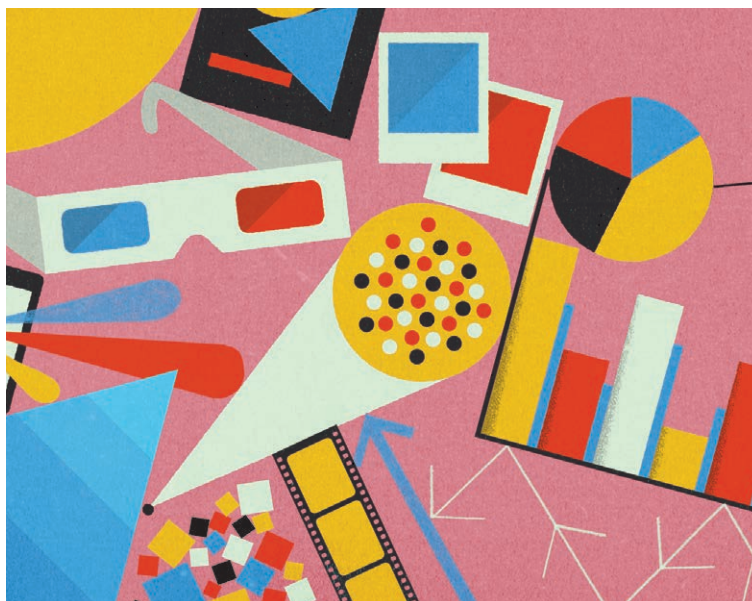
Treated broadly, a visualisation is a representation of something that preserves, at least in part, some of the inherent visual or spatial information of the original, such as its shape, colour, texture, size, or spatial orientation. This information might be represented quite directly, in the case of road maps or diagrams

for constructing furniture, or more abstractly, as is seen with line graphs or Venn diagrams.

Visualisations are always selective and can also exaggerate or add extra information. When we look at a road map, for example, we do not want to see every bend and twist in the road, nor every tree or house a street passes by, but we do value artificial colouring to indicate whether it is a narrow or wider road. Visualisations can also compel us to make information more explicit. I can say “The fork is by the knife,” but a picture must be clear whether the fork is to the left or right (and, for that matter, how many prongs the fork has, the size of the handle, whether the knife is serrated and so on).

There are cognitive advantages to this. Visualisations can augment our memory, for example. When we represent information externally, rather than trying to remember it, we free up our short-term memory so that it can be used more efficiently. Imagine trying to remember a series of directions when finding your way around a new city, rather than simply looking at a map. We also tend to remember things that have been represented visually as well as verbally over the long term.

Visualisations organise information more efficiently, grouping relevant elements by physical proximity or by other forms of visual cues such as colour or connecting lines. As a consequence, when we inspect a visualisation as opposed to written description, we do not have to work hard to find related information, and any inferences seem to emerge, rather than having to be laboriously constructed. >>



Communication benefits from visualisations, too. This way of exchanging ideas allows us to clarify and debate meaning and helps us argue and persuade one another as we discuss and annotate the visualisations. We see this in personal exchanges between individuals, but also across communities and time. Leonardo da Vinci's extraordinary drawings of the human body, for example, are credited with awakening interest in anatomy for many people over the ages.

For these reasons and more, visualisations are often associated with creativity and discovery. For example, the work of famous inventors and scientists is littered with visualisations. Faraday's notebooks, for example, show how he imagined and sketched interactions between magnets and needles before creating designs and models of motors, which were ultimately realised before being communicated in visual form to a wider audience. This combination of imaging, observation and argumentation is commonly found in scientific work today.

But it is important to remember that visualisations are not always and automatically better for learning. First, it can be difficult (though not impossible) to represent abstractions, ambiguity and disjunctions visually. Imagine a visualisation for a sign saying 'No Pets Allowed'. Designing a sign that includes cats, dogs, rabbits or snakes would be quite a challenge, especially if you wanted to allow for the possibility of goldfish and guide dogs being permitted. An argument for the use of visualisations in education should not be heard as an argument that the use of verbal explanations, written essays or mathematical equations is unnecessary.

Second, to use a visualisation successfully, learners must know how it works. They need to understand the rules it uses to encode and present information and which aspects are and are not crucial to attend to. Graphs are not pictures,

and when children treat them as such, they can fundamentally misunderstand what is being represented.

Certain aspects of visualisations can take on different meanings when used within different visual forms. Arrows, for example, can point to a label or indicate movement and sequence, so there is no standard convention that can be learned and then applied consistently. Even things as apparently straightforward as boxes and lines mean different things in visually similar representations such as mind maps, concept maps, family trees or phylogenetic trees, which represent evolution.

Visualisations can also mislead learners with their apparent ease of interpretation. Understanding an animation of blood flow through the heart requires much effort and attention if one is to comprehend the complex dynamic process being shown. Yet visualisations, especially animations and videos, often are treated as entertainment and processed only superficially.

BENEFITS OF VISUALISATION

If we allow them to reach their potential, visualisations can make learning more effective, as well as more enjoyable. Learners need time and support to understand the visualisations with which they are working. Unfortunately, there is much evidence that, without this support, they cannot benefit from the cognitive and communicative benefits that could be realised. Finding the space for this training in a packed curriculum is challenging, yet many would argue it is a crucial component of 21st century skills.

But teaching learners how to work with visualisations does not mean that the concept needs to be dull; when learners gesture over an animation or play with a well-designed educational game, they enhance their understanding. When experts use visualisations, they select different representations

“TO USE A VISUALISATION SUCCESSFULLY, LEARNERS MUST KNOW HOW IT WORKS”

depending on the exact nature of the task at hand and transform their understanding as they move from one form to another. This allows them to minimise irrelevant information and see new patterns emerge. It is this meaningful use of multiple representations that should be encouraged, rather than simply filling up the page of a textbook with photographs or pictures to make it look more decorative.

In a similar vein, we are increasingly realising that visualisations for learning are most effective when learners deliberately construct their own. When learners draw a visualisation for themselves, they make explicit their emerging understanding. This process will have required them to think about what to include and how to represent it. The drawing will then be available to support their thinking and reasoning, and can sustain communication between students and teachers. Visualisations often provide teachers with powerful insights into what their students understand and can form the basis of accurate assessment. Students can simply write ‘the septum divides the heart’, but if they draw it, they need to think about the size, orientation and shape of the septum within the heart. This can help encourage them to think about why the septum is formed in this way and provide the basis for discussion.

Visualisations also provide teachers with powerful insights into what their students understand and can form the basis of accurate assessment. In one study, undergraduate chemistry students were asked to create drawings or written explanations to demonstrate the intermolecular forces involved in hydrogen bonding. Assessment of their written explanations in isolation might have left lecturers with the impression that the students correctly understood the phenomenon, as many of them used the appropriate words and terms. But examination of the same students’ drawings indicated that they erroneously believed that the intermolecular forces operate within a molecule.

One challenge for teachers using drawings for assessment is to identify these sorts of misunderstandings from situations when students are using a kind of visual shortcut or metaphor, or have decided to simplify one aspect of drawing to emphasise another. For example, if a 10-year-old pupil drawing the cardiovascular system represents carbon dioxide leaving blood on the right side of the heart, does this illustrate her understanding of the roles of the left and right side of the heart, or instead indicate that she does not know what functions the lungs serve?

But there are also some things we should not do when considering visualisations for learning. One controversial issue is whether certain learners benefit more from visualisations

than others. This belief in a difference in personal learning styles makes intuitive sense to many. Why bother teaching the use of visualisations to the proportion of the population that may not benefit from the technique? Unfortunately, there is little evidence for its assumptions. Given the importance to learners of being adept with multiple forms of representations, as well as the distinct cognitive and social benefit of visualisations when matched to appropriate content, all students should learn how to use visualisations.

Another challenge is managing the opportunities for visualisations that new technologies are bringing. We are able to use visualisations for learning today that were not possible even 10 years ago (think about 3D stereo projections, haptic and tangible representations, augmented reality, geographic information systems, drawing on tablet computers and more). There is no doubt these could bring distinct opportunities for learning, but extravagant claims for the benefits of new visualisations are often seen as overblown in hindsight.

Worse, intuitions about representations can simply be wrong. Highly realistic dynamic 3D representations, for example, are not invariably better than simpler 2D alternatives. There seems little doubt that we are heading towards an increasingly visual world and the challenge for education is how best to ensure learners are equipped to handle it. But by starting from a good understanding of the properties of visualisations, increasing knowledge of how to help learners make the best of them and, perhaps, remembering to return to trusty pen and paper drawing now and then, it seems like a rosy future. ■

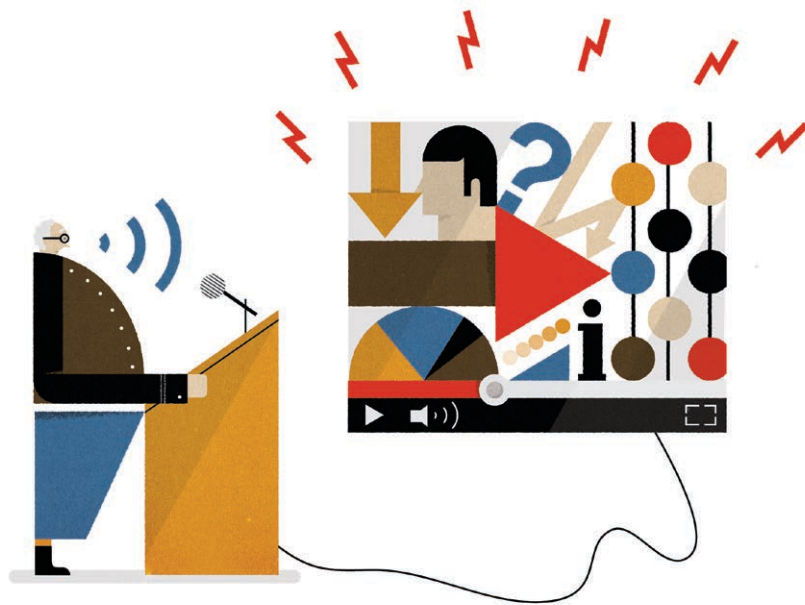
FELLOWSHIP IN ACTION NO SUCH THING

Three years ago, Anthony Gerrard FRSA decided to create a social enterprise to help tackle youth unemployment. The result was Bad Idea, a youth enterprise competition in Scotland. More than 500 pupils from Glasgow submitted entries late last year in the hope of landing the £3,000 first prize, with 20 of the most promising invited to attend workshops to bring their concepts to life. The initial set of ideas included a device that removes contact lenses, hiking boots that charge smartphones and a sun cream spray booth. “I know what it’s like to be a young person trying to set up a business and what the support networks are really like,” Anthony said.

Bad Idea particularly wants to help young people classed as NEETs: not in education, employment or training. To help as many people as possible turn their ideas into self-employment, Bad Idea will expand to other Scottish cities in September.

“The main thing that attracted me to the RSA was the opportunity to get involved in the Fellowship,” he said. “The RSA helps me to reach a network of people who care about these issues.”

■ To get involved, visit www.badideaorg.com



VISION ON

The visualisation of ideas can dramatically change the way we work and think

by Roman Krznaric

The daily sweat and struggle of writing is my idea of having a good time. I have dedicated more than a decade of my life to it, believing that the written word is the most powerful way to convey the kinds of ideas that can inspire us to rethink our own lives and contribute to social and political change.

At least, that is what I used to believe. About 18 months ago, my faith in the written word was turned on its head when I gave a talk on empathy at RSA House. My lecture was transformed into an RSA Animate called *The Power of Outrospection*, drawn by the extraordinary hand of Andrew Park, founder of animation studio Cognitive.

The RSA Animate series, in which talks by thinkers such as Steven Pinker, Ken Robinson and Barbara Ehrenreich are illustrated in a 10-minute online video, has been an international phenomenon that has revolutionised the world of visual learning, with YouTube views in the tens of millions. I have always found them brilliant, funny, original and thought provoking.

But I never imagined that having my own words and ideas rendered into an animation would have such a profound impact on the way I worked, influencing the shape of my

ROMAN KRZANARIC'S LATEST BOOK IS *EMPATHY: A HANDBOOK FOR REVOLUTION*. HE IS A FOUNDING FACULTY MEMBER OF THE SCHOOL OF LIFE AND INVENTOR OF THE WORLD'S FIRST DIGITAL EMPATHY LIBRARY

ILLUSTRATION: JAMIE JONES/MP ARTS

“WHAT MATTERS TO ME IS NOT JUST THAT PEOPLE REMEMBER MY IDEAS, BUT THAT THEY TRULY UNDERSTAND THEM”

book, *Empathy: A Handbook for Revolution*, and even making me question my identity as a writer.

I should have realised this might happen, since there is overwhelming evidence that images are a remarkably effective way to communicate complex ideas. This is in part because they are so good at helping us remember information, taking advantage of the huge space given over to the visual cortex in the human brain.

A recent study of the RSA Animate technique by the psychologist Richard Wiseman showed that there is a 15% increase in recall (a massive amount in the science of memory) when someone views an illustrated version of a psychological concept compared with when they watch a talking head conveying the same information. A famous study at the University of Texas found that people remember 10% of what they read, 20% of what they hear, 30% of what they see, and 50% of what they see and hear. Statistics like these should give any writer who is in the business of communicating ideas serious pause for thought.

Of course, what matters to me is not just that people remember my ideas, but that they truly understand them. And this is where RSA Animate is so important. Take a concept like empathy. I could explain that it comes in two forms: affective empathy, where you mirror or share someone's emotions, and cognitive empathy, where you step into someone else's shoes and look at the world from their perspective. This might make immediate sense to you, or it might not. But if you really want to get it, have a look at my RSA Animate. There you will find, for instance, a drawing of George Orwell swapping his suit for the clothes of a tramp (with music from the BBC children's classic *Mr Benn* in the background), then walking into the slums of east London to experience what it was like to live on the streets in the late 1920s, an episode of his life described in *Down and Out in Paris and London*. I think it does more to convey the meaning and importance of cognitive empathy than almost anything I could say or write. And it does so with a sense of humour that I envy, making the idea more memorable and interesting.

This recognition of the power of visualisation has changed me as a writer. For a start, it has influenced my own creative practice: I have come to understand that pictures can help me

think. So, when writing *Empathy*, I turned a whole wall of my attic study into a giant whiteboard and covered it with sketches and diagrams of ideas for the book, creating an explosion of badly drawn stick figures, Venn diagrams and looping arrows. I even attempted to replicate illustrations from my *Power of Outrospection* animation, such as Mr Spock from *Star Trek* trying to empathise with a strange rock creature. My trusty Moleskine notebooks, filled with words scrawled on ruled lines, looked incredibly old-fashioned and linear by comparison.

The way I learn has also been transformed. Now, when I make a trip to my favourite research hideaway, the Upper Reading Room at Oxford's Bodleian Library, I take headphones with me, since I am just as likely to be watching a video as reading an article in an academic journal.

The main impact of my encounter with visualised ideas, however, has been in how I choose to communicate my own. I have faced up to the fact that the legacy of 500 years of print culture has been to give excessive weight to the written word, and that I need to liberate myself from it. The way I approach things today is that I do not try to 'write a book', but rather 'launch an idea'. This means recognising that people learn in different ways and that I need to tap into our multiple intelligences. So when my book *Empathy* was recently published, it was released alongside videos and podcasts to spread the message in a variety of forms. I launched the online Empathy Library, a digital treasure trove where you can find reviews and ratings not just of books on the theme of empathy, but also feature films, documentaries and video shorts.

My next project, in part inspired by the public response to the RSA Animate, is to found an Empathy Museum, where visitors step into the shoes of people who are different from themselves. It aims to be an immersive sensory experience where you will encounter not just the written word, but also images and sounds, and have conversations and experiences that catapult you into the perspectives of others, just as Orwell experienced.

I still love writing, and plan to spend plenty of hours, even years, sweating and struggling at my keyboard. But now that the door of visualised ideas has opened my mind, there is no turning back. ■



CLOSING THE CREATIVITY GAP

An inclusive and adaptive society must develop everyone's creative capacities throughout life

by Joe Hallgarten

It's a rainy Wednesday in Birmingham and two 16-year-old pupils, Kobir and Tabassum, are giving me a tour of the new RSA Academy, Holyhead School in Handsworth. With a mixture of pride and humour, they show me round buildings that are far from pristine, but ooze learning and purpose. Inventive with their questions and responses, these young people appear to have the C-factor: the power to create the lives they want for themselves and the courtesy to consider others along this journey.

Despite its enduring presence in staff rooms, articles and RSA talks, creativity in education is in danger of becoming a toxic brand. In England, 15 years since the publication of the seminal *All Our Futures* report, emerging curriculum and accountability regimes give no incentive to focus on the creative development of young people. The rhetoric driving changes in school behaviour reinforces the message that creativity is to be developed only after the culmination of – and never at the expense of – knowledge acquisition. As the now former education secretary Michael Gove has claimed, “creativity depends on mastering certain skills and acquiring a body of knowledge before being able to give expression to what's in you... [In music] you need first of all to learn your scales”.

Although some countries have attempted to raise creativity's status, most have lacked the stamina required to sustain interest or investment. Singapore's curriculum development moved rapidly from a superficial and countercultural focus on creativity to a safer notion of character development. Australian states' attempts to define the 'new basics' are

being undermined by the introduction of a more narrow set of national core standards. Scotland, through its Curriculum for Excellence, appears on paper to have maintained its interest, yet the jury is still out on how this has translated into changed classroom practices.

Creativity is caught between so-called progressive and traditional educationalists. In England, more traditional policy prescription is coming out on top, supported by robust – if selective – use of recent research from cognitive psychology, in particular Daniel Willingham's work on the importance of memory and recall, and E.D. Hirsch's notion of 'cultural literacy' as a foundation for success. In this two-dimensional world, direct instruction and repeated practice are more or less the only means worth pursuing and knowledge acquisition the only end worth measuring.

Anyone who believes that there might be broader ways to achieve desirable outcomes is portrayed as anti-knowledge, pro-classroom anarchy and a general enemy of promise. Those of us who have been cornered by caricature into 'the Blob' – an education establishment that has single-handedly caused an alleged decline in standards and widening of attainment gaps – partly have ourselves to blame. As leaders and participants of various interventions, we have too often spoken naively, without fear of our words being taken out of context, and acted sloppily, without an evaluative basis to understand our impact. The general challenge for progressive education is to make the Blob less blobby, to impose rigour without mortis.

As well as being toxified by a growing antipathy to anything 'progressive', the notion of creativity has its >>

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THE RSA

“SCHOOLS ARE KEY DRIVERS OF LOCAL ECONOMIC GROWTH AND SOCIAL REGENERATION”

own baggage. It appears to have become a new condensation symbol, overloaded with a baggy set of skills, behaviours and expectations. It is used as part of what Professor Stephen Ball terms “the mobilising myth of education in crisis”. Talks titled ‘How schools kill creativity’, for all the millions of views, appear to have inspired little concerted action and, in exaggerating the problems without offering practical solutions, may actually be part of creativity’s image problem. Although there is an emerging consensus, especially from developmental psychologists such as Robert Sternberg and Mihaly Csikszentmihalyi, that creativity is innate in all of us and learnable in different ways, those who advocate creativity rarely apply this research forensically to their practices.

Despite this confused context, it seems logical and necessary for the RSA, as part of a new organisational mission to unleash the power to create, to lead an approach to learning and development that enables everyone, regardless of background, to generate original, valuable ideas and make them happen. Our starting definition comes from Guy Claxton, Bill Lucas and Ellen Spencer’s crucial work on assessing creativity, *Progression in Creativity*. With the help of teachers, they arrived at the following definition and four ‘learnable dispositions’:

Creativity is the application of knowledge and skills in new ways to achieve a valued goal. To achieve this, creative learners must have four key qualities: the ability to identify new problems, rather than depending on others to define them; the ability to transfer knowledge gained in one context to another in order to solve a problem; a belief in learning as an incremental process, in which repeated attempts will eventually lead to success; the capacity to focus attention in the pursuit of a goal, or set of goals.

Sandwiched between a belief in the intrinsic value of creativity, and its instrumental role in helping people achieve exam success and grow the economy is the RSA’s view, both contestable and unprovable, that a creative life is central to human flourishing. As the poet and Victorian school inspector Matthew Arnold argued: “It is undeniable that the exercise of a creative



power, that a free creative activity, is the true function of man. It is proved to be so by man’s finding in it his true happiness.”

Many, however, feel shut out of this creative flourishing. Adobe’s 2012 global survey of creativity found that only one in four people felt that they were living to their creative potential and three-quarters believed that there is an increasing pressure to be productive rather than creative at work. More than half felt that creativity was being stifled by the education system.

The RSA wants to close this creativity gap. Our work will concentrate on those people and communities that lack the power and resources to develop their creative capacities to the full. Our starting belief that closing the creativity gap is, along with closing the attainment gap, a precondition for an inclusive and adaptive society will be supplemented by research that seeks to understand the nature and causes of this gap. What is the balance of knowledge, confidence, curiosity, inclinations and networks that enable people to become creative citizens? How can we instil a ‘creative growth mindset’ so that all believe that if you are prepared to work hard at your creativity, you will become more creative? Although there will inevitably be social class gaps, we will explore other gaps – in particular age-related ones – spurred by a belief in a ‘lifewide’ approach to creative development.

Emerging research, in particular from neuroscience, creates a rationale for a sustained focus on adolescent creativity. In his book *Brainstorm*, Daniel Siegel identifies ‘creative exploration’ as one of the four qualities set up by neurological and physiological changes during adolescence. The foundations for creative exploration – conceptual thinking, abstract reasoning



and reflective capacities – are generally lacking in the pre-teenage years, but combine powerfully during adolescence with an increased drive for reward and propensity to take risks. “Creative exploration,” Siegel writes, “may be the primary work and purpose of the adolescent period – the essence of adolescence.” A recasting of adolescence as the key period for creative development could have profound implications for how teenage pupils are taught, assessed and organised, as well as youth work, mentoring and parenting itself.

Our growing understanding of the adolescent period’s centrality to our creative development should also influence post-school workplaces and institutions. Whenever they are surveyed, businesses often claim to put a premium on creativity and argue that the school system should do more to harness it. Yet how many workplaces think systematically about nurturing the creative capacities of the young people they receive in the later stages of adolescence? The nature of apprenticeship, whether on a factory floor or carrying lawyers’ bags, will always be dominated by direct instruction and learning by watching, but there may be new ways to structure early workplace opportunities that capitalise on the huge but often latent asset of adolescents’ creative potential.

This may also have implications for further- and higher-education establishments. These institutions are increasingly regarded as key drivers of local economic growth and social regeneration, through the new knowledge they produce, students they teach, people they employ and broader forms of engagement with their locality and communities. From the repositioning of Central St Martins as the fulcrum of the regeneration of King’s Cross to Plymouth College’s leadership

of an arts-focused free school, new approaches to connect universities and colleges to wider strategies are emerging.

However, these approaches and partnerships are still scattergun, poorly evaluated and highly vulnerable to political changes and economic constraints. In reality, cultural participation declines for most higher education students. Very few non-arts degrees have an overt focus on the development of students’ creativity, despite employers consistently seeing creativity as a key attribute for employability. We should think carefully about the role of further and higher education institutions in developing the creative and cultural creative capacities of their students and localities.

If we wish to cultivate everyone’s creative capacities throughout life, it would be perilous to ignore the arts. As the RSA’s chairman, Vikki Heywood, wrote in her foreword to our *Towards Plan A* report, “the statement that ‘creativity is not just about the arts’ needs regular repetition, but has probably now become a tired cliché, one that obfuscates the central and, yes, occasionally unique role that the arts and artists can play in giving us all ‘the power to create’”.

In every system across the world, creative and cultural learning appears to be, at best, permanently vulnerable to reductions in provision and, at worst, excluded from schools’ curricula and children’s lives. In developing countries, where authorities may be struggling to simply build enough schools and train teachers, a focus on creativity may feel peripheral. However, developing countries have opportunities to shape new blended delivery structures for education: between private, public and voluntary provision; between teachers, parents, pupils and other citizens; between online and face-to-face learning; and between the worlds of school and work. It is hard to predict the structures that might replace what Ken Robinson termed our ‘industrial model’ of schooling, but it may well emerge from the developing world, which is less burdened by the baggage of a century of universal education.

You can probably find pupils like Kobir and Tabassum in every school. The determinants of their current creative state, from school ethos to parental support, are difficult to assess. Their current levels of success and optimism will be tested when they soon enter the bruising catfight of university entrance or the barely opening arms of the youth labour market. Yet in most communities you will also find too many young people, adults and institutions whose power to create has all but atrophied.

The US art director George Lois defined the creative act as “the defeat of habit by originality”. If we are serious about detoxifying the creativity brand, we will need to think originally about defeating the habitual tactics, practices, strategies and pedagogies that have become our everyday norms. The RSA looks forward to working with Fellows and other partners to achieve our renewed education mission. ■

REKINDLING INNOVATION

We have lost the economic dynamism of the modern economy and, to secure a genuinely prosperous future, we must get it back

by Edmund Phelps

From the early 1800s to the mid-1900s, first in Britain and America, later Germany and France, millions of people were engaged in attempting innovations large and small. They created myriad new products, many of which the market embraced. For the first time in human history, vast numbers of people had access to work that was a source of meaning and self-expression. What was behind this epoch?

This widespread innovative activity would not have taken place without a range of economic freedoms and institutions. These included rights to hold property, such as owning a business, without fear of confiscation, and courts that would enforce contracts.

There also had to be a commercial culture. A company depends on a general adherence to implicit, typically unenforceable contracts. A company also needs its workforce to 'lean in' from the bottom rungs to the top. In short, an ethic of responsibility and a positive work ethic are essential. But an economy can have all the latest institutions and an enviable commercial culture without having the spark for innovation.

What sparked a nation's indigenous innovation on a mass scale was what I call dynamism: the latitude, capacity and, above all, the desire to innovate.

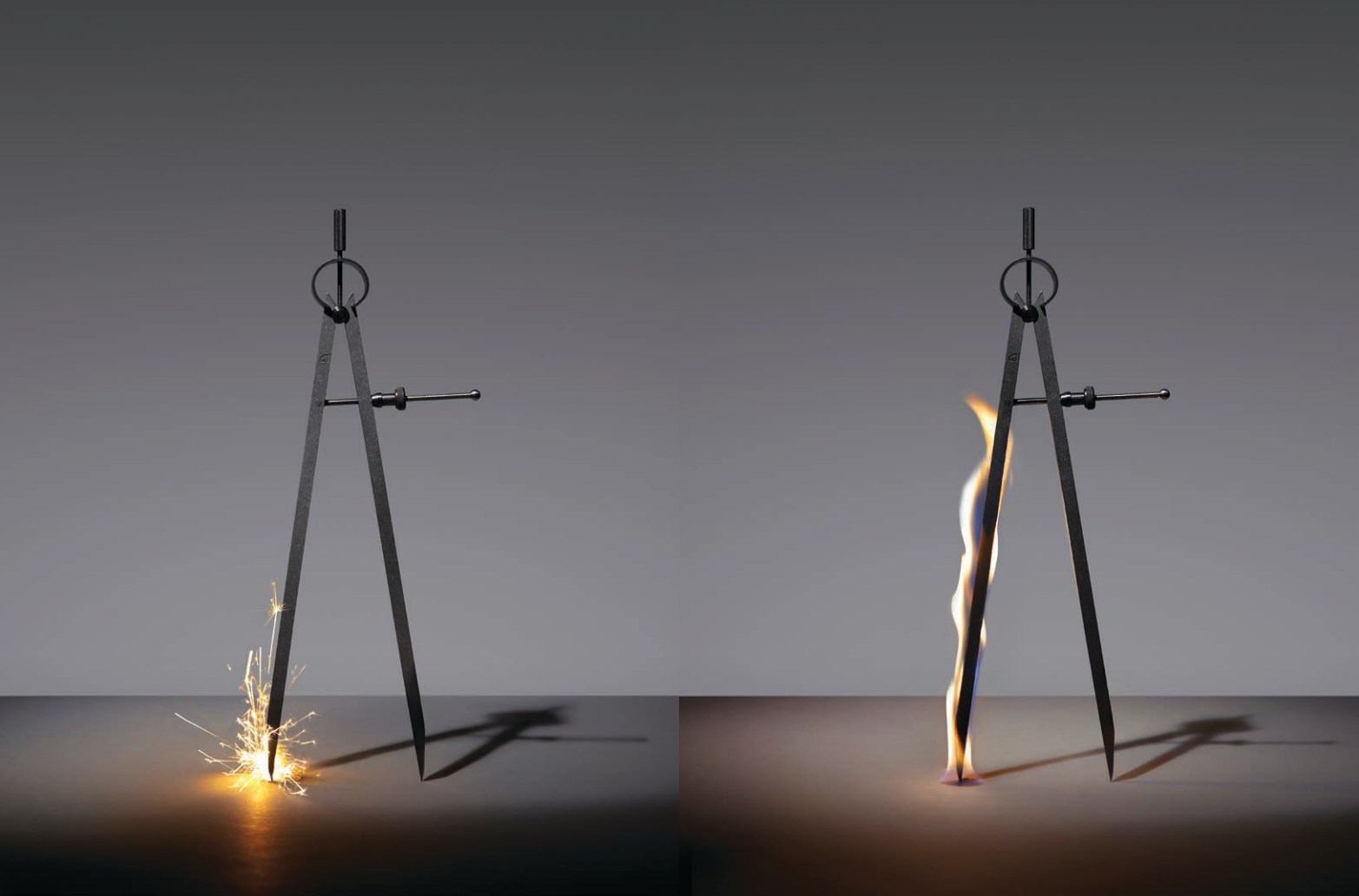
To have a broad flow of innovation, society has to give businesses wide latitude to innovate. There is less

EDMUND PHELPS
IS THE 2006
NOBEL LAUREATE
IN ECONOMICS

leeway for entrepreneurs to innovate if society is unwilling to put up with the disruption and inconvenience that often accompanies innovation. There is still less room for innovation if the industries that startups could have entered are fenced off from new competition by governmental protections of the established firms. Patent claims and threatened lawsuits are daunting hazards for anyone who would start a firm in hopes of innovating.

One's capacity to innovate depends on personal resources, most familiarly one's knowledge. Any innovation is apt to require some special knowledge as well as adequate general knowledge, although in the early days, many innovators, from George Stephenson to Thomas Edison, were notorious for their illiteracy and innumeracy. Innovators in the music business must know something about composition; those in pharmaceuticals must know some chemistry. It is widely thought that virtually all innovation these days requires knowledge of science, information technology, engineering and mathematics. But that view incorrectly assumes that the only remaining chances for innovation are in hi-tech areas.

The capacity to innovate also requires mental resources that are rarely combined in a single person. Foremost among these is imaginativeness, of course, but also scepticism. Innovators must be people who think for themselves and readily question prevailing beliefs. Another rare resource needed by innovators is insightfulness. To attempt an innovation >>





is to embark into the unknown. To undertake such a journey, aspiring innovators have to feel they have sufficient understanding to warrant making a start, which may require long stretches of solitary thought. And they have to feel they will be able to bear failure in the event their venture does not succeed. The capability of the entrepreneur – the hustle, the extroversion and judgment that comes from experience – is of a different sort.

At the heart of dynamism is the desire to innovate despite the obstacles or, maybe in some part, because of the obstacles. Some innovators also have a deep need to show others their great imagination or grasp by creating something that is new, that is embraced and recognised. Others are driven by curiosity to see whether their insights proved right and some need to prove to themselves that they could succeed.

The new aspirations and motives were nurtured by the modern values that began to emerge as early as the Renaissance. The individualism of Pico della Mirandola and Martin Luther, such as thinking for oneself and willingness to break from convention. The vitalism of Cervantes and Shakespeare, such as relishing challenges, surmounting obstacles and making a mark. The experientialism of Kierkegaard and Nietzsche; the self-discovery and thrill that comes with venturing into the unknown. These values stirred people to pursue careers offering personal growth, in sharp contrast to the traditional tenets of medieval or ancient times.

MASS IMAGINATION

After a long gestation, modern values gave birth to what I call the modern economy: an economy rich in dynamism down to the grassroots of society. Massive numbers of people – including ordinary people – were frequently observing,

exploring, tinkering, imagining, conceiving, creating, experimenting, testing and marketing. Many were examining, trying out and venturing adoption as new products came out. One result was an explosion of innovation, evidenced by the unprecedented climb of productivity from about 1820 to 1940 and, less steeply, to 1965 or so.

It was a good economy. The lone shepherd, bored by the routine and isolated from exchanges with others, symbolises the stasis and stultification that had been characteristic of the pre-modern economies, even mercantile capitalism. The modern economy replaced boredom with mental stimulation and isolation with interchange in companies and cities. A new sort of prosperity resulted, one that was experiential rather than directed to an end such as wealth accumulation. The modern people experienced what is referred to as prospering, or thriving. There was a material prosperity that comes from obtaining improving terms for one's work and the accessibility of this experience. There was also the non-material kind of prosperity that derives from taking on challenges and creating in hopes of adoption. The modern people were experiencing what philosophers call the good life, a life of flourishing.

For decades, however, that prosperity has been hard to come by. Some years after the Second World War, it became clear that Britain's economy was not the same force in innovation it had been as recently as the late 1930s. Postwar France and, later, Italy may not have surpassed Britain in flourishing or prosperity, but they certainly surpassed Britain in productivity and wages. In America, the great slowing of productivity – of what economists call total factor productivity – started in about 1967 and worsened until 1972. The next 40 years, which have remained pitifully slow compared with the previous 50 (except for the last five years of the internet build-out), give

“NON-MATERIAL PROSPERITY DERIVES FROM TAKING ON CHALLENGES”

telling evidence that a decline in aggregate annual innovation has indeed set in. In these slow years, American unemployment rates have trended markedly higher.

Both Britain and the US have an interest in renewing their economies so as to return to the high prosperity of their best times. This is especially needed if the Cassandras are right in that globalisation will make things tougher for western economies. Some Pollyannas say it is not needed, pointing to employment rises on the horizon in both countries. But any expansion in coming years may merely be a boom. Even if a permanent expansion lies ahead, that is not a reason to believe that high prosperity and fast growth will come with it. High employment is not sufficient for genuine prosperity and some key faults in the British and American economies will have to be fixed to restore dynamism.

BRAKES ON PROSPERITY

Regulation has blanketed both economies. However large the benefits may be, regulation generally raises costs and barriers to entry and thus to innovation. Regulations on hiring and firing depress job satisfaction. The stultifying effects on primary and secondary schools, in hospitals and pharmaceuticals, are just the tip of the iceberg; we can only imagine the size of the loss. In the glorious past, an entrepreneur dreaming of innovation could offer others the chance to share the suspense and thrills of venturing, creating and struggling; and perchance the joys of succeeding. Now, hiring is a risk, especially for startups.

The broader problem is social protection, of which regulation is but one element. Corporations have gained immense amounts of such protection. Britain's slow growth has long been laid to the rationalisation, cartelisation and closed shop that became widespread in the 1930s. A similar development arose at the same time in the US, although its Supreme Court trimmed parts of this programme. After the war, corporate protection widened. By the 1970s, large British corporations were meeting together and undertaking initiatives to gain state aid under the auspices of the Confederation of British Industry, though it was marginalised in the 1980s. In the US, government contracts, patent extensions, carve-outs and even outright bailouts have become familiar features of the economy.

A major ill effect of all this social protection on innovation, including much regulation, is to stymie the agents of change. More serious is the impact on the lives of people who might have been the agents. Potential innovators are reduced to being lobbyists seeking protection. Newcomers are discouraged from

embarking on voyages of initiative and creativity. Initiative and responsibility are weakened.

The corruption of private institutions is also narrowing innovation. Most attempts at innovation are long-term projects and shrouded in mystery, but CEOs prefer short-term gains that can be expected to raise the share price before they depart the company. For the same reason, many CEOs prefer using excess funds for buying back shares to launching innovative projects. Short-termism in finance induces CEOs to focus on hitting quarterly earnings targets.

In discussions of reform, it is supposed that it is the 'economy' that needs fixing, that the *spirit* of the modern economy and the values that inspire it remain strong. But the 'spirit' is part of an economy – the heart of it. The corruption of government and of corporations is not simply the ineluctable consequence of self-interest. The self-interests that people have depend on their values. The transmutation of the state and the corporate sector is a result of a resurgence of the traditional values that we call corporatist values, which counter the influence of modern values.

Corporatism disapproved of disorder, especially the topsy-turvy disorder that came with the modern economy. It disapproved of money-grubbing and hated the new money that displaced established wealth. It disapproved of competition, preferring instead what is called 'solidarity', which led to the doctrine of social protection. Finally, corporatists detested individualism, calling for a state that would bring harmony and nationalism in its place. Thus, corporatism stood against the modernism that was the spirit of the modern economy.

Two conclusions follow. First, the work of regaining the dynamism of the modern economies of yesteryear cannot be complete without 'fixing' the values on which the spirit of a modern economy depends. Second, there is little hope of reforming corporations, finance and the government without at the same time removing the baleful influence of corporatist values on the economy. ■

FELLOWSHIP IN ACTION EXPANDING MARKETS

Featured in the *RSA Journal* last year, Lisa Oulton FRSA's Student Makers Market has since extended its scope. Lisa now wants to give young makers the chance to expand their business by testing products in different regions and learning from others in the creative sector. "We've just been awarded another £5,000 of RSA Catalyst funding," she said. This new round will allow Student Makers Market to organise monthly social meet-ups for young makers, produce five training videos for those who cannot attend in person, and set up a selling website to give makers another platform for their creative businesses.

■ Visit www.futurefoundry.org.uk for more. Find out how RSA Catalyst can help your idea at www.thersa.org/catalyst

LOSE THE COMPETITION

In all walks of life, incessant and dangerous competition has blunted the skills we need to secure our futures

by Margaret Heffernan

In 2008, I interviewed Michael Sarnoff, the chief credit officer at a large midwestern American bank. At the time, I was doing research for my book *Wilful Blindness*, seeking to understand why and how banks had knowingly entered into the risky business of selling sub-prime mortgages.

“To function as a business, we have to employ a sales force,” Sarnoff told me. “And it was hard to recruit salespeople. There was no way we could hire, let alone retain, a single good salesperson if we weren’t prepared to let them sell sub-prime. They stood to make huge commissions off these deals. To stay competitive, we had to let them sell sub-prime.”

After finishing the book, Sarnoff’s observation stuck in my mind. What he said flew in the face of classic economic theory, which argues that competition produces the diversity and choice that, among other benefits, diversify risk. But here a fiercely competitive market had produced the opposite effect: the banks had copied each other, concentrating risk. One of the reasons the banking crisis proved so devastating was that everyone had done the same thing. At a time when competition is proposed as the solution to every problem we face, it left me wondering whether there were other areas in which it also failed. Once I started looking, the results were startling.

In education, relentless pressure on students to compete has produced an epidemic of cheating. In Britain, it is estimated that cheating has increased by at least 50% over the past four years.

MARGARET HEFFERNAN HAS BEEN CEO OF FOUR BUSINESSES. SHE IS THE AUTHOR OF *WILFUL BLINDNESS: WHY WE IGNORE THE OBVIOUS AT OUR PERIL* (2011) AND *A BIGGER PRIZE* (2014)



That every piece of university work must now be run through plagiarism-checking software is a clear indicator that students have absorbed a simple message: it is not the process, but the prizes that matter.

MORE THAN A GAME?

It is impossible to discuss competition without looking at sport. But here I found a similar pattern. Travis Tygart, who runs the US Anti-Doping Agency, esteemed for the unmasking of Lance Armstrong, has been haunted for years by the rising rates of cheating, doping and catastrophic injury within sports. His research showed widespread public respect for the lessons of fair play, discipline, patience and teamwork that sport can teach. But, in reality, everyone believes that what really matters in sport is winning. Children recognise this, which is why 80% of young people abandon all sport by the age of 12. If sport is all about winning and you cannot win, then why play?

In the UK, I spoke to aspiring athletes who had lost their childhood to training or who, post-Olympics, had no idea how to cope in a world whose rich complexity lacked daily targets and measurement. Years of focusing on themselves had left them ill-equipped for a world that demands social connectedness and reciprocity. Trickle-down has proved as elusive in sport as it has in economics. A systematic review by the *British Medical Journal* found no evidence that hosting the Olympics increases

participation in sport. Examining the 2000 Sydney Olympics, a study concluded that the only pastime that was more popular after the games was watching television.

Sport is, after all, only entertainment; maybe it does not really matter. But science does matter and we need it to address the pressing issues we face. Today's scientists, though, talk readily about the crisis caused by competition. One sign is a tenfold increase in retracted scientific papers in a decade when the number of published articles increased by only 44%. Papers are withdrawn when it is found that data was rushed, manipulated or fabricated, which comes from an increasingly desperate race to publish and gain attention in top-tier journals. Retracted papers represent wasted resources, time and opportunity; they may also lead doctors and patients to dangerous decisions.

The less visible signs of the corrosive influence of competition on science are labs full of bright, aspiring scientists who no longer talk to one another, so present is their fear of being scooped by a colleague. In 1998, just 14% of scientists said that they felt safe talking about their research, down from 50% 30 years earlier. Yet the accretive nature of science depends on the sharing of information, questions and insight. Nobel laureate Sydney Brenner argues that the policies of appraisals and citation rankings would have quashed the careers of Frederick Sanger and Peter Higgs. Meanwhile, the Medical Research Council's current strategy apes the training of >>



elite athletes, hoping to concentrate winners in just three places: Oxford, Cambridge and London. But since trickle-down does not work, the random nature of discoveries by outliers like James Lovelock or Kary Mullis would have never emerged under such market conditions.

Competition is supposed to motivate higher levels of creativity, productivity and achievement. In part, this is due to a mangling of Darwin and a failure to understand that the difference between his natural selection and Herbert Spencer's 'survival of the fittest'. At Purdue University in Indiana, population geneticist William Muir sought to understand how natural selection plays out in groups. Aiming to increase egg production, Muir designed an experiment. In the first instance, he identified productive groups of hens and observed them as they bred freely. By contrast, he selected the most productive individual hens and used them to breed the next generation. He wanted to find out whether the free flock or the super-flock would be more productive.

After six generations, the free flocks were still full of plump, fully feathered hens and egg production had increased dramatically. But the super-flock was shocking: six had been murdered by the three remaining hens, who, having pecked each other mercilessly, were nearly bare of feathers. When I tell this story to corporate executives, their eyes light up with recognition. Forced ranking – which develops the top 10% and eliminates the bottom 10% – pits employee against employee in the belief that this will increase drive.

In reality, this dog-eat-dog strategy incites infighting and disengagement. The safest place is the middle: be unremarkable and you will probably survive. These systems discourage helpfulness between colleagues, even though we know that the single strongest predictor of group effectiveness is the help people give to each other. At the end of 2013, after years of failing to lead technology innovation, Microsoft abandoned forced ranking and created 'One Microsoft', tacitly acknowledging the divisive and costly impact these competitive systems incur.

Competition necessarily creates a few winners and a vast majority of losers. If you believe, as Margaret Thatcher did, that "nations depend for their health, economically, culturally and psychologically, upon the achievement of a comparatively small number of talented and determined people", then the waste that flows from competition represents a necessary cost. But competition between companies does not always produce the expected advantages. Running BP, John Browne imagined that being big would make the company safer and more efficient. But the debt required to grow through acquisitions demanded the cost cutting implicated in fatalities at Texas City in 2005 and on the *Deepwater Horizon* in 2008. As pharmaceutical companies have grown bigger, the share of experimental drugs that fail has risen. Fred Goodwin's desire to create the biggest bank in the world led directly to the collapse of RBS.

Architects have tried to outdo each other with big, noisy buildings, such as the 'Walkie Talkie' in London that melts

“DOG-EAT-DOG STRATEGIES INCITE INFIGHTING AND DISENGAGEMENT”

cars and the Shard, an empty, showy and awkward reminder of the age of exuberance. But they have not figured out how to place ordinary citizens in affordable housing with energy consumption that will not bankrupt them or exhaust the planet.

In pharmaceuticals, the proliferation of ‘me, too’ drugs is just one indicator of how far competition failed to provoke innovation. Nor has a flood of almost identical drugs driven prices down. Studies of anti-arthritic pain relievers showed exactly what shouldn’t happen: while efficacy was negatively correlated with price, toxicity was positively correlated with price: the more expensive clones were less effective and more dangerous. Meanwhile, the pipeline for new antibiotics – drugs we urgently need – is running dry.

COMPETITION’S COSTS

Consumers hope competition will bring them choice, cheaply. But they’re wilfully blind to where the costs go. Our cheap clothes are paid for by sweatshop labourers working excessive hours in unsafe conditions, while farmers absorb the cost of cheap food. When Smithfield Foods bought Animex, one of Poland’s biggest pork producers, 600,000 Polish hog farmers lost their livelihoods. Expansion into Romania saw 90% of independent farms vanish.

Neuroscientists argue that competition incurs cognitive costs because of the stress hormones it provokes. Organisational psychologists point to the dysfunction prompted by *Hunger Games*-style management techniques. And economists argue that intense competition generates increasing levels of social and financial inequality. But the biggest cost incurred by our devotion to competition is the destruction of social capital and our diminished capacity for collaboration. While we are all born competitive, it is also true that we come into the world with talent and energy for working and living together. You can see this in the subtle skills with which siblings identify (or de-identify) specific roles for themselves within a family. It is those skills that the schools of Singapore and Taiwan are now trying to instil in their students, conscious that ‘if we prepare kids just for exams, we have failed’.

You can see the business value of collaboration in companies like Ocean Spray, the American cranberry juice brand, which is co-owned by 750 cranberry farmers. Chief executive Randy Papadellis refers to himself as the ‘chief alignment officer’ because keeping employees aligned with so many owners is not simple. But the company’s ability to collaborate internally is

what makes it so talented at collaborating with external firms, many of which are competitors.

Many of the highest-achieving educational systems emerge from the same belief: that no system can be deemed successful if it produces a high failure rate. Innovative businesses, such as Ocean Spray, Arup, Basecamp and many more, thrive not because they pick or breed superstars and soloists but because they nurture and support the vast array of talents that true growth requires. Today, every corporation I work with struggles with the same issue. After decades of doubling down on competition, they all now stand back puzzling over how to create what they call ‘the one-firm firm’, a collaborative organisation that is responsive and creative enough to thrive in a world characterised by speed and complexity.

There is much to undo: generations of tests, tournaments, failure, exclusion and disengagement. Human competitiveness will never and should not be eliminated. But the challenge we face now is to find, within ourselves and our institutions, the talent, patience and social skills needed to address the future. Reawakening them could prove the biggest prize of all. ■

FELLOWSHIP IN ACTION

SERVING THE COMMUNITY

Home of Honest Coffee (HOHC), created by the Future Artists cooperative, aims to take the fight to corporate coffee chains. Serving up coffee alongside space for local startups for as little as £3 an hour, its vision is to open a Manchester coffee house that could generate £100,000 a year in local community grants. The RSA recently contributed £500 from its North West regional fund, while RSA Catalyst injected a further £2,000. Founder Mark Ashmore FRSA has also used the RSA’s crowdfunding area on Kickstarter to raise more than £5,000.

HOHC is still in its initial stages, but Mark aims to have several shops up and running this time next year. The eventual goal is to create up to 10 coffee shops throughout the UK, which will put their profits back into the communities that support them.

■ Visit www.futureartists.co.uk or @futureartists on Twitter. Find out how RSA Catalyst and crowdfunding could help your idea at www.thersa.org/catalyst



LIFE BEYOND CAPITALISM

New solutions are emerging to fix our current damaging and dysfunctional money system

By Michael Townsend FRSA

Capitalism is suffering a crisis of liquidity, reliability and confidence. It stands accused of failing to create shared wealth, of neglecting the planet, of generating an ever-widening gap in our societies and even of failing the shareholders.

As capitalism's supporters strive to come up with ways in which the system can survive or evolve, many others are exploring pathways for new economic possibilities. New prescriptions – such as 'progressive capitalism' or 'responsible capitalism' – offer value, but they all leave gaps. We need to look further to tackle capitalism's fundamental faults, including our insatiable desire for growth and consumption, short-termism, the failure to account for natural capital and our dysfunctional money and financial systems. We must also imagine what a viable and sustainable economic system could look like.

This challenge has inspired the Sustainable Economy Project, an initiative born out of a desire to create a better economic system. It is based on nine design principles and a passion to encourage the type of economic activism that will help achieve this aim.

There is much cause for hope. A huge amount of good work is already going on, creating a surprisingly cohesive and consistent picture of people and businesses that are migrating

MICHAEL TOWNSEND IS FOUNDER AND CEO OF EARTHSHINE, AND HELPS LEAD THE SUSTAINABLE ECONOMY PROJECT

“WE HAVE MORE CHOICES THAN WE REALISE”

towards a more sustainable economic system. But there are challenges in making this transition.

Weaning ourselves off the twin drugs of growth and consumption is not easy. And, while circular economy principles will help, we also need more mindful consumption. Patagonia, the Californian outdoor clothing company, is leading the way not just by pushing the reuse, repair and recycle business model, but by taking the seemingly counterintuitive approach of encouraging customers to buy less, exemplified by its ‘Don’t buy this jacket’ campaign. This aligns perfectly with Patagonia’s aim of optimising, rather than maximising, company size. As Yvon Chouinard, the company’s founder, says, “there are no three-star French restaurants with 50 tables – it’s impossible”. More businesses need to be seen walking the walk in this way.

A QUIET REVOLUTION

The transition to new-economy principles requires careful management. Businesses must work to discontinue the risky stuff, while ramping up on the sustainable goods and services. Dong Energy, one of Europe’s leading energy groups, is actively managing its transition away from fossil fuels, reducing carbon emissions by 85% over the next 30 years. And if a fossil fuel company can do it, anyone can.

If we are to banish short-termism in our markets, we will need to look beyond the constraints of our current organisational and ownership models. The conventional PLC format, with its constant pressure to deliver and pursue profit, cannot always allow us to do what is necessary.

Of course, it will be difficult for shareholder-driven businesses to imagine moving away from the short-term clutches of the stock market. Buying back shares – either directly or through an employee ownership scheme – and recapitalising the business is generally seen as an expensive and impractical option. However, technology giant Dell’s recent \$24.9bn transfer back into private ownership – enabling painful changes for the long-term good of the business to take place – shows what can be done if the will is there.

Alternatively, we might explore collective ownership models, which have experienced a resurgence in interest since the onset of the financial crisis. Many cooperatives are proving to be

more resilient and competitive than conventional businesses. And shared ownership really does mean shared wealth.

But the fundamental question is whether we can really change the money system. Thankfully, there are already a number of active campaigns making an impact in the world of finance.

MONEY MATTERS

Positive Money is a not-for-profit research and campaign group in the UK that campaigns to make the money-creation process more democratic. Its ultimate goal is to remove the power that banks have to create money. The International Movement for Monetary Reform helps promote similar groups in 17 other countries. Banking can be ethical. The Global Alliance for Banking on Values, a group of the world’s leading sustainable banks, works to promote alternative financial systems around the world and is committed to a “triple bottom line of people, planet and profit”.

Change is also occurring at institutional level, increasingly driven by stakeholder pressure. Pension funds and other institutional investors are beginning to divest their holdings in major oil and gas companies as they wake up to the threats posed by climate change and the desire to move away from stranded assets. BlackRock, the world’s biggest fund manager, recently teamed up with FTSE Group to help investors avoid coal, oil and gas companies without putting their money at risk. The global campaign against fossil fuels is entering the financial mainstream.

We can also act as individuals. The Move Your Money campaign urges us to do just that – move our money to a more ethical bank – so that we can help build a better banking system through our collective buying power. We have more choices than we realise.

There now needs to be widespread and active participation in order to make the most of what could be a tipping point in the transition towards a sustainable economy.

Engagement is taking place at a number of levels, such as online communities and a new global network of Sustainable Economy Hubs, which are being established at progressive business schools and universities. Action is centred on eight projects for change, including new models for business success and new financial and banking systems.

The emerging network of progressive academics – which already includes Business School Lausanne, Exeter Business School, the University of Oslo and the University of Technology, Sydney – has a major role to play in forming the new economy. As they expand their remit to act as catalysts for proactive change in each region, they can shift the business and economic conversation and create a shared agenda for change within their business and political communities.

The future is unwritten. We can start anew and all play a part in co-creating a compelling new model for our sustainable economy, one that is fit to meet the unprecedented challenges of the 21st century. ■

NEW FELLOWS

VISHAKA AGARWAL



Vishaka Agarwal founded Tea People with husband Neeraj and friend Gillian Gamble in 2009. The idea for it came when

Vishaka and Neeraj stumbled across a school in their hometown of Darjeeling that was severely lacking in resources. After realising the scale of the problem stretched far beyond that particular school, the team decided to form a speciality tea enterprise that would use the UK's favourite brew as the medium for funding sustainable education projects in tea-growing regions.

Vishaka trained as a microbiologist in India before becoming a science educator in the UK. "It was a natural choice supporting schools, with education being a passion of mine," she explained.

As a new Fellow, Vishaka is hoping to share her passion with the RSA community and gain support from potential investors. "The RSA is an organisation with a very high reputation for thought leadership, so I thought [Fellowship] would be a great opportunity to exchange ideas with thought leaders from all over the world." She is currently working on a film about the lives and aspirations of tea pickers and the children Tea People supports, which is in post-production. Vishaka hopes the RSA will help screen the documentary and provide a platform for her to share her story.

FUTURE FELLOWS

The Centenary Young Fellows (CYF) scheme helps develop the social innovators of the future by paying for three years of Fellowship for 100 young people (aged between 18 and 35). Lynn Whitaker FRSA lectures at the University of Glasgow and recently nominated Shaun Gunner FRSA, 26, to join the Fellowship via the CYF scheme.

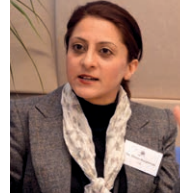
Shaun works in politics as a campaign manager and volunteers for Mankind, a Brighton-based service for men who have suffered sexual abuse.

"Shaun – who is an incredible doer and someone who backs up his ambition for change with positive action – immediately came to mind as someone who would make a great contribution to the RSA," Lynn said. "It is the two-way benefit of the CYF scheme that makes him such a good fit. Shaun is exactly the sort of person who could make excellent use of what the RSA has to offer and he would be a fantastic ambassador for the scheme and for the RSA."

You can nominate or sponsor a young Fellow at www.thersa.org/cyf

"THE RSA HAS A HIGH REPUTATION FOR THOUGHT LEADERSHIP"

SHENAZ BUNGLAWALA



As Head of Research at ENGAGE, Shenaz Bunglawala is a firm believer in the power of inter-disciplinary approaches to research and problem solving.

Her current work involves researching and analysing representations of Islam and Muslims in the British press, policy contribution and engagement with the political process. "A chasm has opened between everyday experiences and the institutions that govern life," she said. "ENGAGE has discerned that, among Muslim communities, this chasm is getting bigger." Shenaz believes that ongoing research can help to tackle this. "One of the exciting things that we're going to be doing this summer is holding focus groups to assess how Muslims are thinking around the next general election."

Unsurprisingly, the RSA's commitment to real world solutions has always been very appealing to Shenaz. "Long before I was nominated for Fellowship I would go along to the RSA's public events programme, she said. "It's a really interesting confluence of the academic with the real world."

She hopes that the Fellowship's focus on collaborative enterprise will take her through avenues. "The diversity of the Fellowship makes it an amazing platform to disseminate some of the things we're doing."

YOUR FELLOWSHIP – ENGAGE WITH THE RSA IN FOUR MAIN WAYS

1 Meet other Fellows:

Network meetings take place across the UK and are an excellent way to meet other Fellows. Check out the events taking place, on the website.

2 Connect online:

Like the RSA on Facebook, or follow us on Twitter @thersaorg using #thersa hashtag. There is also a Fellows' LinkedIn group, our own network www.rsafellowship.com, and blogs at www.rsablogs.org.uk

3 Share your skills:

Fellows can offer expertise and support to projects via SkillsBank using a form available online.

4 Grow your idea:

RSA Catalyst gives grants and support for Fellows' new and early-stage projects aimed at tackling social problems.

Explore these and further ways to get involved at www.thersa.org

IN BRIEF

Here are a few more new Fellows who are working to drive social progress:

Helen Steer is director of Mission:Explore, a start-up that uses play for educational and social purposes, and co-founder of social enterprise City Farmers.

Tomas Diez Ladera is part of the team leading the FAB City initiative in Barcelona, which aims to rekindle productivity in the city by making digital fabrication technologies accessible to everyone.

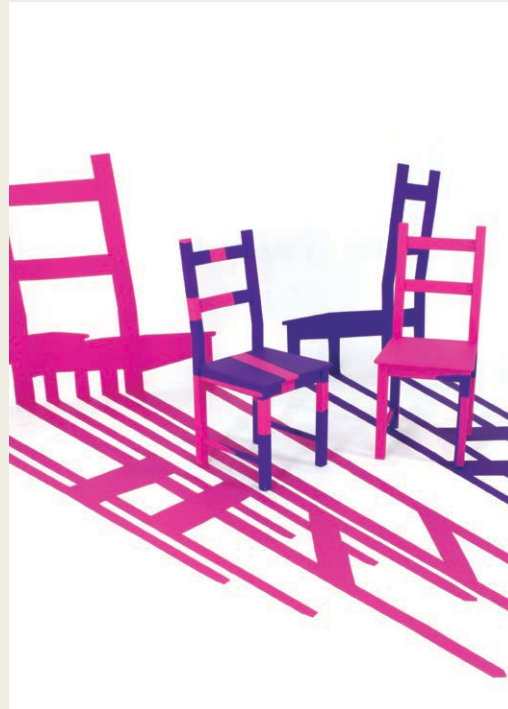
Grant Cleveland is CEO of Breakthemould.co.uk, an online marketplace for individuals who create new products, connecting them with manufacturing resources and professional marketing.

Sarah King is the founder of We Are Unstuck, which exists to help people liberate their creative potential and innovate, particularly in the field of social entrepreneurship.

David McIlroy is programme and change manager at Fife Council and has spent much of the past 12 years dealing with change in the public sector. He is a moderniser, passionate about giving citizens and service users continuous improvement.

Arinola Araba is project director at bMoneyWize, a social enterprise that seeks to enable young adults to develop the knowledge, skills and confidence to become financially literate, to the extent that they could start a business if they wanted to.

WHAT MOTIVATES MICROBUSINESS?



The comment that “we know surprisingly little about the motivations of people who run microbusinesses” (‘Analysing microbusiness’, Issue 4 2013) had me delving back into 30 years of articles and writings.

My experience is that the primary drive for entrepreneurs is to express their full potential, which can mean many things. Many find that employment fails to provide a space where they can empower themselves. Those who opt for self-employment are often looking for rewards the organisational environment cannot deliver. And the regular salary is no longer adequate compensation for the lifestyle compromises and stress involved.

Reasons for going it alone are also psychologically defined. Some are motivated by status, visibility and conspicuous consumption; some by self-expression and autonomy; and others feel they have run out of options. It will be interesting to see what the new study uncovers and what policies and action might result.

— **Andy Ferguson**

BEYOND OUR OWN DISCIPLINES

As a long-distance member (I currently work out of the country) I frequently think about whether to stop my membership. But every year you send at least one edition of the *RSA Journal* that makes me feel that I’m in the right company. Issue 1 2014 was just such an edition, raising questions rather than simply elegant statements of position.

Thank you for continuing to gather the ‘edge’ material in so many disciplines, which gives the Fellowship the opportunity to see a little beyond our individual feels. This transdisciplinarity is what I value most.

— **Lynette Hunter**

LIGHT AND SHADE

An excellent issue, the latest *RSA Journal*, but one small point. Some of us are a bit older and the print you use is not as bold or clear, in size or clarity and strength, as the rest of the headings and sub-headings.

I realise there is a financial and space question, but do consider the point. The Saskia Sassen article (‘Locked out’, Issue 1 2014) was so perceptive. How about the occasional bit of humour?

— **Aubrey Rose**

Please send us your thoughts on the *RSA Journal* by emailing editor@rsa.org.uk or writing to: Editor, *RSA Journal*, Wardour, 5th Floor, Drury House, 34–43 Russell Street, London WC2B 5HA. Or comment online at www.thersa.org/journal

THE SELF IS NOT AN ILLUSION

22 May 2014



Moral philosopher **Mary Midgley** explains the concept behind her latest book, *Are You an Illusion?*

The scientist Francis Crick claimed that ‘you’ aren’t really there. He argued that your joys and sorrows, your ambitions and memories are no more than cells in the mind. In other words, ‘the self’ is an illusion.

The trouble with this is that it distracts people from thinking about what is directly around them; it tells them that physical science has the answer. The notion that science will solve all your problems has been on the increase for a long time and my exasperation with this doctrine led me to write *Are You an Illusion?*

If you say something is illusory, you are saying that it is not real. And if you start saying “My subjective feelings are not real,” what are you left with? You become a cognitive object; someone that knows things, but is not connected to the things that they know.

Now, if you are not part of these things, it is not going to matter to you very much if the whole planet gets destroyed. You are not related to the other creatures and people who are going to suffer, because you are outside it.

Physical science occupies the same sort of position that theology once did in Europe. It is the study; the study that not only tells you all you need to know, but is sufficient for your salvation. The specialisation of contemporary education has a lot to do with this, not only because

people get used to thinking of one particular department of life, but also because it is deliberately inculcated, very often, by the very people who teach it.

This does not always happen. A lot of scientists, and particularly good scientists, are very wide in their sympathies and occupy themselves in a way that’s continuous with the rest of life. But there are enough ‘obsessives’ in this area to make obsessiveness often seem the only way to salvation.

Sticking to good logic and refusing to take in anything that isn’t properly proven is fine, but if you think only about that, you lose the whole horizon of all the other things that we have to think about. Of course there is a physical basis. Of course, if someone knocks you on the head you can’t go on thinking, that is not in question. The cells do something when we think, but thoughts and cells are not two separate things; it is really the one thing. The idea that your thoughts and feelings are not real because they are dependent on these brain cells is meaningless.

If you were really convinced that your joys and sorrows were illusory, you could not proceed with the sort of moral sensibility that shows you some things are terrible and something should be done about them. People think it is obvious that nothing except physical things are real, but just watch how those people live for the next day or so. Money, for example, is not just bits of paper and coins. It is an immensely complex system with great reality. It is real enough and is a serious item in the world.

Neurons cannot be the source of ideas that are socially very large and report facts about the world. We are much more complicated beings than this. It is the philosopher’s job to draw attention to the telescope, rather than the microscope, so that we don’t get obsessed with this singular way of looking at things.

FREE IS A LIE

10 April 2014



Experienced designer, programmer and social entrepreneur **Aral Balkan** explains why the cost of ‘free’ might be a price too high to pay

Today, it is not too much of a stretch to say that we are cyborgs, in that we extend our biological capabilities via technologies. These technologies are the tools we use to both experience and manipulate the world. They can empower us and, more importantly, enfeeble us.

So who owns these tools? The answer is a handful of companies: Apple, Facebook, Google and Twitter. What these companies also have in common is that they share a business model: the business model of ‘free’.

“What could possibly be wrong with free?” you ask. Well, the business model of free is also one of corporate surveillance. You might have heard the saying, ‘If you’re not paying for it then you’re not the customer; you are the product being sold.’ Well, in this case, you are the quarry being mined.

You might argue that if you set your privacy settings to ‘private’, they will not share anything, not since the creation of United States Information Awareness Office after 9/11. But if you have been following the Snowden leaks from last year, you will not be surprised to learn that everything we thought we had set to ‘private’ was being shared.

Eric Schmidt, executive chairman of Google, claims surveillance is “the nature of our society”. According to Schmidt: “If you have something you don’t want everyone to know, maybe you shouldn’t

“THE BUSINESS MODEL OF FREE IS ALSO ONE OF CORPORATE SURVEILLANCE”

be doing it in the first place.” But privacy has nothing to do with whether or not you have something to hide. Privacy is about having control over what you share and what you keep to yourself. Privacy is a fundamental human right for a reason; a human right that we have enshrined in the Universal Declaration of Human Rights.

So with their business models, these purveyors of corporate surveillance are emerging as a great threat to our fundamental freedoms. Free is a lie, but maybe it is more than that. It is a concealed barter, an act of tricking somebody by gaining his or her trust.

Why, then, are we not using an alternative? Although you have a choice in the products you use, you do not have a choice of business models because this business model is emerging as a monopoly. And it is leading us down a path that I call digital feudalism. Digital feudalism is a future where you do not have the option of owning your own tools and data, but are rather forced to rent them from corporations.

The alternative is open source, but – so far – it has not matched the established products when it comes to user experience.

Who understands user experience today? Apple does. Google does, when they are making their own products. The link between these two companies is control. Control over all aspects of what goes into the product: hardware, software, services, and connectivity. It is the combination of these components that produces the experience. And although we may, as makers, be able to split them up, dissect them and examine each aspect individually, that’s not what people do when they’re using the product. They either have a great experience or they don’t; they either love it or they don’t.

The age of features is dead. We’re living in the age of experiences. So we



need to create a new category of free and open technology that produces experience-driven products. In order to create these we need design-led organisations. Great design is a symptom of design-led organisational structures and developmental processes.

This is where independent technology comes in. The Indie Tech movement is about beautifully designed, easy to use,

free and open-source consumer products that empower people to own their own tools and data.

And I am doing something about it. I am currently building the Indie OS operating system, a personal cloud called Indie Cloud and the Indie Phone, which seamlessly integrates the two.

Why am I doing this? I’m not a masochist; I know how hard it is to make a phone. I’m doing this because I want to live in a world where this phone and other alternatives exist. Because the difference between a world in which we have alternatives and one where we do not is the difference between a world in which we do not have civil liberties and one in which we do.

Yes, free is a lie. The cost of free is our privacy. The cost of free is our human rights. The cost of free is a price that is just too high for us to pay. ■

MORE FROM THE EVENTS PROGRAMME

The events programme continues to provide a platform for leading public thinkers on the big issues of the day, from ethics and politics to power, the self and the world. Recent keynote addresses and conversations have featured political historian **David Marquand**, philosopher **Mary Midgley** and *Economist* editors **John Micklethwait** and **Adrian Wooldridge**.

In highlight events, **Lord Smith** delivered his standing-down speech from the Environment Agency, presenting a 12-point plan for the ‘re-greening’ or politics and our public discourse; **John Ryley**, head of Sky News, shared his thoughts on the future of

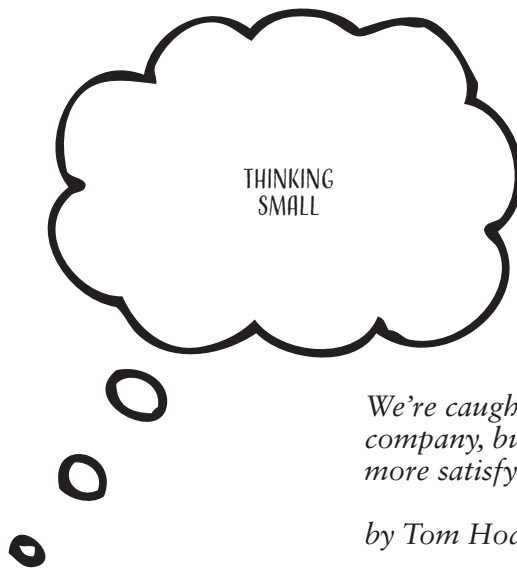
rolling news; and in our ongoing series on ‘Spirituality and the Tools of the Mind’, writer **Will Self**, philosopher **Stephen Cave** and anthropologist **Joanna Cook** debated whether making death a more salient part of our lives could lead to a re-orientation of our personal and political values and goals.

The highlights above are just a small selection of recent events from the RSA programme. All of these, and many more, are available as audio downloads at www.thersa.org/audio

Full national and regional events listings are available at www.thersa.org/events

For highlights of forthcoming events **see page 9**

LAST WORD



We're caught up in the search for the next big company, but it's the little things that make life more satisfying

by Tom Hodgkinson

Everyone is chasing the next big idea. Open the *Financial Times*, the *Economist* or the *New York Times* and you'll read about Silicon Valley venture capital (VC) groups and their quest to invest in the next Twitter, Facebook, Uber or Airbnb. Off they go, sprinting against one another, with Malcolm Gladwell books in their hands and dollar signs in their eyes. Last week, I read in *Newsweek* that the 'next big thing' will be Sprig, a meal delivery service, or Nextdoor, a neighbourhood social network, presumably for posting notes about lost dogs.

The VCs talk about outliers, mavericks and radical definitions of human freedom. But the tech gods' real aim is to build gigantic and very boring global brands, creating value out of transactions that were taking place anyway, such as pizza delivery.

These big ideas may be exciting for the people at the top. They may provide a handful of so-called visionaries with huge wealth. But they do not address the core issue, which is the need for freedom and autonomy for everybody. This is why we need small ideas; ideas that will help everyone and not just a lucky few at the top. The idea of the shop is one of those.

When the internet started, I was excited by its potential to help individuals lead creative and fulfilling lives. Like the photocopier, the printing press and the postal system before it, it promised that small individuals could seize the means of production and produce their own magazines, share their art and create international salons where weighty ideas would be discussed.

Twenty years later and the internet is about renting out a spare room and ordering a cab. OK, Airbnb and Uber may be fascinating businesses, but they are hardly helping people to unleash their potential as creative and autonomous individuals. Like Amazon, they are about providing consumers with a cheap and efficient service. There is nothing wrong with that, but what about the wider picture?

The problem with the 'big idea' is that, by definition, there are very few

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of them. Most of them fail. The VCs say that only one in 10 of their investments work. So even among the big idea people, there is a low success rate.

The Catholic essayist G.K. Chesterton remarked in the 1920s that the problem with capitalism is that there are too few capitalists. A few big players dominate the system and the rest of us have to be content with gathering crumbs from the table in the form of wages. Chesterton, on the other hand, dreamed of a society of 'peasant proprietors', each family owning a small bit of land and running its own small business in a kind of modern yeomanry. This is a common dream: when Walmart polls its employees and asks what they would rather be doing, a majority say that they would like to run their own shop or small farm.

Yes, a nation of shopkeepers. Lenin, that big-idea merchant, savagely attacked this modest dream, believing that little people in shops – with their weighing, measuring, selling and trading – were hideously bourgeois and grubby. He hated what he called 'aristocratic anarchism' and small business. The proletariat must control everything through the state apparatus, and the profit motive must disappear.

I actually believe in the opposite approach, that the 'aristocratic anarchism' scoffed at by Lenin and by socialists today is a very beautiful idea. It is nicely expressed in D.H. Lawrence's anti-Leninist poem, *Pansies*, from 1928:

If you make a revolution, make it for fun...

Don't do it for the working classes

Do it so that we can all of us be little aristocracies on our own
and kick our heel like jolly escaped asses.

Economists tell us that such thinking is silly. Do not start a small business, they say. Go and work for a corporation, with job security and paid holidays. Such utilitarianism, inspired by that terrible geek Jeremy Bentham, may make sense on paper. But where is the fun, the romance, the adventure, the life? ■



RDInsights | The thoughts, feelings and opinions of the RSA's Royal Designers in recorded conversations with Mike Dempsey.

The series of podcasts reveals a variety of valuable insights from Thomas Heatherwick, Arnold Schwartzman, Roger Law, Gerald Scarfe, Peter Brookes, Georgina von Etzdorf, Anthony Powell, Michael Wolff, Betty Jackson, Nick Butler, Pearce Marchbank, Malcolm Garrett, Chris Wise, Margaret Howell, Dinah Casson, Sir Ken Adam, Timothy O'Brien, Robin Levien, Kyle Cooper, Sue Blane, Stuart Craig, Terence Woodgate, Sara Fanelli, Mark Farrow, Neisha Crosland, Sir Kenneth Grange, Ivan Chermayeff, David Gentleman, Alex McDowell, Perry King, Sarah Wigglesworth, Mark Major, Sir Paul Smith, Nick Park, Michael Foreman, Richard Hudson, and Paul Williams.

More will be added throughout the year. | **Wise words for leisurely listening.**

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