



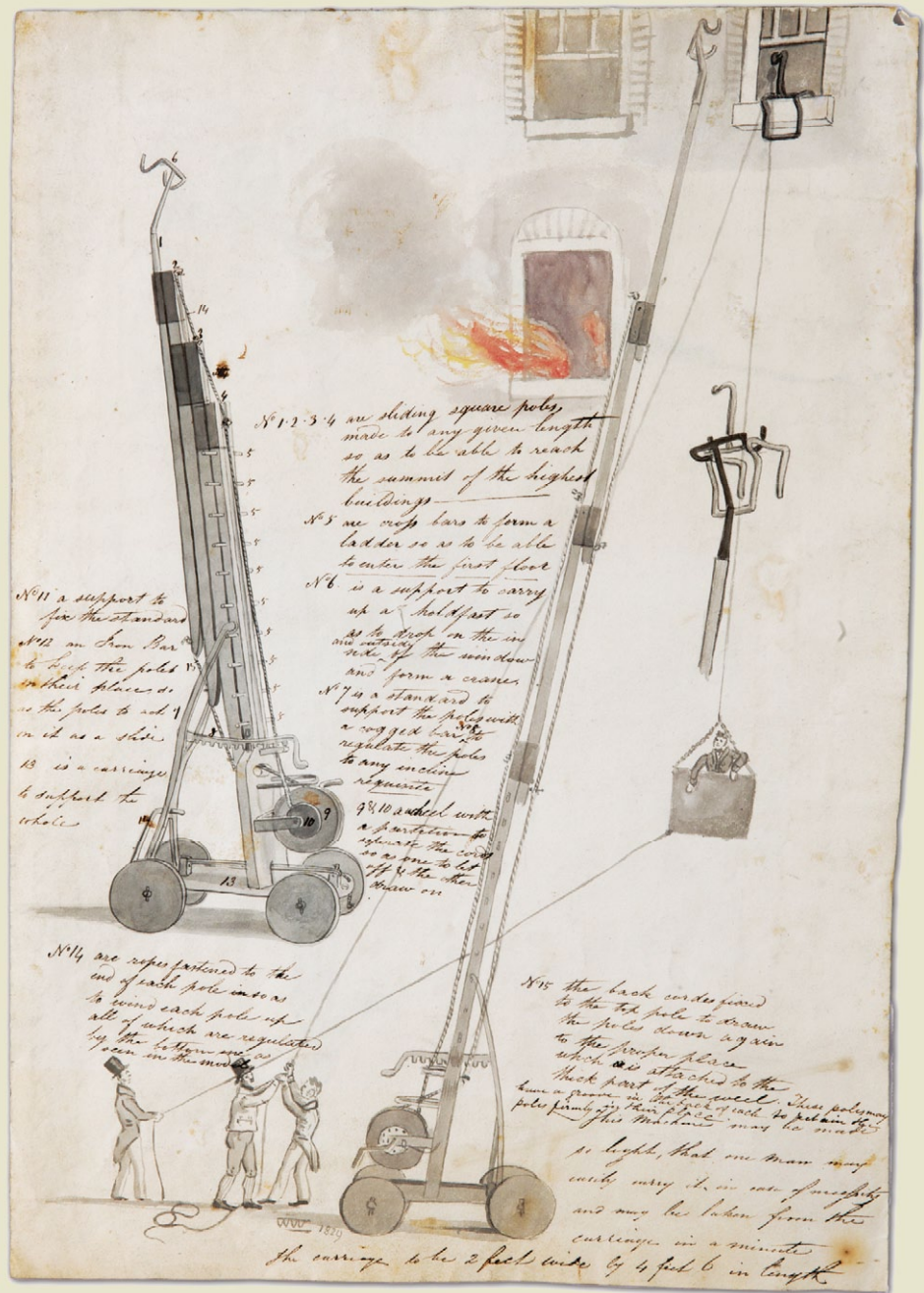
## A game of skills

What talents do young people need to thrive in the 21st century?  
By **Bernie Trilling** and **Charles Fadel**

**Sir Michael Wilshaw** argues that teachers should not be slaves to their lesson plans

**Tamara Erickson** on how Generation Y is changing the face of the workplace

Mr W Witty submitted this design for an extendable fire ladder, intended to provide an escape route from a burning building, for an RSA award in 1834. For more than 100 years after its foundation in 1754, the RSA awarded premiums for the best ideas for solving pressing social problems.



**Have you identified an innovative solution to a social problem?  
Is your idea in its early stages of development?  
Do you see value in working with some of our 27,000 RSA Fellows?**

**Each year, RSA Catalyst awards £100,000 in grants to help start Fellows' projects**

RSA Catalyst helps you turn ideas into action. We support new Fellow-led ventures that tackle social problems in a sustainable way. Since its launch in April 2010, we've supported more than 100 ideas, including 68 projects that have benefited from a share in £170,000 of funding. Turn to page 13 to read about one Catalyst-supported project.

We award initial grants of £1,000–£2,000 and additional grants of £5,000. We also support projects by mobilising other Fellows, such as those who offer their expertise through the SkillsBank. To find out more and apply for support, visit the Catalyst website: [www.thersa.org/catalyst](http://www.thersa.org/catalyst)



# “TO QUALIFY FOR MEMBERSHIP IN TODAY’S WORKFORCE, YOUNG PEOPLE NEED TO DEVELOP 21ST CENTURY SKILLS”

BERNIE TRILLING AND CHARLES FADEL, PAGE 10

## REGULARS

- 06 UPDATE  
*The latest RSA news*
- 09 PREVIEW  
*Events programme highlights*
- 46 NEW FELLOWS / REPLY  
*Introducing six new RSA Fellows, plus your views on recent features*
- 48 REVIEW  
*Polly Higgins calls for a law against ecocide and Ian Bremmer predicts the end of global leadership*
- 50 LAST WORD  
*Peter Toohy discovers that boredom can be productive*

## FELLOWSHIP IN ACTION

- 13 2020 Education
- 21 50 Foot Women
- 24 Youth engagement workshop
- 37 Case for Optimism

## FROM THE ARCHIVE

- 14 *How the Premium Award Scheme encouraged social innovation*
- 20 *A look at the RSA’s long history of promoting girls’ education*

## FEATURES

- 10 SKILLS  
**Tactics for success**  
*The emergence of new technology and the rise of globalisation are changing the way we work. Bernie Trilling and Charles Fadel pinpoint the skills that are needed to succeed in the modern workplace*
- 16 EDUCATION  
**The good teacher**  
*Sir Michael Wilshaw on why school inspectors should not be too prescriptive about teaching methods*
- 18 EDUCATION  
**School ties**  
*Collaboration among teachers and schools is the key to changing the UK’s education system for the better, says Christine Gilbert*
- 22 YOUTH  
**The Millennials**  
*With their flexibility, motivation and commitment to diversity, young people are rethinking the nature of business, as Tamara Erickson explains*
- 26 TECHNOLOGY  
**The new artisan**  
*Rob Fraser and Andrew Thomson argue that we need a more inspiring language to describe the future of the crafts*
- 28 SHAREHOLDER ACTIVISM  
**Restraining influence**  
*Does increased shareholder involvement promote fairer business, asks Colin Mayer*
- 32 BUSINESS  
**Humble leaders**  
*Collaboration, communication and co-creation: Nicholas Ind introduces the new rules of leadership*
- 34 BEHAVIOUR  
**The origins of power**  
*What do armies, primate groups and businesses have in common? They all rely on hierarchical systems, says Dario Maestripieri*
- 38 EUROPE  
**Europa’s trials**  
*Neal Ascherson asks whether the dream of a united Europe still has relevance in an age of political and economic turbulence*
- 42 DESIGN AND INDUSTRY  
**The great recovery**  
*Designers and businesses should work together to lengthen products’ lifecycles, says Sophie Thomas*
- 45 SOCIAL ENTERPRISE  
**Setting up shop**  
*How two social entrepreneurs are combating youth unemployment*

**RSA**  
**8 John Adam Street,**  
**London WC2N 6EZ**

**Patron of the Society**

---

*HM The Queen*

**President**

---

*HRH The Princess Royal*

**Honorary benefactor**

---

*Ron Gerard OBE KStJ*

**Board of Trustees**

---

**Chair**

*Luke Johnson*

**Deputy chair**

*Suzy Walton*

**Treasurers**

*Lord Best OBE*

*Vanessa Harrison*

*David Archer*

*Jackie Elliman*

*Clive Grinyer*

*Zena Martin*

*Don Pinchbeck*

*Keith Read CBE*

*Jonathan Rollason*

*Hanif Virji*

**Executive**

---

**Chief executive**

*Matthew Taylor*

**Director of external affairs**

*Nina Bolognesi*

**Director of programme**

*Dr Adam Lent*

**Chief operating officer**

*Carol Jackson*

**Venue director**

*Matthew Bates*

**RSA Journal**

---

**Editor**

*Frances Hedges*

**Consultant editor**

*Molly Bennett*

**Creative director**

*Ben Barrett*

**Designer**

*Gregory Iliopoulos*

**Publisher**

*Rob Sawyer*

**Production director**

*John Faulkner*

**Production artworker**

*Jack Morgan*

**Managing director, Wardour**

*Claire Oldfield*

**CEO, Wardour**

*Martin MacConnol*

**For the RSA**

---

**Commissioning editor**

*Rachel O'Brien*

**Distribution**

*Ann Gutowski*

*The RSA Journal is published for the RSA by Wardour, 5th Floor, Drury House, 34-43 Russell Street, London WC2B 5HA  
Tel +44 (0)20 7010 0999  
[www.wardour.co.uk](http://www.wardour.co.uk)  
Wardour is a member of the IoIC and APA*

*RSA (The Royal Society for the encouragement of Arts, Manufactures & Commerce), 8 John Adam Street, London WC2N 6EZ  
Tel +44 (0)20 7930 5115*

*Registered as a charity in England and Wales no. 212424 and in Scotland no. SC037784  
RSA Journal, Volume CLVIII No. 5550, Summer 2012  
ISSN: 0958-0433*

**Fellowship Council**

---

*Bob Porrer*

*Dr Irene Campbell*

**RSA regions and worldwide**

---

**Australia and NZ**

*Paul Vittles*

**East Midlands**

*Richard Lindley*

**East of England**

*Peter Landshoff*

**India**

*Gaurav Gupta*

**Ireland**

*Tim Walker*

**London**

*Joyce Arram*

**North East**

*Claire Maxwell*

**North West**

*David Dickinson*

*Nick Clifford*

**Scotland**

*Frances Gallagher*

**South Central**

*Greg Slay*

**South East**

*Dr Irene Campbell*

**South West**

*Ian Hosker*

**United States**

*Lynn Broadbent*

**Wales Cymru**

*Andrew Board*

**West**

*Allan Bosley*

**West Midlands**

*Richard Hawley*

*Keith Horsfall*

**Yorkshire**

*Clive Harries*

**RSA Journal awards (2012)**

---

**Printed publication of the year**

*IoIC Awards 2012*

**Best membership publication**

*IoIC Awards 2012*

**Best editor**

*IoIC Awards 2012*

# “A WOUNDED HIERARCHY IS A DANGEROUS BEAST”



**MATTHEW TAYLOR**

*A big preoccupation for me right now is preparing my annual lecture. The less-than-snappy working title is ‘Power shortage – why old solutions don’t work for new problems’*

The starting point – based broadly on a school of thought called cultural theory – lies in the three major motivational drivers of social change: hierarchical authority; solidarity and shared values; and individual drive and ambition. Each of these motivators of human action has both benign and malign sides. For example, individual ambition can be creative and powerful but also selfish and irresponsible. What cultural theorists call ‘clumsy solutions’ involves mobilising the benign aspects of each mode of change.

Naturally, people tend to be more effective and positive when they feel their abilities fit the challenges and contexts they face. A key question for our ability to solve problems together is, therefore, whether established patterns and ideas of authority, solidarity and ambition can adapt to modern challenges.

The focus of this issue of the journal on 21st century leadership may shed some light on the first of these categories. The idea that traditional forms of hierarchical leadership are not attuned to modern conditions is close to an accepted truth, particularly in the literature of business leadership. The reasons why the old forms of authority and control seem sluggish at best, and often highly dysfunctional, lie in changes in people, society and technology.

Factors including higher levels of education, a decline in the power of tradition and a greater awareness of different systems of values all contribute to a more questioning populace that demands and expects greater autonomy and personal acknowledgement. In the intensifying race for talent, few are attracted by the idea of being a cog in a machine, as Tamara Erickson shows in her article about the characteristics of Generation Y.

One consequence of these changes is that more social challenges take on the character of what have been termed ‘wicked issues’. Problems such as meeting the care needs of an ageing population, increasing social mobility and managing migration and its effects have complex causes, many stakeholders and highly contested solutions.

Moreover, they require systemic responses that include changes in social norms, expectations and capabilities.

Technology, too, is challenging the foundations of the old hierarchy. The anarchic utopianism of some tech-heads may be overstated and, as past *RSA Journal* contributor Evgeny Morozov has convincingly argued, autocrats are perfectly capable of developing their own strategies for the web and social media. However, the accessibility of information, the porosity of organisations and the speed of online mobilisation are all technologically induced shifts that challenge top-heavy bureaucracies. Around the world, a growing list of government departments, corporations and carefully protected celebrities have had to apologise or reform in the face of the disapproval swarming through social media.

None of this should be taken to mean that hierarchy is dead. In the face of simpler and more urgent challenges, we will still call for decisiveness and authority. More broadly, the instinct to lead and be led is in our animal nature, and without it we would be consigned to atomism or impotence. But a wounded hierarchy is a dangerous beast. This is why, when it comes to complex tasks, we must find the kinds of leadership and organisation that work in the modern world.

Using the ideas of cultural theory, Keith Grint, Warwick University professor of public leadership, has argued that wicked issues require leadership that is about “questions not answers”, “reflection not reaction” and “relationships not structures”.

As an organisational leader, I find these three injunctions both useful and challenging. I have also spent quite a lot of time talking to politicians of all parties and their advisors, something that underlines the scale of culture shift that would be required for political leadership to be more discursive, thoughtful and emotionally intelligent.

The answer is not to bemoan the personal failings of politicians and hope that someone better emerges. Just as we need clumsy leadership, so we need clumsy followership: a recognition in public discourse that, at varying times, we want leaders who maximise our autonomy, inspire our fellow-feeling and give us guidance and reassurance. For society, as it is for children with parents, understanding that our leaders are imperfect while respecting their role and earned authority is an important sign of maturity.



## DESIGN

## RSA-US LAUNCHES COMPETITION

Earlier this year, RSA United States announced the US Student Awards for Sustainable Design. The competition seeks to inspire undergraduates studying design to create positive social change in the areas of architecture, interiors, fashion and textiles.

RSA-US will invite up to 20 studio groups from top US design schools to respond to four competition briefs, which will be created in partnership with faculty and industry sponsors. A panel of judges – including RSA Fellows, invited Royal Designers for Industry and sponsor representatives – will select the best submissions, which must be completed as part of students' curriculum coursework. Shortlisted candidates will have the chance to win cash prizes, paid internships and support from mentors, as well as to see their work exhibited at the Cooper Union for the Advancement of Science and Art in New York City.

Fashion-textiles designer and former RSA Student Design Award winner Seren Page-Bailey developed the US project, which she launched with the help of grants from Catalyst and US Challenge. She is now managing the programme along with the US Board of Trustees and a team of US Fellows.

Page-Bailey said: "By encouraging students to work collaboratively on design projects, we hope to maintain high standards of design education, promote the sharing of best practice and build relationships between schools and industry."

■ The deadline for entries to the RSA-US Student Awards for Sustainable Design is March 2013. Visit [sda.rsa-us.org](http://sda.rsa-us.org)



## DESIGN

## REWARDING SOCIAL INNOVATION

A scheme to keep pubs at the heart of local communities, a programme to help middle-aged employees take time off work to travel or volunteer, and a redesign of the standard-issue National Rail train ticket were among the projects to win prizes in the 2011/12 RSA Student Design Awards.

The awards scheme, which this year attracted about 600 entries from students and new graduates in the UK, Europe and Asia, offers cash prizes and work placements whose value amounts to more than £60,000. Candidates responded to briefs such as 'The Good Journey', which asked how design could improve commuting, and 'Tomorrow's Workplace', which challenged entrants to design the workplace of the future.

Student Rebecca Penmore won a placement with the graphic design team at Waitrose for her project 'The Pub Hub Club' (see image), which encourages pub landlords to offer extended services within the community. Sophie Burt and Rachel Mintern were awarded a placement at international branding agency Dragon Rouge for their 'Mid Way' scheme, which would guarantee job security to middle-aged employees interested in taking a career gap. Meanwhile, Northumbria University student Richard Watters secured a placement at design consultancy Priestmangoode for his simplified National Rail ticket design.

Nat Hunter, the RSA's co-director of design, said: "It is heartening to meet so many engaged and inventive young people who are ready to go out into the world and use their design skills to benefit society."

■ The briefs for the 2012/13 academic year will launch on 1 September. To find out more, contact Sevrá Davis at [sevrá.davis@rsa.org.uk](mailto:sevrá.davis@rsa.org.uk) or visit [www.thersa.org/projects/design/student-design-awards](http://www.thersa.org/projects/design/student-design-awards)

**“IT IS HEARTENING TO MEET SO MANY ENGAGED AND INVENTIVE YOUNG PEOPLE WHO ARE USING THEIR DESIGN SKILLS TO BENEFIT SOCIETY”**



## ENTERPRISE

# HIDDEN ENTREPRENEURS

'Hidden' entrepreneurs who take part in undeclared work should be brought into the formal economy through tailored support rather than solely punitive measures, according to a new report from the RSA. *Untapped Enterprise* argues that the government needs to see the registration process as a journey for entrepreneurs, rather than a simple cost-benefit calculation.

Informal, undeclared activity by self-employed workers poses a significant challenge to the UK economy, with some estimates suggesting that it represents as much as 10% of national GDP. It diminishes tax revenues, creates unfair competition for businesses that are legally compliant and leaves informal workers vulnerable to hardship due to a lack of social protection.

RSA researcher Benedict Delloit said: "The factors that prevent entrepreneurs from registering their businesses are complex and vary over time. The government should support entrepreneurs on their journey towards formalisation, rather than relying on a one-size-fits-all deterrence model. Otherwise, we risk stamping out the kind of entrepreneurial spirit that the country needs more than ever before."

■ To download a copy of the report, visit [www.thersa.org/enterprise](http://www.thersa.org/enterprise)



## ENVIRONMENT

# SETTING THE STANDARD FOR SUSTAINABILITY

Two UK-based companies recognised by RSA-accredited award schemes for their exemplary environmental standards were named winners at this year's European Business Awards for the Environment.

Aquamarine's Power Oyster wave-energy technology (see image) took the Product award and Marks & Spencer's Plan A Sustainability Strategy took the Management award at a ceremony held in Brussels in May. The companies, which were selected as UK entrants from the winners of RSA-accredited award schemes, were among just five of 156 entrants from across Europe to win awards. Their successes mark the tenth consecutive victory for the UK.

Janez Potočnik, European commissioner for the environment, said: "To prosper in a resource-constrained world, our economies must become more efficient in their use of natural resources. The European Business Awards for the Environment show that this is possible. They reward companies that are making the best possible use of resources throughout their life cycle to create as much economic value and as little environmental impact as possible."

■ To find out more about RSA-accredited award schemes, visit [www.rsaaccreditation.org](http://www.rsaaccreditation.org)

## EDUCATION

# 21ST CENTURY SCHOOLS

Teachers, children and educationalists discussed the role of schools in developing the skills needed to meet 21st century challenges at the second RSA Opening Minds conference.

Dame Ellen MacArthur joined other high-profile speakers at the event, held in March at London's Institute of Education. Participants shared ideas about how we can best prepare young people for life in a turbulent economy, and heard from school leaders and pupils about their experiences of the RSA's Opening Minds curriculum framework.

RSA Opening Minds is currently being redesigned. The aim is to expand the framework so that it has an impact on more teachers and schools, and to benefit from emerging policy changes, especially the opportunities for curriculum development. Updates on this will be available on the RSA Opening Minds website from the autumn.

■ To watch a video of the conference, visit [www.rsaopeningminds.org.uk/conference-videos](http://www.rsaopeningminds.org.uk/conference-videos)

## NEWS IN BRIEF

### FRONTLINE VOICES

RSA Education has launched a pilot for a series of practitioner podcasts. Frontline Voices will offer a platform for teachers, headteachers and other educators to share innovative ideas about the future of education in the UK and globally. In the first podcast – produced by new RSA Fellow Penny Wrout – Westminster-based teacher Carey Oppenheim argues that schools should put in place robust research and development strategies, and explores radical ideas about school organisation, the role of the teacher and our examination system. *To download the podcast, visit [www.thersa.org/events](http://www.thersa.org/events)*

### SECURING THE BEST SERVICES

The RSA has launched a project that will explore best-practice commissioning, initially focusing on substance misuse services. Stakeholders face challenges in putting the national drug strategy into practice, particularly in the context of shifts in the wider health sector. The project will explore how commissioners within and beyond this sector can procure the best and most appropriate service model, and how they can incentivise performance within it. *To attend the conference, held in Manchester on 7 September, contact Steve Broome at [steve.broome@rsa.org.uk](mailto:steve.broome@rsa.org.uk)*

### RSA IN THE BALTICS

More than 100 Fellows have joined the RSA Baltics network since its launch in January 2012. The Helsinki-based network is already running several projects, including producing a new translation of Adam Smith's *Wealth of Nations* and discussing how to define the 'good society' in the post-consumerist era. Network leader Mika Aaltonen is keen to grow the membership further in his capacity as an RSA Connector, a new role that has been created to widen access to the RSA outside the UK. *To find out more, email [fellowship@rsa.org.uk](mailto:fellowship@rsa.org.uk)*



RSA HOUSE

## A NEW ERA FOR THE GREAT ROOM

The RSA's appeal to raise money for the refurbishment of the Great Room has attracted £102,000 in donations.

Over the past few months, hundreds of Fellows have given generously to the appeal, which will help transform the Great Room and ground-floor areas at the RSA House into an innovative space that is fit for 21st century use.

The RSA will hold a series of events – more details of which will be available shortly – to mark the opening of the refurbished Great Room in September. We will also unveil a digital 'roll of honour' that will include the names of all the Fellows and supporters who have made a gift to the appeal.

■ *To follow the progress of the RSA House refurbishment, visit [www.thersa.org/refurbishment-project](http://www.thersa.org/refurbishment-project). To make a gift to the Great Room appeal, visit [www.thersa.org/support-the-rsa/great-room-appeal](http://www.thersa.org/support-the-rsa/great-room-appeal)*

## EVENTS

### DINNER WITH NEW RSA PRESIDENT

To mark the opening of the newly refurbished Great Room, the RSA will be holding a celebratory dinner attended by its new President, HRH The Princess Royal, on Monday 10 September.

The dinner will be in support of one of our flagship projects, RSA Transitions, a groundbreaking initiative that takes a social enterprise approach to prisons. The project will develop a new model that aims to improve ex-offenders' employability and ease their transition into society, cutting reoffending and radically improving rehabilitation prospects.

■ *To register your interest and find out more about attending this exclusive event, contact Tom Beesley at [tom.beesley@rsa.org.uk](mailto:tom.beesley@rsa.org.uk) or +44 20 7451 6902. Please be aware that places are limited and will be allocated on a first come, first served basis.*



## PREVIEW



### THE RSA HOUR AT CAMP BESTIVAL

The RSA spreads its wings again this year, curating a Camp Bestival event about the future of Britain's young people. Are we creating a new 'lost generation' and, if so, is it too late to make sure its members get found? The event will feature Kids Company founder Camila Batmanghelidjh, *Guardian* journalist and author John Harris, the *New Statesman's* Laurie Penny and a young member of the Oval Theatre Truth About Youth project.

**Where:** Camp Bestival, Lulworth Castle, Dorset

**When:** Thu 26 to Sun 29 July



### LESSONS FROM THE TOP

The most successful leaders educate, persuade and bring about change through the stories they tell, but we rarely have the background knowledge to explore how they do so. Award-winning television and radio presenter Gavin Esler shares the leadership secrets he has gleaned from 30 years of interviewing the world's frontrunners.

**Where:** RSA, London

**When:** Thu 6 September, 1pm



### A NEW HISTORY OF POWER

Who really rules the world? Historian and author David Priestland argues that there are three prevailing power groups in the world today: merchants (those who use the market to exert power), sages (those who use bureaucracies and philosophy to rule) and soldiers (those who use militaristic and aristocratic forms of control). But what happens when the balance of power lurches too far in one direction?

**Where:** RSA, London

**When:** Thu 20 September, 6pm



### TRANSFORMATIVE INNOVATION

Businesses today share the same acute challenge: driving growth. This challenge is even more daunting in the face of stagnation and economic uncertainty in developed markets, the rise of new – and increasingly competitive – emerging markets and the rapid evolution of global consumer preferences. As the pressure to grow and win in complex new markets rises, firms are looking for breakthrough ideas that can lead to transformative innovation in their products and services. The RSA and the Corporate Executive Board (CEB) convene a senior business panel, including Atul Dighe, senior director at CEB, to explore new ways of accelerating innovation globally.

**Where:** RSA, London

**When:** Wed 3 October, 9.30am

*RSA Events development officer Abi Stephenson selected the highlights above from a large number of public events in the autumn programme. For full event listings and free audio and video downloads, please visit [www.thersa.org/events](http://www.thersa.org/events)*

# TACTICS FOR SUCCESS

*Increased connectivity, the trend towards offshoring, the rise of a global workforce and the development of innovative manufacturing techniques are all transforming the way we live and work. What skills do we need to thrive in this changing world?*

*By Bernie Trilling and Charles Fadel*

**T**here have been three historic shifts in the nature of work. Workshift 1.0 landed when our wandering hunter-gatherer ancestors traded spears and baskets for homebound digging, ploughing, seeding and harvesting by hand and with animal assistance.

Agrarian-age innovations generated enough surplus food for a new collective human form to emerge: cities.

Workshift 2.0 arose in these cities. Sparks of human ingenuity generated industrial-age steam power, iron forges, factory machinery, electricity and the assembly line. They transformed horse pulling into motor horsepower; handicraft into factory fabrication; household manual work into home appliances; and horse-and-buggies into cars, trolleys, trains, ships and planes.

Workshift 3.0, the third and possibly most globally disruptive transformation yet, has been called by various names – the information era, the knowledge age, the digital millennium, the innovation epoch – but is still seeking its proper identity. We are now well into this phase and the ride is proving to be a bumpy one indeed.

We continue to feel the effects of Workshift 3.0 transformations as the aftershocks of the Great Recession shake societies everywhere: achingly high levels of youth unemployment; adult unemployment and underemployment at near Great Depression levels; fluctuating consumer demand for products and services; rising fuel, food and raw-material costs; escalating job automation, outsourcing and offshoring; and the uncertainty of finding enough high-skilled, high-tech, creative workers anywhere to grow businesses and build a secure economic future.

So, what are the realities – the ‘new normals’ – of this world and how can we ensure that we are ready for them? To answer these urgent questions, we must first explore four global changes

that are remaking life and work in the 21st century: connectivity and skills, automation and job migration, the rise of the global workforce, and innovation.

## CONNECTIVITY AND SKILLS

Many of the electronic wonders of the 1950s and 1960s – transistor radios, electronic calculators, televisions and lasers – swiftly evolved into 21st century all-purpose tools such as laptops, tablets, smartphones, robotic machines, server ‘farms’ and the multimedia internet. Digital devices developed a social life, linking up and weaving a global nervous system, communications network and giant memory bank for humankind. Nearly 85% of humanity – almost six out of seven billion people – now uses a mobile phone.

In today’s interconnected world, where a mobile phone, a laptop and an internet connection provide the basis for participation in the world economy, the balance of the value chain of work has shifted from its industrial past to the so-called knowledge economy. The steps in the industrial value chain that used to result in manufactured products – extraction, manufacturing, assembly, marketing and distribution – are being superseded by steps that deliver knowledge and services, such as data, information, knowledge, expertise and marketing.

Though the mobile, laptop and internet are the entry tickets for much of 21st century work, the right skills and expertise are the real playing cards. To qualify for membership in today’s knowledge-focused workforce, young people need to develop 21st century skills. These include learning and innovation skills such as critical thinking and problem solving, creativity and innovation, communication and collaboration; digital literacy skills that develop information, media and ICT competencies; and career and life skills such as flexibility and adaptability, initiative and self-direction, social and cross-cultural fluency, and leadership and responsibility.

BERNIE TRILLING IS FOUNDER OF 21ST CENTURY LEARNING ADVISORS AND CHARLES FADEL IS FOUNDER OF THE CENTER FOR CURRICULUM REDESIGN







» Yet, until recently, education systems have not often placed the building of these skills on an equal par with acquiring content knowledge in a variety of core subjects and in building foundational literacy and numeracy skills. This has given rise to what has become a serious global skills gap: the gulf between the high demand for and low supply of many of these essential 21st century workforce skills.

The intimate links between a workforce with high 21st century skills performance and a higher standard of living and a healthy economy are now well understood. Countries that can quickly close their skills gaps have the real edge in building prosperous and sustainable societies.

The world is moving into uncharted territory. Knowledge work, service expertise, design innovations, vast information and image databases, 3D printing and digital fabrication, bioengineering, telemedicine, smarter homes, green energy, learning online and instant social media are reinventing the way people live, learn, work and play.

But this is by no means a utopian walk in the techno park for everyone. Many developing countries struggle to manage Workshift 1.0, 2.0 and 3.0 transitions all at the same time. More than a billion workers earn less than two dollars a day, labouring in rural subsistence farming or forming part of the vulnerable urban workforce. Many struggle with bottom-wage occasional work in the crowded slums and alleys of the world's sprawling cities.

### **AUTOMATION AND JOB MIGRATION**

Meanwhile, a profusion of urban mega-manufacturing complexes have been springing up in developing countries. Rural subsistence farm workers continue to flock to cities for jobs and their entry into the middle class, where they may be able to afford the products made in the factories they work in.

Work in developed countries continues to swing towards on-screen service, design and knowledge work, polarising into high-skilled and low-skilled jobs. Middle-skilled workers – middle managers, bank tellers, manufacturing line workers and so on

– are increasingly finding themselves displaced by automation and software. This hollowing out of middle-skilled jobs in more developed countries, and the rise of both high- and low-skilled work, is visible in the changes in US employment since 2000.

Certain types of work are particularly vulnerable to being outsourced to lower-wage countries. Routine impersonal work, such as accounting, call centre operators and airline help desks, is already mostly offshored now and will continue to go to the lowest global bidders or move towards further automation. Non-routine impersonal work, such as medical pathologists, legal analysts and document editors, is becoming easier to offshore as specialised skills advance in lower-wage countries. Routine personal work, such as taxi drivers, cleaning services and childcare workers, remains onshore, with aspects of the work increasingly automated. Non-routine personal work, such as surgeons, CEOs and teachers, will probably remain onshore for a long time, depending on how quickly innovations such as telepresence, telemedicine, robotics and intelligent online self-service take hold.

Jobs continue to migrate around the globe, landing where the right skills are available at the right price at the right time. Even the personally delivered service jobs that remain onshore may not pay enough to support a family. It is therefore more important than ever to equip young people with 21st century skills and to ensure that they can apply them to real-world challenges.

### **THE RISE OF THE GLOBAL WORKFORCE**

In the final decades of the 20th century, the worldwide workforce more than doubled, with vast armies of workers in China, India, Brazil and other countries joining the 21st century global labour pool. The numbers continue to grow each year.

This is increasing the level of global competition for jobs enormously, especially for routine low-skilled work that can easily migrate to low-wage countries. Global workforce expansion continues to have a profound impact on unemployment: in 2010, 6.2% of global workers were unemployed (up from 5.6% in 2007), with advanced economies suffering from unemployment

# “THOUGH THE MOBILE, LAPTOP AND INTERNET ARE THE ENTRY TICKETS FOR MUCH OF 21ST CENTURY WORK, THE RIGHT SKILLS AND EXPERTISE ARE THE REAL PLAYING CARDS”

rates of more than 8.7%, a new post-war high. Wages have also declined in two-thirds of developed countries.

To paint a more nuanced picture of global workforce dynamics, a closer look at shifting working-age populations is needed. The global working-age population is projected to reach 5.9 billion by 2050, up from its 2010 level of 4.5 billion. The largest growth will occur in the less developed economies, with growth flattening or declining in the more developed countries. More than half of the world's workers are now in Asia, mostly in lower-wage countries. A wave of low-skilled, low-wage work has already migrated to these countries, lifting millions into the

middle class. As skill levels rise, medium-skilled, mid-wage jobs are beginning to head there too.

The age structure of a country's population reveals a great deal about its social and economic dynamics. This information can help explain where public services are most needed and why youth unemployment may be a serious problem.

Countries such as Egypt and Yemen have strong youth-weighted populations: nearly 50% of Yemen's population is between the ages of 15 and 29. Other 'youth bulge' countries include Afghanistan, Algeria, Ethiopia, Iran, Iraq, Lebanon, Libya, the Palestinian Territories, Saudi Arabia, Syria, Tunisia, Turkey and Zambia.

Civic unrest is more likely when large urban youth populations that are educated and technologically proficient are confronted with a severe lack of jobs and an autocratic or corrupt government. This has been the case in Egypt, as well as in a number of the Middle Eastern and North African 'Arab Spring' countries that are now experiencing widespread civil protests.

On the other hand, a youth-dominant age structure can benefit a country when all that young talent and energy is productively harnessed into a force for economic growth. The key to reaping this advantage lies in creating economic and social policies and institutions that can mobilise young populations into productive work. A few of the Asian economies, notably Japan and South Korea, did just that in the early stages of their boom years. In doing so, they managed to boost their economic capacity, productivity and living standards.

Countries such as Japan, the UK, the US and Canada have much smaller youth populations, with population spikes in the middle age ranges. In these countries, older workers are holding on to their jobs longer because of economic uncertainty, and are not clearing the way for younger workers to step in. This is contributing to higher unemployment and underemployment among young people. Then, as large numbers of older workers eventually retire and collect their pensions and social security, younger workers must support a greater number of retirees with their earnings. This is putting severe strains on government pension programmes.

Age structure, working-age populations and large labour pool additions all contribute to the complexity of workforce dynamics and the types of workshift challenges each country must face.

## INNOVATION

Let's put the challenge into perspective: the global Workforce 3.0 transformations now under way may be deeper and wider than those confronted in the move from an agrarian to >>

## FELLOWSHIP IN ACTION

### 2020 EDUCATION

2020 Education, an RSA Catalyst-funded initiative, is working with schools to help them engage pupils in thinking about major 21st century issues such as terrorism, war, poverty, the environment and the economy.

In contrast with traditional top-down educational approaches, the initiative, led by Andrew Hadley FRSA and Nicholas Mellor, encourages young people to use social media to articulate and share responses to global challenges.

To launch the project, Hadley and Mellor organised an event for schools from the UK and South Africa to showcase successful projects. Examples included a school in Taunton whose pupils are running a Fairtrade coffee business that generates profits to support farmers in Ecuador; a school in Derbyshire that has collaborated with the International Space Station to broaden pupils' awareness of planetary issues; and a school in East London whose pupils are building mini battery-powered racing cars as a way of developing environmental engineering skills.

Hadley and Mellor hope to make the event an annual fixture and to broaden the project's geographic scope. "We've seen some creative ideas coming out of schools in Latin America, India and Africa," said Hadley. "We're keen to use the RSA's international network to help us expand into those regions."

*To find out more about 2020 Education or to offer your support, visit [www.youthmomentum.org/2020-education](http://www.youthmomentum.org/2020-education)*

» an industrial age more than 300 years ago. Innovations in technology and the distribution of work are revolutionising how – and how sustainably – things can be made. New career opportunities are rising in smart product design and simulation, intelligent health systems and new ‘green’ services in areas such as food production and distribution, energy, transportation and housing. Expertise and creative innovation will be in high demand in fields such as biotechnology, nanotechnology, genetic engineering, healthcare, microelectronics and environmental engineering.

A ‘fourth wave’ in the way things are made is rapidly approaching. The first wave was the harnessing of steam, electricity and machines to manufacture things; the second was the invention of the assembly line and manufacturing for the masses; and the third was the computerised automation of mass manufacturing. The fourth wave, now in its early stages, is the local design and fabrication of parts and products using desktop and small computer-controlled equipment.

Imagine designing shoes or a hearing aid on a screen based on a scan of your feet or ears and sending the design to a local fabrication shop. There, it would be printed on a 3D printer – a device made of high-tech, computer-controlled mini-glue guns mounted on a plotter that precisely squirts micro-layers of various materials to build the product – and would be ready for you to pick up the next day. When your shoes or hearing aids wear out, you could drop them off at the same local shop, where they would be recycled back into material that could be used for the next new and improved personalised design.

Smart, local, customised fabrication – with its low energy and transportation costs and its emphasis on recycling – is already present in its early forms. Indeed, basic home-use 3D printers are now available for less than £400. A new personal manufacturing ecosystem is emerging, mixing the best of artisan and mass-production techniques. At the same time, a global

online community of ‘makers’ is springing up, enabling people to share their electronic blueprint designs freely.

## THE ROLE OF EDUCATION

These four global shifts in the way we work have considerable implications for education. How can schools and other educational institutions best prepare young people and adults for emerging challenges? Any country’s response depends on how well, and how quickly, it can transform a common, widespread, change-resistant industrial-age institution: education.

The science of learning is rapidly advancing, thanks to significant research contributions from cognitive psychology, neuroscience, sociology, media studies and other related fields. We now have a better understanding of the key criteria for effective learning.

First, learning needs to be put in its context. Students benefit from studying in real-world, authentic environments in which they can apply their knowledge meaningfully. Second, students need to care about what they are learning. They need to develop an intrinsic motivation to solve relevant problems and find answers to compelling questions. Third, educators need to help learners develop constructive models – whether drawing or writing – that enable students to build on existing mental models and reinforce the new perspectives they have gained through learning. Fourth, there needs to be a diversity of competences: educators must address the needs of diverse learning styles by incorporating words, thoughts, images, sounds, music, feelings and movements into their teaching. Finally, community is an essential component of education. Learning is inherently social and students benefit from discussing questions, working together on problems, gaining insight from experts, reading and seeing examples of others’ work and being part of a community of learners.

The challenge facing every education system is to apply these findings to everyday learning in schools and communities everywhere. It is high time that we transformed the existing

## FROM THE ARCHIVE

### THE PREMIUM AWARD SCHEME

The RSA has always encouraged individuals to turn socially progressive ideas into viable projects, from its 18th century Premium Award Scheme to today’s Catalyst fund.

At its foundation in 1754, the Society sought to promote the encouragement of arts, manufactures and commerce through a series of competitions that granted awards for useful inventions, discoveries, improvements and artistic endeavours. Men, women and children from anywhere in the world were eligible to win awards, which took the form of premiums (medals) and bounties (money). By 1757, the scheme had proved so successful that the Society decided to establish committees to preside over six categories: agriculture, manufactures, chemistry, mechanics, colonies and trade, and the polite arts.

The scheme came to an end in the mid-19th century, at which point the Society’s focus changed from offering prizes to establishing a lecture programme, publishing a journal and instigating exhibitions.

Not until April 2010 did the RSA return to an incentive-based approach to social change, with the launch of a Catalyst fund to support new or early-stage projects with the potential to tackle pressing social issues. Since its launch, Catalyst has supported more than 100 ideas, including 62 projects that have benefited from a share in £150,000 of funding.

■ *To find out more about the Catalyst fund or apply for support, visit [www.thersa.org/catalyst](http://www.thersa.org/catalyst)*



## **“COUNTRIES THAT CAN QUICKLY CLOSE THEIR SKILLS GAPS HAVE THE REAL EDGE IN BUILDING PROSPEROUS AND SUSTAINABLE SOCIETIES”**

industrial model of schooling, with its emphasis on rote learning of content and on basic literacy and numeracy skills, into an approach fit for the 21st century.

Fortunately, a number of education programmes and networks of schools around the world have evolved learning principles and practices that are more consistent with current theory and with the digital tools we now have to empower learners. These schools and programmes share a number of characteristics that are defining the shape of effective 21st century education.

Almost all of these schools have set wider learning goals that go beyond literacy and numeracy achievement. They enable students to apply academic learning to the real world, along with ongoing evaluations and assessments to measure progress towards this broader set of goals.

Many of these schools are designed as smaller learning communities. By studying in small groups, guided by a supportive advisor, students benefit from more intimate, collegial and personally meaningful learning experiences. These schools engage students in collaborative learning projects: interdisciplinary projects that are driven by real-world issues and require teamwork, time management and the presentation of project results to the public. Such projects make use of enquiry and design methods that challenge students to use on-screen and hands-on tools to devise innovative solutions to local and global problems, as well as to design their own learning plans.

Many 21st century learning programmes employ community internships and apprenticeships: guided work experiences in business and community organisations that offer students relevant skills and experience. These help students to make future career choices, develop essential work skills and apply academic content to real-world challenges.

As more learning is driven by the demands of projects and student-centred work, teachers can spend more time facilitating, mentoring and learning from students and other teachers. They can then help build a professional culture of high expectations, high-quality work, responsibility and self-direction, and a supportive culture of respect, trust, cooperation and community.

Schools, learning programmes and education systems that are adopting and integrating these practices are seeing more students graduate from higher-education and technical-training programmes. Many of their students go on to find meaningful work or to create new jobs and new kinds of work. Though the challenges are great in this time of deep and disruptive transitions, these institutions are paving the way for engaged lifelong learning, meaningful work in multiple careers and an active and responsible community life.

There is great hope and opportunity for countries and communities that take the lead in confronting the realities of a Workshift 3.0 world, transform their education systems to close the growing skills gaps, take an innovative approach to work and prepare everyone for success in life and work in the 21st century. ■

Bernie Trilling and Charles Fadel are the co-authors of *21st Century Skills: Learning for Life in Our Times*, published by John Wiley & Sons.

■ *The RSA's Education programme focuses on three overarching themes: social justice, democracy and innovation. Current projects include the development of a family of academies, the diversification of the Opening Minds curriculum framework and the implementation of an Area Based Curriculum in and beyond Peterborough. For more information, visit [www.thersa.org/education](http://www.thersa.org/education)*

**EDUCATION**

**THE EDUCATION AUTHORITY FOR THE UK**

*Rose Hill*

.....School

**TEACHER'S THREE-TERM REPORT CARD**

MARKS: E (90%–100%); VG (75%–89%); G (60%–74%); FG (50%–59%); F (35%–49%); O (under 35%)

SKILLS	Session 2011–12			SKILLS	Session 2011–12		
	1st Term	2nd Term	3rd Term		1st Term	2nd Term	3rd Term
AUTHORITATIVE	G	VG	VG	RESILIENT	G	FG	VG
COLLABORATIVE	VG	VG	G	FLEXIBLE	F	F	FG
PERCEPTIVE	FG	FG	G	REFLECTIVE	G	VG	E
SUPPORTIVE	E	E	F	EMPATHETIC	VG	E	E
IMAGINATIVE	G	FG	VG	ORGANISED	FG	F	G
.....							
.....							
.....							

AS AN INDIVIDUAL				TRAITS	AS A MEMBER OF THE STAFF			
	1	2	3		1	2	3	
1. Keeps control of class	✓			1. Shares ideas with colleagues	✓			
2. Plans lessons effectively		✓		2. Prepared to accept criticism			✓	
3. Shows sensitivity to pupils' needs			✓	3. Good at relationship building		✓		

Teacher's name ..... *Lesley Marsh* .....

N.B.—The Headteacher is always willing to interview parents regarding a teacher's conduct

Headteacher's signature ..... *C Phillips* .....

# THE GOOD TEACHER

SIR MICHAEL WILSHAW IS HER MAJESTY'S CHIEF INSPECTOR OF EDUCATION, CHILDREN'S SERVICES AND SKILLS

*No two teachers are the same, nor should they be. We must encourage teachers to focus less on following rigid lesson plans and more on playing to their strengths*

*By Sir Michael Wilshaw*



## “WE NEED TO CELEBRATE DIVERSITY, INGENUITY AND IMAGINATION IN THE WAY WE TEACH”

**O**ne size does not fit all when it comes to being a successful teacher. While the best teachers share the same goals, they certainly do not deliver lessons in the same way. That is why Ofsted does not take a formulaic approach to inspecting classroom teaching.

Teaching is a noble profession that has the power to change lives, particularly for those disadvantaged young people who need it most. That is what motivated me first to work in inner-city schools and then to take the job as Her Majesty’s Chief Inspector.

Throughout my career, I have known many, many teachers who work hard to give children the best chance in life. However, when I think back to my time at Mossbourne Academy [a community academy based in Hackney, London], two teachers in particular spring to mind. They were very different, but both were incredibly successful in the classroom.

The reason they were both successful was that they developed a style of teaching with which they were comfortable and that they knew worked. Despite their different personalities and approaches, both of these successful teachers understood that there were key things they had to do consistently. As a result, children enjoyed their lessons, were engaged, learnt a great deal and made good progress.

Planning was everything, but these teachers were not slaves to their lesson plans. For each lesson, they would know what they were going to do, what resources they were going to deploy and roughly how long each activity would take. But they also understood that planning should not be too detailed or too rigid. It was a framework and support, but they adapted what they did at key moments in the lesson, for example when something was not working or when the mood of the class changed.

The worst lessons are those in which the teacher ploughs through the plan irrespective of how well or badly the lesson is going. Ofsted will not necessarily require a lesson plan during an observation, but an inspector will want to see a planned lesson. If the plan needs to be adjusted halfway through, that is fine.

Being reflective is essential. These two teachers were able to adapt their lesson plan when things were not going well. At the end of the lesson, or at the end of the day, they would go back to the lesson plan and change it. Because they were reflective people, they knew that they did not have the answers to everything and were prepared to learn from others. This meant that they talked a lot about their teaching, were willing to go into other teachers’ classrooms and were always happy for others to come into theirs. They acknowledged that no matter how well qualified they were, teaching was a learning experience.

They were also perceptive people who understood the dynamics of a classroom. Teachers must pick up on the fact that the pace of a lesson has dropped, that students have become disengaged

or that their attention has waned. They must be quick to notice when the classroom hubbub has reached an unacceptable level and ‘Jack the lad’ is messing about at the back. At the same time, they must be able to spot when a young person is finding work difficult and needs more help.

These teachers understood the maxim that ‘nothing is taught unless it is learnt’. They measured their success on whether children were learning and making progress, and because they were successful teachers, their pupils made rapid progress. They were great at picking out the inattentive child to ensure that each one understood the importance of keeping up and paying attention. They were both fierce on standards, too. They were authoritative without being authoritarian. They made sure that youngsters knew who was in charge and who was setting the boundaries for acceptable behaviour.

Finally, both of these teachers were resilient people who withstood the slings and arrows – and the occasional paper dart – unflinchingly. They never let failure get the better of them. They learnt from it and came back stronger, tougher and better.

### A FLEXIBLE MODEL

So, I think we should be wary of trying to prescribe a particular style of teaching, such as a three-part lesson, or insisting that there should be a balance between teacher-led activities and independent learning. Whether we see pupils working on an extended piece of writing or reading or on the structured reinforcement of a mathematical operation, we are satisfied as long as the children are engaged and learning.

A formulaic approach pushed out by a school or prescribed in an inspection evaluation schedule would trap many teachers in a stifling mould that discourages them from using their imagination, initiative and common sense. There is no ‘Ofsted template’ for a good lesson, and we certainly do not want to see teaching designed to impress inspectors. We want to see teaching designed to ensure that children are learning and making progress. After all, that is what good teachers do naturally every day.

Our new inspection framework emphasises teaching more than anything else, and there will be a clear correlation between the judgements on teaching and the overall effectiveness of the school. We will also be looking at more lessons. So, to be clear, Ofsted will judge the quality of teaching in relation to the quality of learning and whether children and young people across the age and ability range are making the necessary progress.

All good teachers share the same goal: to give children and young people the best chance in life. However, the way in which they reach that goal will depend on what works for them and their pupils. We need to celebrate diversity, ingenuity and imagination in the way we teach. Just as no two children, classrooms or schools are the same, no two teachers are the same, and Ofsted will not expect them to be. ■

# SCHOOL TIES

*Collaboration both within and across schools is vital to improving the quality of education in the UK. By sharing their knowledge and experience with peers, school leaders can become the catalysts for change*

*By Christine Gilbert*

England's school system is experiencing massive change, largely driven by school leaders. Many secondary schools are embracing greater autonomy, with nearly half now designated as academies. With greater freedom comes the expectation that schools themselves will become the primary drivers of systemic improvement and achieve more. This is a big ask, but the calibre of school leadership has never been stronger. Leaders increasingly see system leadership as part of their role, and have the confidence, capacity and optimism to shape change beyond their own schools. This has not always been the case. The challenge now is to create a self-improving system so that more children and young people get the education they deserve.

Although much has been achieved in our schools, and we can see excellent practice up and down the country, improvement has not been sufficiently universal for all our young people to thrive and succeed. There continues to be considerable variation both within our schools and across them. Too many children, and often the more disadvantaged or vulnerable, lose out. A self-improving system – one in which school leaders become accountable for ensuring that all schools have the right support – has the potential to create better practice that makes more of a difference. It capitalises on the improving calibre of leadership within schools and the increasing experience of partnership work across them.

In any system, it is the teachers – in particular, the quality of their teaching and their relationships with pupils – who make the most difference to children's learning. The best school leaders establish a culture that enables teachers to take responsibility for making improvements in their own schools and others. They encourage teachers to develop a strong sense of individual and collective purpose; one where a continuing process of review and dialogue about practice, rooted in the highest expectations, leads to better

PROFESSOR  
CHRISTINE  
GILBERT CBE  
IS THE FORMER  
HEAD OF OFSTED  
AND VISITING  
PROFESSOR AT  
THE INSTITUTE  
OF EDUCATION

teaching and achievement. This disciplined learning becomes inherent to their professionalism.

In schools that have a strong, well-established professional culture, teachers see themselves as responsible for the quality of their teaching and its impact on pupils' learning. They feel part of a professional learning community and view colleagues as an essential source of support. They welcome – and often create – opportunities to engage pupils, peers and leaders in knowledge and skills development. This is central to their professional growth and their accountability for improving quality, and may also feed into the school's formal performance-management processes.

The best schools know their own strengths and weaknesses, and involve key stakeholders in the process of improvement. Staff members are involved in review and evaluation. Governors can provide perceptive and honest advice. Pupils discuss their learning – and any barriers they face – with their teachers. Parents' views influence the school's development.

## SHARE AND SHARE ALIKE

Establishing a culture of collaboration within a school is just the start. Good schools are now seeking to build relationships with partner institutions to promote professional development even further. Where these collaborations are effective, all involved share a sense of moral accountability to children and young people in other schools. There is a sense of openness and trust among colleagues; a strong professional accountability to one another; and an uncompromising approach to quality. Teachers not only seek out, but also create, best practice.

According to the findings of a 2010 McKinsey study on the world's most improved school systems, collaboration among schools has a number of benefits. First, teaching practice is made public and the entire teaching profession shares responsibility for student learning. Second, there is a cultural shift from an emphasis on what teachers teach to what students learn. Third, teachers become the custodians of a normative







»» model of pedagogy and feel accountable for following the high standards that they have helped to implement.

In recent years, we have seen more and more schools putting this collaborative strategy into practice, helped by the National College's designation of national leaders of education. These outstanding school leaders use their skills, and those of their staff, to support other schools and help raise standards. Alongside them, more than 2,000 local leaders of education contribute to school improvement at local level, while outstanding professionals in middle and senior leadership roles – known as specialist leaders in education – are just beginning to support their peers in other schools.

## FROM THE ARCHIVE

### SUPPORTING GIRLS' EDUCATION

The RSA has a long history of promoting girls' education. In 1871, Maria Grey gave a lecture on the education of women in which she argued that "the best way to be rid of hearing of [women's] wrongs would be to right them".

Following her lecture, Grey encouraged the Society to appoint a committee to promote the better education of girls in all classes. This led to the formation of a National Union for Improvement of the Education of Girls, whose primary objective was to "enlighten the public mind... on the present low state of female education, on the national importance of improving it and on the measures required for that end".

From the Union emerged the Girls' Public Day School Trust in 1872, which established new secondary schools that provided an affordable education to girls from all social classes. Maria Grey and her sister, Emily Shirreff, were actively involved in creating the Trust, which still exists today. Now one of the UK's 20 largest charities, it educates 20,000 girls a year based in 26 independent schools in England and Wales.

People involved in this form of system leadership care deeply about their partner schools and want the best for the pupils in them. Not only do they improve the schools they support, they also identify reciprocal benefits for their own schools. Partnership work challenges their thinking, as they observe a different context and become involved in creating better practice. Research shows that schools supported by national leaders of education improve faster than those without them. It is a measure of their effectiveness that the secretary of state for education, Michael Gove, wants to increase the number of national support schools from 700 to 1,000 by 2014.

Other ways of enabling greater professional collaboration include federations and academy chains, which work most effectively when supported by strong governance and leadership. Many of these formal arrangements were set up to give greater support to schools in disadvantaged areas and to accelerate improvement. Following their initial success, some groups are now developing more innovative practice. One chain, for example, is using its collective resources to develop a more creative way to improve performance in mathematics. Having undertaken international research to identify best practice, it decided to customise and trial the Singapore Math Method – a teaching method based on the primary textbooks and syllabus from the national curriculum of Singapore – in its schools. Several groups openly share initiatives beyond their own school communities to support system-wide improvement.

Groups of schools also worked together in the London Challenge, an improvement programme set up in 2003 to achieve better outcomes in low-performing schools in the capital. The programme used independent, experienced experts, many of them national or local leaders of education, to audit and identify needs and broker support for underperforming schools. Excellent system leadership and pan-London networks of schools helped establish effective partnerships that can tackle needs quickly and accelerate progress. A 2010 Ofsted report concluded that London Challenge had improved the performance of pupils in London's schools at a faster rate than similar schools nationally.

All these examples reflect effective system leadership that dramatically improved struggling schools and, in most cases, yielded reciprocal benefits for the stronger schools involved. Increasingly, however, strong schools are also forming more equal partnerships that enable them to raise performance by challenging and supporting each other.

### **A SELF-IMPROVING SYSTEM**

One initiative that reflects this shift is the establishment of teaching schools in the UK. Since their launch in July 2011, the number of teaching schools has risen to more than 180 and is due to increase to 500 by 2014/15. These schools, which have a strong track record in developing teachers, have taken on greater responsibility for nurturing trainee teachers, leaders and other colleagues, in partnership with other schools. They use their networks to support schools facing challenging circumstances and to contribute to wider system leadership. All of them see leadership development and school improvement as inextricably linked. The anticipation is that teaching schools will help develop a model of evidence-based improvement that will enable the system to progress.

Teaching schools develop without centralised direction. The lack of prescription means that some may fail to realise the vision set out for them in the *Schools White Paper 2010*, but others may well use their freedom to generate innovation.

Another example of collaboration among strong schools is Challenge Partners. This initiative was established by a group of outstanding schools that wanted to retain their individuality yet realised that collaboration was the key to their continuing success. A year after its launch, more than 170 schools are working towards its aims of developing a world-class, self-improving and sustainable system. Challenge Partner schools use annual peer review, supported by experienced inspectors, to raise aspirations and increase professional accountability. Effective peer review is characterised by openness to challenge and a willingness to act on the findings. However, opportunities to engage in rigorous school-to-school peer evaluation are still few and far between across the wider system.

The evidence from recent school visits, and from my discussions with leaders and teachers, persuades me that schools are already the primary drivers of systemic improvement. We have passed a tipping point and there is no turning back.

Nevertheless, this is a journey. Not all schools are yet working in active partnerships. The weakest may lack the confidence to invite support, still less peer challenge. The viability of entering into collaborative arrangements remains an issue for small or geographically remote schools in the primary sector. Even if they want to collaborate, they may not know where or how to find a partner. All schools need to ensure that rigour is built into their collaborative activities so that expectations are high and there is an uncompromising focus on quality.

Accountability for school improvement might well be discharged with other public, private or voluntary sector partners, but it should be driven by schools themselves. Such an approach would reduce the risk of isolation by offering all schools access to a professional learning partnership, while providing targeted support for schools that need it. This model

would properly recognise the growing role of leaders, teachers and schools in system leadership, and would hold them to account without the dangers of a more centralised model.

Much of the focus so far has been on professionals, but governors working across networks of schools have the potential to strengthen a self-improving system. A more open and collaborative culture could help develop governors' skills and expertise as much as it does that of teachers. The new national leader of governance role, which enables effective chairs to use their experience to support others, should help this process.

The best policies have their origins in great practice. Today's developments in profession-led system leadership offer scope for creating better practice that is free from local or national prescription so that all – not just some – children succeed. They present the opportunity to do things differently and more creatively. The impetus for change is now with schools themselves. ■

■ *In partnership with the Pearson Think Tank, the RSA has launched an Academies Commission, chaired by Christine Gilbert, to examine the implications of the 'mass academisation' of state schools. For more information, visit [www.academiescommission.org](http://www.academiescommission.org)*

## **FELLOWSHIP IN ACTION**

### **50 FOOT WOMEN**

50 Foot Women is a new Fellow-led initiative that aims to connect inspirational professional women with talented female graduates.

Catherine Fieschi FRSA set up the mentoring scheme after she observed an "extraordinary lack of confidence" among the young women who had applied for jobs at her organisation, Counterpoint. One shortlisted candidate even eliminated herself from the process because she felt insufficiently qualified.

To help tackle this sense of insecurity, 50 Foot Women puts new female graduates in touch with professional women. Mentors provide advice on everything from practical skills, such as CV writing, to broader career-related issues, such as how to balance financial security and personal fulfilment.

Supported by a £2,000 grant from the RSA's Catalyst fund, Fieschi has already linked 25 female graduates with mentors. In a year's time, she hopes that the scheme will have quadrupled in size and that it will involve professional women from a broader range of disciplines. She plans to partner with university career services – initially in London, and then in two other UK cities – to recruit new graduates who could benefit from support after leaving university.

"We are growing so quickly that demand is exceeding supply," said Fieschi. "I intend to use the RSA's networks to help us expand and am keen to hear from women in professional roles who are interested in mentoring graduates."

■ *To find out more about 50 Foot Women or to offer your support, visit [www.50footwomen.org.uk](http://www.50footwomen.org.uk)*



# THE MILLENNIALS

*With their technological proficiency, aptitude for teamwork and willingness to embrace multiple perspectives, the members of Generation Y are transforming the way we work*

By Tamara J Erickson

**A**round the world, members of Generation Y are ready for work. This cohort of young people, sometimes known as the Millennial Generation, includes those born between 1980 and 1995. It is marked, at one end, by the first individuals who have no conscious memory of learning to use a computer (the first ‘digital natives’) and, at the other, by those who had already moved out of their most formative years by 2008, when the global financial crisis rocked reality. Today, Ys range in age from 17 to 32. Some have already been in the workforce for a decade; others are poised to enter it.

This is a generation that will reshape the way we work. Globally, it is the largest generation yet, although its relative size varies widely. In many parts of Asia, Ys are significantly greater in number than members of older generations, while in Europe, due to slowing birth rates, they are fewer in number than the generations that preceded them. Coupled with the generation’s sheer overall size, Ys’ often surprisingly different approaches to work make them well worth watching. This is a generation we can all learn from if we suspend our own views about the way things should be done.

Generational characteristics are shaped by members’ shared experiences during their pre- and early-teen years, roughly from ages 11 to 14. Research conducted by developmental psychologist Jean Piaget found that children in this age group wrestle to make sense of the events and ideas in the world around them. What they see and hear – and the conclusions they

draw – influence for life what they value, how they measure success, whom they trust and the priorities they set, including the role work will play. Children build cognitive structures, or mental maps, to help make sense of their experiences. Because each generation lives through a different set of events during these formative years, it is logical that each would shape its own impressions and, to some extent, operate under a different set of rules.

Of course, the commonalities within one generation tell far from the whole story. Every individual has also had specific teen experiences, depending on his or her family’s socioeconomic background, philosophies, religion and a host of other factors. Distinct differences become evident at a country level, driven by the state of the economy, type of government, size of the Gen Y population relative to older generations and other country-specific characteristics. Applying one generational model universally is not accurate; however, as the world becomes more interconnected, more global similarities appear within younger generations.

## COMMON CHALLENGES

Globally, most members of Generation Y have shared two experiences: terrorism and technology. Terrorism has unique characteristics that have shaped Ys in many parts of the world. Rather than the institutionally driven, government-controlled hardship of war faced by previous generations, Ys have been subject to random, unpredictable, individually executed acts of terror and, particularly in the US, school violence. With a pervasive sense that something inexplicable could happen to anyone at any time in any place, their logical response is to make the most of today and to live every day to the >>

TAMARA ERICKSON IS AN AUTHOR, MANAGEMENT THINKER AND THE FOUNDER AND CEO OF TAMMY ERICKSON ASSOCIATES

>> fullest. A sense of immediacy is one of Generation Y's most ubiquitous global characteristics.

The second shared experience is, of course, that of growing up in a world of digital technology. Ys woke up in a world that was wired. They absorbed intuitively things that others have learned intellectually. Most Ys first used computers as young children, unconsciously inventing new things to do as they explored the technology's capabilities. Older adults, in contrast, tend to apply the technology to their existing habits; to established ways of getting things done. As a result, Ys not only use digital technology extensively, they actually do different things with the technology and have formed their own impressions of how the world works.

Growing up with digital technology gave Ys something else: broad exposure to the events and peoples of the world. Through the technology, Ys came face to face with issues such as environmental challenges, poverty and famine. They had the ability to play games with children in other countries and to make friends with people they had never met face to face. They gained an unconscious acceptance of diversity and an appreciation of the challenges the world faces.

## FELLOWSHIP IN ACTION

### YOUTH ENGAGEMENT WORKSHOP

Fellow-led businesses could benefit from young people's knowledge of social media, thanks to a recent RSA workshop.

Held in June at the 3space venue in Oxford Street, the workshop brought together 20 Fellows from the RSA's London region to promote greater youth engagement in social issues. Participants shared ideas for projects that could help tackle social problems specific to the youth sector, celebrate young people's achievements or bring together different generations.

Fellows Emily Druff, Barbara Anderson and Keith Horsfall suggested a 'reverse mentoring scheme' whereby technologically proficient young people would be asked to share their skills with Fellow-led businesses. The scheme would benefit all parties: the young people would receive accreditation (and the chance of a job offer) from businesses; the companies would gain a better insight into social media; and the RSA would enjoy increased youth engagement.

The Fellows have now been awarded a £500 Catalyst grant for the project. "The key to success will be to match the right people and companies," said Anderson. "A small company might not have the infrastructure to put in place a fully functioning social media strategy, whereas a large company might not need extra help. The RSA has Fellows working in a broad range of businesses, so it's the perfect place to start the scheme."

■ To find out more about RSA Catalyst or apply for support, visit [www.thersa.org/catalyst](http://www.thersa.org/catalyst)

Ys' common experiences created three perspectives that are unique to their generation but shared among Ys in many parts of the world. These perspectives will be valuable additions to today's work environment, and all are ones from which we can learn.

### A SENSE OF IMMEDIACY

The first perspective is a focus on the here and now. Ys think about making the most of today. Their most pressing questions are whether the activities they are doing now are challenging, meaningful and, where possible, enjoyable. While the definition of 'challenging and meaningful' may differ among individuals, this sense of living in the present and the opportunity it presents for spontaneous action is a valuable asset to add to our business repertoire, which has, for many years, been dominated by long-term strategy and detailed project-management plans.

Long-term planning clearly has benefits, but in today's rapidly changing world, the ability to act quickly on information and to capitalise on opportunities can have value. Continually asking whether your current activities are necessary and worthwhile can enhance productivity. Looking at your life through a lens of immediacy can help prevent the procrastination of pleasure.

Translated into the business world, the Ys' timeline prompts them to ask questions about how an organisation's business strategy affects the working environment. It also drives them to think about whether the planned route is the most expeditious way to achieve a particular goal. With their sense of immediacy, they are able to find ways to exploit the moment, rather than defer to an uncertain future.

### TECHNOLOGICAL KNOW-HOW

The second perspective that is common to Gen Y members is their use of technology to approach work in new ways. They are redrawing the line between what is institutional and what is personal, raising questions about which applications can be used during traditional work hours and what access to external sites will be allowed from internal machines. Over time, they will push us to remove the barriers; the boundaries will disappear. At some point, corporations will no longer provide employees with computers and mobile phones; their employees will simply plug in the ones that they already own.

Ys select and use technology to make their lives easier, both inside and outside the workplace. They manage technology – and its role in their lives – in ways that are helpful and productive, whereas for many adults, it can seem intrusive or anxiety-producing.

Ys see long-term potential in technology that is just good enough. Many of the applications that they have popularised, such as texting and camera phones, began with an initial lowering of the quality standards, but in ways that created new patterns of use. Those who focused on the poor quality of phone photos missed the extraordinary new uses that they would open up.

Using new technology to support them, Ys have become highly accomplished at 'time shifting': doing things when it is most convenient, rather than when they are scheduled to occur. As a result, fixed work hours will eventually disappear, replaced by a focus on achieving a specified result by a particular date, regardless of how time is managed within that span.





Ys are expert at multitasking and are quick to make the most of the rapid-fire information that characterises today's world. They also tend to be good at coordinating, as opposed to planning or scheduling. They will bring this practice to the workplace and, for a number of activities, it will prove more efficient and agile.

Perhaps most importantly, Ys perform tasks collaboratively, sharing information openly and solving problems through communal wisdom. Bringing ideas together is an essential component of the innovation required for today's competitive environment, and Ys tend to do it well.

In our digital world, Ys are heavily dependent on peer networks to identify the best, most trusted sources of information. They know how to build their own reputations as both knowledgeable sources and insightful reviewers. They also understand the value of transparent information. In the past, companies could obscure their cost structures or plans from suppliers and other partners, but information today tends to be easily accessible to all parties. 'Information asymmetry' is no longer a viable tactic, and no one understands that more intuitively than Ys.

Finally, Ys tend to play by network rules. As the cost of communication decreases, businesses are becoming part of a complex network. The rule of network economics is that open systems – those that allow others to play – are the ones that win. Ys will encourage us to develop strategies based on the principle of allowing all participants to benefit from the transaction.

The technology perspectives that Ys bring to work can help us do some (not all) things more efficiently. They are essential to operating successfully in today's information-intense world.

### **TOLERANCE AND UNDERSTANDING**

The third new perspective that Generation Y has brought to the workplace is a willingness to listen to and understand multiple versions of 'truth'. Ys are more blind to diversity than any

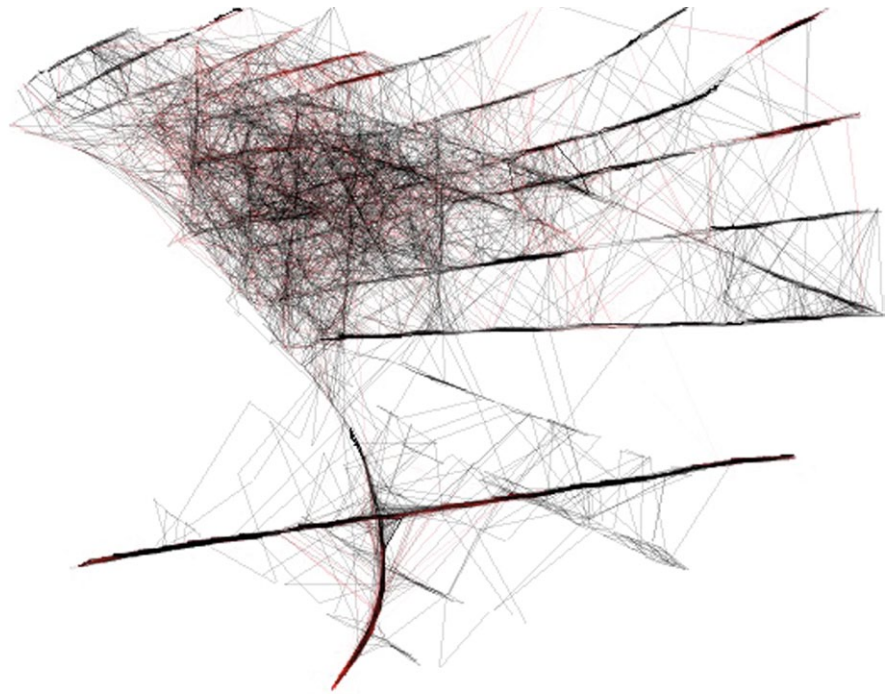
generation yet. They grew up seeing women working full-time, many holding powerful positions, including as chief executives and heads of state. Many grew up in areas in which racial diversity was the norm; Ys often do not think to mention racial or ethnic backgrounds when asked to describe their friends. They also grew up aware of differences in living conditions, educational opportunities and political realities around the world.

As a result, Ys are much less likely than members of older generations to imagine that there is one correct answer or single authority. Many have a better sense of the legitimacy of multiple points of view and of the way one situation can morph according to the interpretation of various individuals.

Their perspectives can lead them to question a business's desired outcomes and metrics. What are our goals? To what extent should we consider the social value of the business, as well as its competitive position? How do we measure the effects of the organisation on its environment ('social accounting')? Does our strategy consider the sustainability of the resources we use? Over time, nudged on by the Ys, the future of work will belong to companies that exchange simple revenue-based evaluations for something much more complex and revealing.

Inevitably, Ys will bring a different perspective to the workplace. By sharing their ideas about how things might work, Ys offer opportunities for innovation not only in terms of the way we do business, but also in the broad sense of how we view the role of work in society and in our lives. If we are to make the most of the strengths of Generation Y, we must suspend our – often well-entrenched – views of how things are done, work with them closely, and watch and learn. ■

*Tamara Erickson has written a trilogy of books – Retire Retirement, What's Next, Gen X? and Plugged In – on how different generations can excel in today's workplace.*



# THE NEW ARTISAN

*If modern crafts are to thrive, they need to attract young people. That means developing a language that both inspires and informs*

*By Rob Fraser and Andrew Thomson FRSA*

In the Winter 2011 *RSA Journal*, Sir Christopher Frayling argued: “If the crafts are to move centre stage, as some of us fervently hope they will, and if recent public statements about productive industry turn out to be more than rhetoric, there is an urgent need to find new ways of talking and thinking about such concepts.” He is right, and far from alone in thinking that we need a new language to inspire people, particularly the young, when it comes to modern crafts. One thing that would help is a name for how we work. Meet the ‘new artisan’.

‘New’, because we need to borrow a term from the past to invent the future, a future in which it will no longer be about taking A-levels if you can, and something else if you do not do well in your GCSEs. ‘Artisan’, because it encompasses the functional, technical and creative capacities that are essential if we

ROB FRASER IS CLOUD COMPUTING STRATEGIST FOR MICROSOFT UK. ANDREW THOMSON IS A FREELANCE MANAGEMENT CONSULTANT SPECIALISING IN ORGANISATIONAL DEVELOPMENT AND INNOVATION

are to sustain our quality of life, let alone improve it. The new artisan embodies the cross-disciplinary skills and entrepreneurial aspirations that are pivotal to economic growth, and specifically to wealth-creation opportunities from the digital economy.

To illustrate the idea, consider cloud computing, which is rapidly becoming a cornerstone of the digital economy. The cloud is characterised by vast data centres in which companies rent IT infrastructure, in which software apps are developed, deployed and marketed, and in which software is catalogued, purchased and consumed as a pay-by-use service.

As a social phenomenon, the cloud is about ubiquitous connectivity. It connects people in extended social graphs, and it connects the devices that people use with the innovative apps and services that they increasingly depend on. It is enabling the explosion in novel and innovative internet-connected devices – what we call the ‘Internet of Things’.

Economically, the cloud is about democratisation. Start-ups and small businesses can use a credit card to access the kind

# “CREATIVITY, IMAGINATION AND CONCEPTUAL SKILLS ARE ESSENTIAL TO SUCCESS IN THE PHYSICAL AND DIGITAL WORLDS AND TO THE FUTURE ECONOMY”

of global infrastructure formerly available to only the largest enterprises, and thereby take advantage of global economies of scale. This reduces barriers to participation in the digital economy and provides access to global markets and the free distribution of digital goods. The cloud is a platform for economic growth and innovation, especially where this can be driven by small and medium-sized firms. This innovation engine for growth is dependent on trans-sector and cross-disciplinary skills applied creatively with entrepreneurial thinking.

For an example of the new artisan in action, look to Microsoft. It directly employs 3,000 people in the UK, but within the 30,000-strong Microsoft Partner Network there are 260,000 people working with its technology. This ‘Microsoft economy’ contributes £23.7bn in revenue to the UK economy and generates £7.8bn of investment. Whether building apps, cloud-based services or novel cloud-connected consumer devices, this type of organisation requires creative, ambitious individuals with a mix of artistic, design, technological and commerce skills.

## REDEFINING INTELLIGENCE

The first step is to recognise the different types of intelligence, understanding how people learn what they can do and how these things are seen. Logic skills, for example, are seen as characterising the basis of training in professions such as law, accountancy and medicine. Then there are the ‘creative’ skills – such as lateral thinking, imagining and spatial awareness – which the education system generally assumes to be suited to making and doing, and to be somehow less important.

Yet creativity, imagination and conceptual skills are essential to success in the physical and digital worlds and to the future economy. In the past, various attempts have been made to ‘value’ creative skills: new types of school, new exam systems and curriculum reform. All have been attempts to make different things seem equal. They have not worked.

The current remedy is a mix of liberty and orthodoxy: the freedom to create new types of school and to ‘privatise’ the curriculum, with an emphasis on academic subjects and ‘harder’ examinations.

While this philosophy may drive the school curriculum, the introduction of high fees for degrees will boost demand for good courses that lead to good jobs. Perhaps now is the time to take up Sir Christopher’s challenge and devise an educational system that inculcates ingenuity, capitalises on diverse creative abilities, and shapes attributes and skills that will be valued in the socio-economy of the future.

The aim is to produce the new artisans of tomorrow: young people who can contribute to the jobs of the future and change the way we work. People who can be entrepreneurs and enterprising innovators at work, who understand new technologies and their powers – and who are drawn from the whole of what we still call the ‘academic ability range’.

Why should this work? Economics drives the need and creates the conditions in which such an education could succeed. In the globalised economy, our best hope for sustaining a high quality of life, a low cost of living and a brighter future is to provide goods and services enhanced by advanced knowledge, skills and creative capacities. And work that cannot be outsourced abroad – such as retail, beauty and construction – will operate in markets where customer expectations always rise.

The new artisan will bring craft, design, science, art and ingenuity to the task. The new artisan will find good work in a world that prizes, rather than relegates, these attributes to second best. No longer will they fall into trades and occupations because professional life is inaccessible. The key is the language, elevating the status of the new artisan. It will only be a worthwhile enterprise if the term itself is desirable and inspirational.

Industry can take the lead. A vital part of the future growth of the ‘Microsoft economy’ will be success in widening the participation of people in that economy who have the technical and creative skills to take advantage of the democratisation of access and opportunity that the cloud represents.

However, the significant point about Microsoft is that, while it is recognisably at the forefront of the ‘STEM industries’, it is also at the forefront of the creative industries. This is because of the indistinguishable mix of intelligence needed to succeed at the company: logical thinking skills and creative capacities. This mix of craft, art, science and design will be indispensable to the future economy.

For example, in the STEM industries, a current trend is the ‘professional technician’, with the associated movement to ensure that the UK builds its capacities in the quality, status and quantity of these people. The professional technician is merely a subset of the new artisan, a particular type of professional that the STEM industries require. The message is the same: we must make applied, creative intelligence attractive to the next generation.

The new artisan will be found in all areas of the economy. If this concept is developed, promoted and used to change the way we educate our young people, it will ensure that they are attracted by the idea of developing the attributes upon which they and their country will depend for a decent future. ■

# RESTRAINING INFLUENCE

*Does the rise of shareholder activism herald a fairer approach to business leadership, or will it simply trigger even more malicious power struggles in the corporate world?*

*By Colin Mayer*

**T**here were many perceived culprits of the financial crisis: auditors, credit-rating agencies and regulators. But the real villains were the bankers. They gambled recklessly with our deposits and savings, and brought venerable institutions and nations to their knees. In return, they rewarded themselves egregiously for their incompetence and negligence and, while the rest of us paid the price for their conduct through higher taxes and diminished government services, they retired to their country estates with enhanced bonuses and stock options.

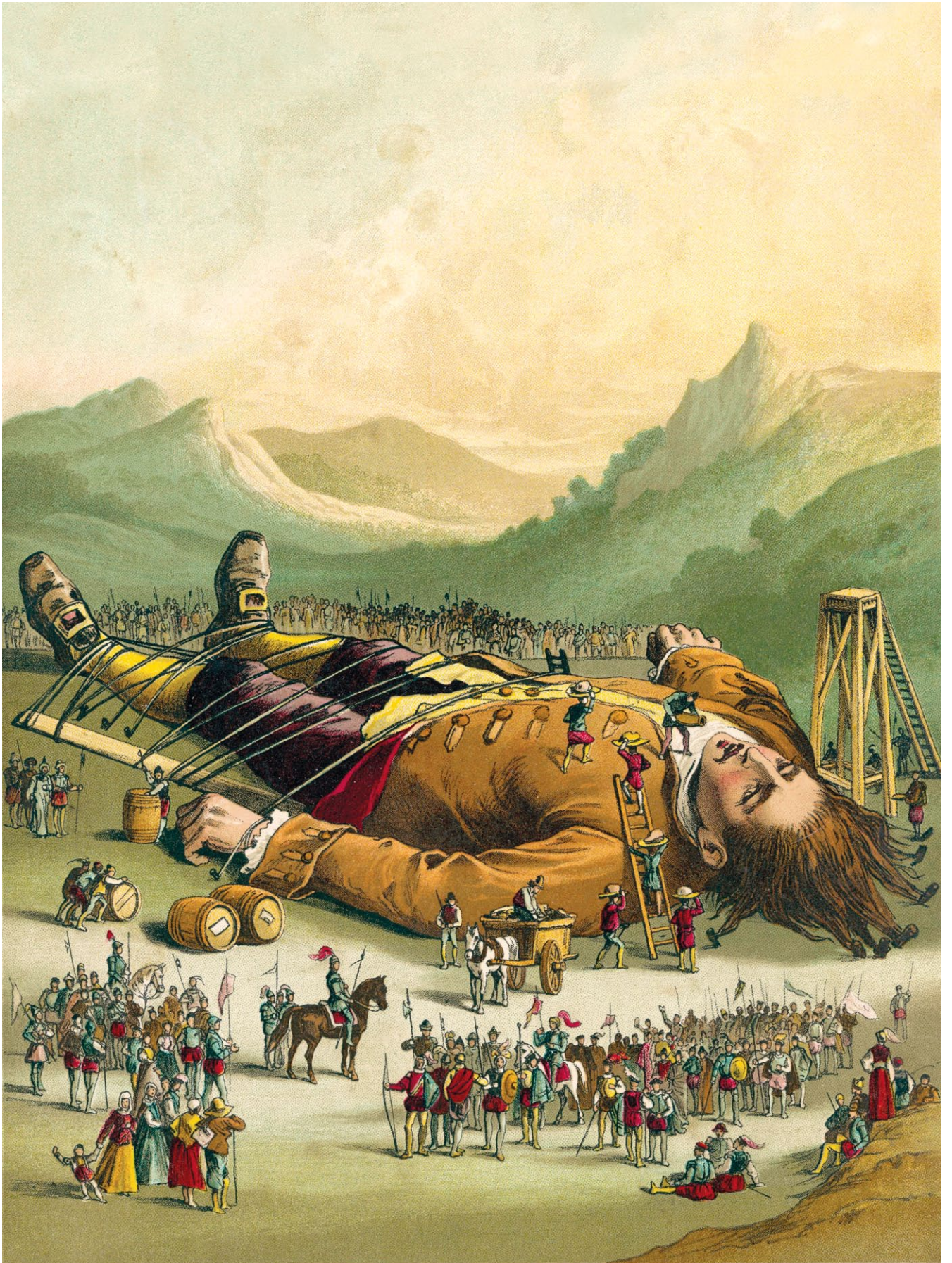
It is the owners of the banks – the shareholders – to whom we turn to rein in the excesses of their executives. They should exercise their authority in restraining their employees from abusing the property with which they have been entrusted. It is the shareholders who have the ability to voice their objections to the excesses in which bankers engaged when they rewarded themselves for failure.

COLIN MAYER IS THE PETER MOORES PROFESSOR OF MANAGEMENT STUDIES AND THE FORMER PETER MOORES DEAN OF THE SAÏD BUSINESS SCHOOL AT THE UNIVERSITY OF OXFORD

The response has been the dawn of a ‘shareholder spring’, during which we have heard the first call of the institutional investor. And it is not only bankers who have found their owners to be in surprisingly good voice. Across the boards of the corporate sector, executives and chairmen have found themselves confronting the massed ranks of aggrieved shareholders. More and more people are denouncing chief executives for rewarding themselves with excessive remuneration packages. The meek shareholder who previously cowed in submission has finally found the courage to stand up and be counted.

Like its Arab equivalent, the shareholder spring has been welcomed as evidence of the power of democracy to curtail despotic authority. It has been heralded as part of a transformation from passive governance by financial institutions and other investors to shareholder activism. It is seen as the start of a process by which – finally – shareholders are exercising oversight and authority over the property that they own but have previously failed to control.

Indeed, what has been happening recently at shareholder meetings is only the tip of the iceberg. It >>



## “SHAREHOLDER ACTIVISM COULD BE THE DAWN OF A NEW SPRING BUT, EQUALLY, IT COULD BE THE DUSK OF A COMING FALL IN CORPORATE VALUES”

» is part of a much larger phenomenon of shareholders engaging with the management that they employ. One particular class of shareholders – hedge funds, which invest money on behalf of individual and institutional investors – has started to take a much more active interest in the firms in which it invests.

This activism takes two forms. The first is the conventional way in which investors previously operated, namely selling their shares – ‘exiting’ – when they were dissatisfied with their performance. Some regard this as an abrogation of responsibility: walking away from, rather than confronting, problems. However, where this is done by investors such as hedge funds, which hold substantial blocks of shares, it can impose significant discipline on companies by depressing their share prices. This, in turn, reduces the value of the management’s stock options and other share-price-sensitive remuneration, as well as making the company more vulnerable to the risk of being taken over.

The second form, termed ‘voice’, comes closer to recognisable activism. This approach involves expressing concern about the management of a firm to the executives who are charged with running it. As in the shareholder spring, those concerns can be raised at shareholder meetings, specifically the annual general meeting or extraordinary general meetings that are called explicitly for that purpose. Alternatively, some investors engage in less overt actions behind the scenes, expressing their views directly to the management of the firms in question.

A study that I published with Marco Becht, Julian Franks and Stefano Rossi illustrated the way in which this second type of shareholder activism operates. We examined the activities of one of the most prominent UK activist funds – the Hermes Focus Fund, which managed part of the BT pension fund – over eight years from 1996 to 2004. Hermes targeted underperforming firms and sought to reverse their fortunes through direct engagement with their management.

The first stage was to identify underperforming stocks to which it felt it could add value through its style of engagement. The second was to seek a remedy for the poor management. This involved making direct approaches to company directors – chief executives, chairmen of boards, chief financial officers or non-executive directors – through correspondence and meetings. In some cases, the approaches met with opposition and resistance; in others, the responses were much more collaborative.

Hermes sought to rectify what it regarded as the main deficiencies of each company. Sometimes, this involved replacing senior executives, including the chief executive; on other occasions, it required working with management to alter corporate policy. Companies were frequently found not to be employing resources as efficiently or effectively as they should have been. The remedy was to distribute more to shareholders in the form of higher dividends, to cut back on unnecessary expenditures and to desist from carrying out wasteful investments or mergers and acquisitions.

The effect over the analysis period was a substantial improvement in performance in many of the 40 targeted firms. Their share prices improved appreciably as a consequence of Hermes’ interventions. Furthermore, Hermes’ activities yielded significant benefits to its own investors.

Other studies have documented similar results for activist funds in many countries, including the US, continental Europe and the Far East. The success of their engagements depends on the institutional and social setting in which they take place. In particular, for investors to be able to engage successfully in the types of intervention that Hermes undertook, they need to have detailed industrial and commercial, as well as financial, knowledge. They have to be able to combine the expertise of traditional fund managers with that of corporate executives – a rare combination that not many people possess – which is why institutional activism is not more prevalent than it is. Where it does exist, however, the evidence shows substantial gains to the shareholders of firms that are subject to activist engagements and to the funds that undertake them.

### INCONCLUSIVE EVIDENCE

While this points to the merits of shareholder activism, it may also suggest its deficiency and the limitations of the analyses that have been performed to date. The difficulty is that the evidence that has been accumulated is largely restricted to looking at the benefits to shareholders. The question it does not answer is whether the gains to shareholders could have come at the expense of others.

There is some evidence to suggest that, while shareholders gain appreciably, other investors, particularly bondholders, are made worse off. This is because actions taken in response to shareholder engagements can be detrimental to others. For example, distributing more of the firm’s financial resources to shareholders or reducing expenditures on investments might disadvantage bondholders who are dependent on the



financial and other resources that are retained in the firm. So the more that is paid out to shareholders as dividends, the less that remains in the firm to service the bondholders' interest payments and repayment of capital.

More generally, the interventions by shareholder activists might come at the expense of other stakeholders in the firm: employees as well as creditors. The most striking manifestation of that was the financial crisis. Contrary to popular perception, the widespread failures of banks in Europe and the US were exacerbated, not alleviated, by strong corporate governance by shareholders. There is mounting evidence that those banks that were most prone to failure and that engaged in the greatest risk-taking were precisely the ones in which the interests of executives were most closely aligned with those of their shareholders. It was where banks demonstrated the best corporate governance – in the form of a large number of independent members on their boards of directors and the closest link between executive pay and bank performance – that the failures were most acute.

The reason for this apparently paradoxical result is the same as the adverse effects of shareholder activism: what is in the interests of shareholders is not necessarily in the interests of the corporation. Shareholders value cash in the hand; firms need cash on their books. Shareholders benefit from investments that pay off; creditors and employees bear the brunt of investments that do not. As a consequence, the more that the interests of the firm are aligned – through good governance or shareholder activism – with those of its shareholders, the worse the potential consequences are for other stakeholders. In the case of the financial crisis, that

burden was borne not just by the creditors – bank depositors and bondholders – but also, ultimately, by the taxpayers who had to bail out the failing financial institutions.

Shareholder activism may, therefore, be the means to rectify corporate failures and inject new discipline into irresponsible or incompetent management. But it might also be a land grab of corporate resources by shareholders at the expense of other parties in the firm. It could be the dawn of a new spring but, equally, it could be the dusk of a coming fall in corporate values.

Strengthening shareholder engagement will fail unless the interests of shareholders are aligned with those of the organisation. Weakening it will only play into the hands of self-interested executives. Avoiding the adverse effects of both shareholder activism and shareholder apathy requires a resolution of the fundamental deficiencies of the corporation: investors' short-term horizons, weak oversight of executives and the absence of values in organisations beyond those of their shareholders.

We need to diminish, not exacerbate, conflicts by having owners who are committed to the long-term interests of their organisations. We also need boards that are effective in upholding and implementing corporate principles that we value and trust. Until we do, the new shareholder activism will be as unsatisfactory for society as the shareholder apathy that preceded it. ■

*Colin Mayer's book, Firm Commitment: Why the Corporation is Failing Us and How to Restore Trust in It, will be published by Oxford University Press in February 2013.*



# HUMBLE LEADERS

*Leading a business is about more than individual genius. It requires humility, self-knowledge and constant customer dialogue*

*By Nicholas Ind FRSA*

**W**henever I meet leaders, I am struck by their need to exercise their 'leadership'. They exude confidence and express certainty. They feel (and mostly succumb to) the temptation to ensure that others are in tune with their views. So in spite of the rise of participation in the workplace and the appreciation of emotional intelligence as a virtue, the prevailing way of leading is still more Fordist than Googleist. This is not surprising given how much we (and leaders) like the myth of the superman. In difficult times, we seem to believe in the idea of the tough and confident individual even more. It is a better narrative, even if it

NICHOLAS IND  
IS A WRITER  
AND PARTNER  
AT EQUILIBRIUM  
CONSULTING

undermines the collective nature of much innovative thinking. We might ask, though: what – apart from encouraging narcissism – is wrong with this idea of leadership?

The well-trodden argument is that, in a knowledge economy, we need to marshal the intellect of employees, rather than relying on leaders, who may well be more risk averse and wedded to rationality. In technology companies such as Adobe, Google and Mozilla, everyone takes responsibility for idea generation and problem solving. In other sectors, such as finance, pharmaceuticals and retail, empowerment tends to be more cosmetic. Participation is encouraged but is simultaneously controlled. Employees might be given the freedom to interpret the organisation's values when they make



a business decision, but only rarely have they taken an active part in defining the values in the first place.

The newer argument is that innovation matters more and more. The issue has, therefore, become not only how to engage employees, but also how to get closer to customers and involve them in the development of brands. This trend is driven by increased competitive pressure, the need to manage risk, the importance of the service experience and the quest to make the most of unexplored possibilities. The upside of involving customers is the creativity and cognitive diversity of the very people who will be buying and using what the company produces. The downside is the threat to the certainty of leadership and the sanctity of the leader. Guy Crawford, CEO of luxury hotel chain Jumeirah, notes that meeting – and working with – customers demonstrates that there is a big difference between reading research reports and having customers confront you directly.

### **STAYING CLOSE TO THE CUSTOMER**

Intellectually, leaders often know that participation is valuable, but – being trained to control and suspicious of spontaneity – they find it difficult to change their behaviour. After all, they have usually risen to the top of the pile because of an element of relevant superiority, so it is hard to be humble. It is rare, however, that their success is founded on a deep understanding of customer attitudes. Generally, the higher people move up the corporate hierarchy, the more they become remote from the day-to-day life of customers. Leaders should, therefore, take the opportunity to engage with customers and to co-create products with them. They need to recognise that good ideas are not the preserve of a corporate elite, but can be initiated and developed through extended face-to-face contact with customers and through online communities.

If this sounds easy, in practice it is harder to do. Organisations raise different objections. The recurring attitude among company leaders is that they are unlikely to get anything new from a collaborative process. Their ears are closed before the process starts. Yet, as Mark Watts-Jones of Myriad Group notes, when leaders do choose to interact with customers, they are often surprised by the difference between how, as managers, they imagine people live, use services and connect with their friends, and the reality. Secondly, leaders usually think that expertise and creativity lie inside the organisation and that anything customers are capable of doing will lack substance. Lastly, they worry that all this talk will slow things down and obscure the real issues.

Each of these objections can be refuted. It may indeed be the case that the ideas that emerge have already been thought of, but the weight of customer opinion (and the language used) is often powerful in galvanising action internally. The evidence for customer creativity is strong, particularly when people work together to develop new concepts. While establishing

## **“THE ISSUE HAS BECOME NOT ONLY HOW TO ENGAGE EMPLOYEES, BUT ALSO HOW TO INVOLVE CUSTOMERS IN THE DEVELOPMENT OF BRANDS”**

collaboration with customers is time-consuming, it can – once it is up and running – give quick answers.

The barriers to change are largely in leaders' heads. Customers want to take part in helping build brands and do not expect significant financial rewards. Rather, they are motivated to take part because they enjoy it as a meaningful and sociable experience. If leaders have the nous to approach customer discussions with an open mind and a willingness to listen, they can deepen their insight and spot opportunities not only to improve experiences but also to add social value. To take this enlightened step, leaders must avoid instrumentalising customer relationships. Customers give of themselves and, in return, they expect feedback. If companies simply see pound signs every time they encounter a customer, it is not much of a relationship.

Although some businesses may not have realised it yet, social media and increasing transparency are already opening up organisations. Leaders can push their businesses to take advantage of this, but they will only reap rewards – in the form of more effective workplaces and more satisfied customers – if they have the humility to talk less and listen more. Humility is not about abasement: it is about knowing your strengths and weaknesses, involving others and accepting that you may not always have the best solutions. Leaders can still exercise influence and judgement, but the decision-making process becomes more collective.

In the current economic and political climate, leaders need – more than ever – to engage the creativity of all of an organisation's stakeholders in shaping the future. This narrative may not fit the myth of the leader as superman, but it does suggest the value of self-knowledge and participation. In this sense, it represents a shift in the idea of leadership from dominance and individualism to reflection, conversation and learning together. While we are beginning to see this sort of leadership emerge in the form of more participative cultures in both the public and private sectors, more needs to be done to change the prevailing idea of what makes a good leader. ■

Brand Together: How Co-creation Generates Innovation and Re-energises Brands by Nicholas Ind, Clare Fuller and Charles Trevail is published by Kogan Page.

# THE ORIGINS OF POWER

*Whatever strategy we use to rise to the top at work, in society or in the political sphere, we rely on power structures that are rooted in our evolutionary development*

By Dario Maestripietri

**A**rmies have a pyramid-like hierarchical structure, with one general at the top, many soldiers at the bottom and various officers ranked between them. Armies can serve a defensive function – to protect people and their properties – or an offensive one: to kill people and take or destroy their properties. Businesses, too, have a hierarchical structure, with a CEO at the top and many lower-ranking administrators and employees. The function of businesses is to generate profit and to make their employees (some more than others) rich. Finally, ladder-like structures, or ‘dominance hierarchies’, are present in groups of monkeys and apes. The function of primate groups is to protect their members from predators or from other groups.

Regardless of their different functions, the reasons why armies, businesses and primate groups exist and have a hierarchical structure are the same. People and monkeys organise themselves in groups simply because they are more effective at achieving their goals if they work as a team than if they work alone. No matter how cohesive these groups are, however, their members generally maintain a strong sense of individual identity and selfish tendencies. As a result, disagreements between individuals arise frequently.

In theory, these disagreements could be resolved through direct aggressive confrontation or negotiation between the parties involved. Continuous fighting or negotiation, however, could be harmful, stressful and expensive to the individual group members, as well as impairing their ability to work effectively as a team. A dominance hierarchy within the group ensures that disagreements

are resolved without fighting or negotiation. Higher-ranking individuals impose their viewpoints on lower-ranking ones, and those at the top have power over everyone else. Everybody benefits from the dominance hierarchy (some more than others), and the group is stable.

## DESPOTISM VERSUS EGALITARIANISM

Hierarchical social systems can be despotic or egalitarian to a varying degree. A highly despotic system is a winner-takes-all society in which power and its associated privileges are in the hands of one individual. In such a system, being at the top or bottom of the hierarchy can make the difference between life and death, or between heaven and hell. Being number two is not bad, but not nearly as good as being number one.

In a despotic system, differences in rank are associated with large differences in power – such as in freedom of action, possession of material resources or influence on other individuals – and affect virtually every aspect of social life. Interactions between dominants and subordinates are asymmetrical and rarely reciprocal. Dominant individuals assert their power and privileges in every situation and are rarely friendly towards subordinates. Instead, dominants exploit subordinates and control their behaviour through intimidation, oppression or manipulation. Struggles for power among individuals of different rank are constant, but mobility across dominance ranks is allowed only through particular mechanisms or rules.

In a more egalitarian system, power and its benefits are distributed among many individuals. Although those in the top half of the hierarchy are generally better off than those in the bottom half, the difference is not great. Similarly, being promoted from number two to number one does not necessarily entail a big jump in power and benefits. >>

DARIO MAESTRIPIETRI IS A PROFESSOR OF COMPARATIVE HUMAN DEVELOPMENT AND EVOLUTIONARY BIOLOGY AT THE UNIVERSITY OF CHICAGO IN THE US



# “PEOPLE WHO HAVE JUST BEEN HIRED BY A NEW COMPANY MUST CONTEND WITH AN ESTABLISHED POWER STRUCTURE THAT IS RESISTANT TO CHANGE”

>> In such a system, differences in rank have a weak influence on social life. Social interactions are based more on cooperation and sharing, or negotiation and bargaining, than on oppression and exploitation. Dominance relationships are more transient and reversible, and are less associated with large differences in power among individuals. Dominant individuals are tolerant of subordinates and allow them a share of the pie almost as large as their own. Armies tend to be closer to the despotic end of the continuum, while businesses and primate groups can be relatively despotic or egalitarian depending on the company or the species, or on the personality and leadership style of the individual at the top (the alpha male or female).

## CLIMBING THE HIERARCHY

Whether hierarchical systems are despotic or egalitarian affects the benefits and costs of different social strategies for climbing the hierarchy, including the probability that a leader could be overthrown through a challenge, or *coup d'état*. This applies more to businesses and primate groups than to armies because in the latter, the structure of power is maintained or changed according to rigid rules, and social strategies have only a limited influence on these rules.

In despotic groups, there is strong pressure to use high-risk strategies for climbing the hierarchy because the potential benefits of alpha status are high. A *coup d'état* would have an especially high probability of success in small groups, in which the despot may have a weak base of support and be at risk of being betrayed by his or her closest supporters.

In egalitarian groups, there is less to gain from being a leader. Moreover, forceful attempts at takeover are likely to be unsuccessful because leaders typically have a large base of support (for example, a large political party representing the majority of voters in a population). This support is usually cemented by alliances among people who share many of the benefits of leadership. In this situation, successful strategies for climbing the hierarchy require an understanding of the dynamics of power, the formation of alliances with powerful individuals and a great deal of political manoeuvring.

These principles can explain the different social strategies that male rhesus macaques (highly social and aggressive monkeys that are widely distributed throughout Asia) use to climb the dominance hierarchy after they have immigrated into a new group, which typically occurs after puberty. ‘Unobtrusive immigrants’ enter the new group at the bottom of its hierarchy and gradually rise in rank over a period of several years. These males accept a seniority system of advancement in rank in which their status slowly rises with time spent in the group and as the higher-ranking males leave or die. This

arrangement has also been called a ‘succession’ or ‘queuing system’, conveying the notion that the males patiently wait for their turn to become high ranking. If they stay in the group long enough and are lucky or skilled, they may manage to make it all the way to the top.

This seniority system is common in large groups of macaques, in which power and its privileges – for example, mating with attractive monkey females – are not monopolised by the alpha male but shared among several males. In the population of rhesus macaques on the island of Cayo Santiago, in Puerto Rico, where I do my research, the monkeys have plenty of food and live in groups of hundreds of individuals. In these groups, some alpha males are never challenged and maintain their status for up to 20 years.

This would not happen in the forests of Asia, where male macaques are lucky if they live past 10 or 12 years. There, alpha males are never left to die of old age; instead, they are challenged to a duel. It is rather like the Wild West of Sergio Leone’s and Clint Eastwood’s ‘spaghetti western’ movies, in which a lone stranger appears on his white horse out of nowhere and takes over the town by shooting the sheriff and his deputies, wasting no time on talk or politics. The males who use this strategy – known as ‘challenger immigrants’ – are usually in their physical prime; they are relatively young, strong and impulsive, and have no patience for waiting in a queue. Their challenges may be successful when they join a small group in which the alpha male enjoys many benefits but does not have a strong base of support and is not helped by other males when challenged.

In larger groups, despotic alpha males have built a system of alliances to protect their status and privileges. When ambitious males join one of these groups, their best bet is the ‘challenger resident’ strategy. Challenger residents do not immediately confront the alpha male. Instead, they start out as low ranking and concentrate on building alliances with other males. Only after they have identified the strengths and weaknesses of the alpha male, become familiar with social dynamics within the group and established political alliances with other males do they launch an attack on the alpha male. Given their knowledge and strategic ability, challenger residents are often successful in defeating the alpha male and taking his place at the top.

## MAKING IT IN BUSINESS

Similar to the male macaques who immigrate into a new group, people who have just been hired by a new company and have strong career ambitions must contend with an established power structure that is generally resistant to change. Senior employees who have worked hard to climb the hierarchy – whether they have made it all the way to the top or simply climbed one step



up from the bottom – may not be happy to step aside and make room for a newcomer.

There are at least three different strategies for climbing the hierarchy in a company, and they are roughly equivalent to the three strategies used by the immigrant male macaques. Similar to the unobtrusive immigrant, a new employee who takes the ‘good citizen’ approach is subservient to superiors, never challenges their authority, happily accepts all requests for extra work and patiently waits for promotions and salary increases, hoping that good behaviour will eventually be rewarded. More ambitious and self-confident new employees could directly challenge the boss and try to take over the company within a short period after their arrival. Finally, Machiavellian strategists could first acquire information about the power dynamics within the company, then build alliances with key individuals and, after a while, challenge the boss for the top spot.

Pointing out similarities between human behaviour and that of other primate species would not be interesting or useful if the

explanations for behaviour were not similar as well. It turns out that the principles that explain the different social strategies of male macaques can also explain – with appropriate corrections for the species – human social and political strategies. In other words, whether one is better off being a good citizen, an impulsive challenger or a Machiavellian strategist depends on the extent to which the dominance hierarchy in the workplace is despotic or egalitarian, and whether the company is small or large. These factors all influence the relative benefits and costs of the different strategies.

Although the way people and monkeys play the game of politics is not exactly the same, the strategies for winning – and the consequences of winning or losing the game – are more similar than they are different. ■

*Dario Maestri's latest book, Games Primates Play: An Undercover Investigation of the Evolution and Economics of Human Relationships, is published by Basic Books.*

## FELLOWSHIP IN ACTION

### CASE FOR OPTIMISM

More than 200 people have attended events organised by Case for Optimism, an initiative set up in spring 2011 by Teo Greenstreet FRSA that encourages cultural leaders and arts practitioners to respond creatively to environmental and economic challenges.

The events are structured around eco-philosopher Joanna Macy's framework for personal and social change. They aim to challenge participants to reflect on the crisis we are experiencing, to value the things we have already and to use their creative talents to imagine a better future. High-profile speakers have included Paul Allen of the Centre for Alternative Technology, whose Zero Carbon Britain project is developing a strategy for eliminating emissions from fossil fuels by 2030.

Together with colleagues Lucy Neal and Hilary Jennings, Greenstreet is now keen to use the RSA's networks to extend Case for Optimism's audience beyond the arts sector so that it includes people in leadership roles across all industries.

"I want to inspire a broader culture change in terms of the way we tackle issues such as the ongoing financial crisis, resource depletion and climate change," he said. "To achieve this, leaders need to see the personal and professional spheres as interlinked, and develop a common set of values that informs their behaviour in both."

■ To find out more about Case for Optimism or to offer your support, visit [www.caseforoptimism.org.uk](http://www.caseforoptimism.org.uk)



# EUROPA'S TRIALS

*Europe is at breaking point. To survive, it must reject the neoliberal dogma that has led to the current crisis and reconsider the future structure of the union*

By Neal Ascherson

The saddest words in politics are: “Nobody told us we could do this!” They were mumbled by Lord Passfield (Sidney Webb), a luckless member of the Labour government destroyed by the global economic crisis of 1931. He was talking about the moment when Britain went off – or rather fell off – the gold standard.

‘Responsible people’ (including most politicians, bankers, the wealthy, the editors) assumed this would bring about the end of the world. For months, the government had struggled to stem the run on sterling by introducing brutal austerity measures, which only made the situation worse; the run became a torrent.

Britain’s leaders finally gave in and mentally retreated to their bomb shelters. When they crept out again, they found that nothing much had changed. The pound had bounced down quite a bit against other currencies. Otherwise, things went on much as before. The historian A J P Taylor wrote: “A few days before, a managed currency had seemed as wicked as family planning. Now, like contraception, it became a commonplace. This was the end of an age.”

Much in the present European finance crisis resembles the witless despair of 1931. And it is a fair guess that it will end up in the same way: unsatisfactory, not disastrous and highly disconcerting for apostles of financial rectitude. Meanwhile, you would think that the end of the world is once again nigh.

Closer to the brink, the eurozone nation-states will start to forget neoliberal dogma. Instead, they will agree to manage, or even print, Europe’s financial resources in a manner that pushes market forces out of the way. Getting to that point will probably be a jerky, painful process. In 1931, the British were only thrust over the edge of the inevitable by the Royal Navy’s

Invergordon rebellion against pay cuts (a classic example of an austerity remedy killing the patient). Popular explosions against austerity programmes in the eurozone have scarcely begun, but the sooner they get going, the sooner the deepening misery will end.

Collective Europe, whether as union or eurozone, has a habit of letting the fat start to smoke terrifyingly in the pan before putting in the sausages. But then, just in time to avoid a real flame-burst, they will cook up a solution. *Weiterwursteln* – sausageing onwards – is a good German word for muddling through. Europe and its banks will sausage through this crisis to emerge slightly burnt but in recognisable shape. “Nobody told us we could do this.”

In trying to visualise the muddled-through Europe as it may look 10 years in the future, there are two near certainties. One is that there will still be a common currency. For the degree of integration already achieved at the heart of Europe, a single currency is simply existential. Pretty clearly, the rules will have to be much stiffer in terms of budget oversight by a central authority, but much more flexible in terms of debt, credit and mutual financial support.

Membership of the ‘new eurozone’ will be smaller initially. Some states will have fallen out or been thrown out. But the second near certainty is that Germany, France and the Benelux states will be in the reformed eurozone. Austria is a good bet. So is Poland, which is not yet in the euro but is determined to be at the centre of things. And the rest of the EU? Many states would rejoin if they could meet the new conditions. But that reassembling process could take a long time.

And to fill that time gap, the endlessly debated two-speed Europe will at last materialise. The fast-laners – the new Franco-German core eurozone – will create further integrated institutions, fiscal and financial, which of course also means political. In consequence, the decision to join or rejoin the common

NEAL ASCHERSON IS A JOURNALIST AND WRITER. HE WAS CENTRAL EUROPE CORRESPONDENT FOR *THE OBSERVER* AND SCOTTISH POLITICS CORRESPONDENT FOR *THE SCOTSMAN*

## “THE NATION-STATES OF EUROPE WERE ALREADY LOSING AUTHORITY AND LEGITIMACY, AND PERHAPS MORAL STANDING, LONG BEFORE THE OPENING OF THE FINANCIAL CRISIS IN 2007–08”

➤ currency will mean a larger surrender of sovereignty than it does at present. Not everyone will want to do that. Obviously, not the British (though an independent Scotland might come to see this differently). But then the UK has made itself steadily less relevant to Europe, retaining only the habit of obstructing in haphazard, unpredictable ways. This inconsequence means that a ‘slow-speed Europe’ would be unlikely to look to London for leadership, any more than the EU states outside the euro do today.

Five years into the northern world’s finance crisis, it is absurd to announce the ‘death spiral’ of the whole Monnet-Schuman project. It is rather appropriate that this crisis, constantly mutating since it began as a dud-mortgage bubble in the US, has hit continental Europe in the form of a panic about the sovereign debt of individual nation-states. Appropriate, because it should remind us that the living, acting part of the union remains a confederation of nation-states; ‘Brussels’ and the integrated institutions, busy as they seem, should still be understood as a gigantic drone whose power of autonomous decision is limited.

It took the late Alan Milward, iconoclast among historians, to discredit the sanctified version of the union’s birth: the vision of a United States of Europe that would transcend narrow nationalisms and create a realm of universal peace and prosperity. Milward, with some asperity, identified this myth of origin as what John Major used to call ‘eurocrap’. The European Community, later the EU, arose instead from the physical and financial ruin, and the moral bankruptcy, of European nation-states as they crawled out of the rubble of the Second World War. Their governments set up the early Community to rescue, re-equip and restore legitimacy and authority to the nation-states so damaged by war. Supranational institutions were a means to those national ends, not an end in themselves. They were also a way of executing large-scale economic and planning reforms without the bother of going through national parliaments: the source of the Community’s bureaucratic tradition and its ‘democratic deficit’.

None of this is meant to suggest that political and economic integration has been a mistake. Quite the contrary. The creation of supranational authorities, starting with the Coal and Steel Community of 1951, rapidly achieved its aim of restoring the internal authority and legitimacy of European nation-states on the ‘capitalist’ side of the Iron Curtain. Western Europe’s *trente glorieuses*, the 30 years of unparalleled growth and wealth-distribution between about 1946 and the oil crisis of

1973–04, were primarily driven by the policies of individual governments, but the European Economic Community was indispensable for creating the economic infrastructure that made the long boom possible.

This Milwardian version of history can be projected on to our own times. Perhaps it is misleading to talk today about a crisis of the European Union, or even of the eurozone. It may make more sense to see this more intimately: as a crisis of confidence and authority in a series of nation-states touched off by an ‘infarct’ of global credit and banking, much as the catastrophe of the Second World War deflated the credibility and capacity of national governments. The current storm, after all, concentrates on individual sovereign debts and doubts about the ability of various national governments to service them.

It is true that the European leadership and its institutions have (at the time of writing) failed miserably to deal with the situation. The German position – roughly ‘more Europe’ politically, as the condition for unlocking the bank vaults for ‘more Europe’ financially – is logical but coarse, and some of Germany’s neighbours resent it. History suggests that indecision and procrastination will carry on until there is a local disaster: perhaps the total collapse of an economy, perhaps a social insurrection against the sacrifices imposed by the European Union, European Central Bank and International Monetary Fund. Then the bigger EU members will be obliged to take action, as they did after 1945. They will set up a fresh range of supranational authorities whose immediate purpose will be to rescue the individual nation-states of Europe, not to found a new superstate. The fast-lane Europe will be born, a superior club commuting along a line between Biarritz and Gdansk.

In the 19th and early 20th century, Europe gave or foisted upon the world its modern practices and political institutions. Industrial and commercial capitalism with all its accessories followed the expansion of formal and informal empires. So did ‘modern’ nationalism in the form that spread outwards from the French Revolution: the doctrine of the sovereign independent nation-state and the invention of popular nationalism – the most powerful force for mobilising a population behind its rulers and enlisting loyalty that the world has ever seen. Carried across Europe by Napoleon’s armies, the nation-state recipe first reached other continents – Latin America, in particular – as a liberal ideology of anti-colonial rebellion against Spanish and Portuguese control.

Far more important, later on in the 19th century, was the export of the nation-state pattern by the European empires in the





form of colonial administrations. It was an incomplete version, naturally. It introduced frontiers and central bureaucracies commanding armed forces; it organised a uniform 'national' education and tried – often in vain – to impose cultural and linguistic uniformity. But missing, for obvious reasons, were other, more subversive ingredients in the European metropolitan recipe: popular sovereignty, the doctrine of universal human rights, the ill-defined collective right to self-determination.

And yet the aspiration to 'liberty', if only for a tiny elite, remained somehow hardwired into these colonial parodies of the European nation-state. In retrospect, we can see that the option of national independence was inadvertently built into many colonial administrations from the start. And in due course – less than a century, in most cases – the atlas was mottled by more than 100 post-colonial nation-states with institutions and ideologies derived from earlier European templates.

### THE CHANGING NATION-STATE

Meanwhile, back in metropolitan Europe, the nation-state was entering a new metamorphosis. The mobilised masses, harnessed by nationalist loyalty, were slowly allowed a share in choosing their rulers. The state itself became the regulator – and often the direct sponsor – of industrial development, steering and subsidising suitable investments while introducing labour legislation and welfare nets to limit the social devastation that an uncontrolled capitalism would cause.

It was this particular omniscient identity of the nation-state – provider, protector, redistributor and initiator – that most Europeans came to accept in the stable post-war decades of growth. Political life took its shape from that identity. So when that Social-Democrat/Christian Democrat consensus began to break down in the 1970s, and when the tide of neoliberal ideas began to sweep away subsidies, public enterprises and the very primacy of the state in economic life, Europe's political assumptions also began to drown in the flood. Looking back, it should have been obvious that if a government and its agencies pulled out of the lives of ordinary people, their interest in who ran that government would diminish. But the steep fall of citizen

interest in national or European politics – the indifference that Germans called *politische Verdrossenheit* – came as a dismal surprise to European intellectuals, especially to those whose nations had just emerged from one-party Communist systems.

In other words, the nation-states of Europe were already losing authority and legitimacy, and perhaps moral standing, long before the opening of the financial crisis in 2007–08. Europe's swing towards 'soft-touch' neoliberal management and the 'small state' has turned out to be a disaster. Stripped of their confidence that they can or should manage failing economies, a clutch of European governments now see the recession and the fast-moving collapses of public and private credit bleeding them towards bankruptcy.

But we have been here before. Just as the post-war European nations turned in their weakness to the idea of a united Europe, so they may now build a stronger collective shelter: a eurozone that is not just a fair-weather marquee, and a union whose nation-members can win back the respect of their inhabitants.

If that does happen, and the revived union is given stronger powers of intervention and discipline, nobody should fear the emergence of a superstate. It is both the wonder and the weakness of Europe, as a political entity, that it will never be a clanking armoured giant capable of instant decisions. On the contrary, its texture will be spongy, variegated, irregular – a rich and beautiful organism with every kind of visitor swimming in and out of its pores.

To survive, it will need the protection of other powers and alliances. That sort of union will never, I suspect, be able to look after its own defence, and its common foreign policy will be a leisurely, bickering debate rather than a monosyllable of command. As a confederation, with ultimate power distributed among its member-nations, it will feel almost pre-modern. The Polish-Lithuanian Commonwealth was rather like this. So was the Holy Roman Empire, which jurists called *monstro simile*, 'like unto a monster', passing comprehension in all its complexities and exceptions. But this coming European Union, the post-crisis Europe, will be a gentle monster, and I think its landscape will become a happy place to live in. ■

# THE GREAT RECOVERY

*With millions of tonnes worth of valuable resources going into landfill every day, the economic case for recovering and reusing raw materials is stronger than ever before. What part can designers and businesses play in this process?*

*By Sophie Thomas*

**I**n 2011, I joined a UK government mission to the Netherlands to study Dutch strategies for ‘designing out landfill’. The Dutch introduced a ban on landfill in 1995 and are now pioneering new approaches to resource efficiency. Our visit took us to facilities that sorted, recovered and managed ‘resource’ (or waste, as we were still defining it in the UK).

One of these facilities recycled fridges and freezers, and I was struck by the variety of models being processed. Every single appliance was different. This meant that every time a disassembler tried to get the valuable compressor out from the back of a fridge before it was crushed, a new set of challenges arose, with different sizes and types of screws, fittings and frames all blocking the way. It made me think that if fridge designers were to work alongside disassemblers, they would see with their own eyes the problems inherent in their designs. Perhaps we would have better fridges and better designers as a result.

Waste affects every part of our society. Businesses, the government, local authorities and the public all play a part in its creation, management and disposal. A staggering 98% of the resources that flow into the economy end up as waste within only six months. The UK alone produces about 290 million tonnes of waste a year. While there have been significant improvements in the UK’s recycling rates in the past decade, we are still losing valuable streams of resource into landfill.

The problem is exacerbated by what organic chemist Mike Pitts has called the “ecological rucksack” of materials used to make a product. Innocuous objects such as plastic toothbrushes are heavier than expected, with more than 1.5kg of material used in production. Even a simple A4 piece of white paper requires 10 litres of water to produce.

Last year’s government review of waste policy deemed the current levels of raw-material usage

SOPHIE  
THOMAS IS  
THE RSA’S  
CO-DIRECTOR  
OF DESIGN


in the UK manufacturing industry to be unsustainable. Like many developed countries, the UK economy is highly dependent on several at-risk materials, and resource security is a growing concern. Nearly a third of profit warnings issued by FTSE 350 companies in 2011 were attributed to rising resource prices.

## WILFUL IGNORANCE

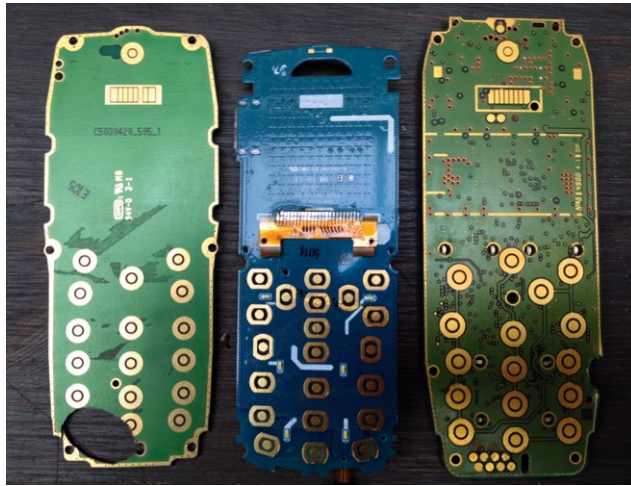
As a society, we seem to have very little knowledge of, or interest in, what goes into making the products we so happily consume. Take our love of the mobile phone. In 2011, when the world’s population was 6.8 billion, there were five billion mobile-phone subscriptions globally. In the UK, there were 80 million mobile-phone subscriptions, with 1,000 mobile-phone replacements sold every hour. At the same time, an estimated 80 million working mobile phones were retained in UK households, lost in drawers and cupboards.

Every mobile phone is made from approximately 40 different elements, including copper in the wiring, indium in the touchscreen and gold in the circuit boards. As the price of metals and minerals rises, it increasingly makes financial sense to recover these elements. There is more gold in a tonne of mobile phones than there is in a tonne of mined rock from a gold mine, and it is far easier to extract it from a phone than from a mine. Other elements could also be extracted, if mobile phones were designed to facilitate material recovery.

The Ellen MacArthur Foundation estimates that the EU could save at least £220bn a year if we were to design products in a way that supported resource recovery and eliminated waste streams. This model of a circular economy is a shift from the old ‘take, make, waste’ linear business model to one of ‘lease the resource, make the product, recover the resource and then remake it’.

With its expertise in design and manufacturing, the UK is well placed to create these cyclical systems. Janez 





» Potočník, European commissioner for the environment, has said that a move towards the circular economy would reduce material costs and exposure to volatile resource prices. It would also promote innovation and employment in growth sectors of the economy and increase Europe's competitiveness in the global marketplace.

Potočník adds: "Many business leaders believe the innovation challenge of the century will be to foster prosperity in a world of finite resources."

## BUILT TO LAST

Design sits at the heart of the challenge to create a circular economy. Approximately 80% of a product's environmental impact is 'locked in' at the design stage, so understanding production cycles and reconfiguring them for maximum effectiveness is key. We cannot simply substitute one material for another without understanding the consequences.

Designing in this way is complex. Gone are the days of 'sustainable' or 'eco' design, when a simple change of material to a recycled alternative would give a project environmental credibility. This system calls for investigation into materials at a molecular scale. It demands true co-creation, with all stakeholders involved in the lifecycle of a particular product. Finally, it requires a new logistical approach to capturing and recirculating materials.

This effort needs to be led by businesses. At the moment, it is rare to see a company setting a design brief that includes requirements to recover material. Now, however, the business model is changing and the economic imperative for recovery is growing stronger.

In this context, the RSA is launching a programme called the Great Recovery. Run in partnership with the Technology Strategy Board, with support from industrial players, it will seek to fill the knowledge and innovation gaps associated with designing for a circular-economy model.

We will start by building a community of designers and connecting them with networks of scientists, business leaders, academics, manufacturers and materials recyclers. Over the course of the programme, we will run a series of demonstration

projects, many of which will be hosted at recovery centres, to discover how 'problem products' could be better designed. We will also collect data to help identify opportunities and challenges, and will use this information as the foundation for developing new industrial-education programmes.

Future phases will take the lessons learnt to businesses, the government, education and, ultimately, consumers. This way, we will ensure that everyone who has a role or an influence in the lifecycle of a product understands how they can play their part in redesigning the future. ■

■ We would like to hear from Fellows who have expertise in manufacturing, design education, waste or sustainability. If you would like to contribute to the Great Recovery project – perhaps by adding your own knowledge of designing for a circular economy, attending a design workshop or publicising the project among designers at your workplace – please contact Sophie Thomas at [sophie.thomas@rsa.org.uk](mailto:sophie.thomas@rsa.org.uk)

## CASE STUDY

### HOW MUCH COULD WE SAVE?

The Ellen MacArthur Foundation notes that if washing-machine manufacturers were to lease high-quality machines (capable of more cycles), rather than selling low-quality ones, they could create significant savings for themselves, consumers and the planet. Replacing a machine capable of 2,000 wash cycles with a 10,000-cycle model results in 180kg less steel, a reduction in carbon-dioxide emissions of more than 2.5 tonnes and a fall in the cost per cycle to the consumer from 17 pence to eight pence.

A typical new-build house of 80 square metres creates 9.6 tonnes of waste material – the equivalent of five skips – in its construction. This costs £6,715 per house (£5,439 in the cost of lost materials alone). England built 128,680 houses in 2010, equating to 1,976,500 square metres of waste.

## SETTING UP SHOP

*Two social entrepreneurs reveal how they are working to tackle youth unemployment by giving young people the confidence to achieve more*

**A**lmost a million 16–24-year-olds in the UK are not in education, employment or training, and 1.8 million children live in households where no one works. In this context, the importance of raising the aspirations of vulnerable young people and bringing them into contact with inspiring role models cannot be underestimated.

While the government's new Youth Contract will go some way towards supporting young people from disadvantaged backgrounds, it cannot fully compensate for the effects of rising youth unemployment and cuts in funding to public services in the wake of the economic downturn. It is in this context that we need to recognise the vital role that the social-enterprise sector can play in providing local and sustainable support to young people at a lower cost to the state.

The RSA's Social Entrepreneurs Network, which gives more than 300 social entrepreneurs the opportunity to share ideas and experiences, is exploring the sector's potential to address youth unemployment. At the network's quarterly Social Enterprise Spotlight events, two social entrepreneurs – Eugenie Teasley of the Dreamers' Supply Company and Asma Shah of You Make It – will, over the coming year, discuss how their organisations are giving young people the confidence to pursue fulfilling careers.

Teasley is piloting a project that brings young people from deprived areas of London together with a range of professionals, including those working in design, education, business and finance. Participants collaborate to create products that are, according to Teasley, “designed for anybody who aspires to do anything”. The products, which require minimal resources to manufacture, will be sold in the Design Museum shop during the London Design Festival in 2012.

“My goal is to inspire creativity, collaboration and entrepreneurship among young people who might otherwise end up unemployed or stuck in unfulfilling jobs,” explains Teasley. “They learn project management skills, such as how to manage a budget, and entrepreneurial techniques, such as how to take a product to market.”

Shah's social enterprise has a similar objective: to build the professional networks of young people who come from



underprivileged backgrounds. Last year's pilot project, Ladies who L-EARN, enabled 18 young women from London's Tower Hamlets, most of whom were not in education, employment or training, to take part in a 14-week programme of workshops. Volunteers from Cockpit Arts explained the creative processes involved in designing and manufacturing products, some of which the young women then

selected to sell on market stalls.

“Not only did the young women gain business acumen, they also began to recognise that they had a genuine part to play in society,” says Shah. All but one of the programme participants have since gone on to higher education, found paid employment or taken steps to start their own social ventures.

The next step for Teasley and Shah – and a recurring challenge for social entrepreneurs – is to scale up their projects in a way that is sustainable and not too labour-intensive. Teasley's initial goal is to run her programme four times a year and to generate a steady revenue stream through product sales. This money will then be used to support the young people financially and to expand the project further, perhaps by setting up an online store or pop-up shop. In the long term, Teasley hopes to produce a set of resources that teachers and young people can use to adapt and replicate the model in their own communities.

A recent influx of funding from various donors has already enabled Shah to broaden the remit of the Ladies who L-EARN programme, which will this year include expenses-paid work placements at creative companies. She is seeking to expand the scheme beyond London through social franchising, which will enable her to maintain quality without having to be personally involved in every project.

Teasley and Shah agree that networking with peers is a valuable way of filling skills gaps when starting a venture of this kind. “Social enterprise is a hybrid model that lies somewhere between the commercial and the not-for-profit sectors,” says Teasley. “It can only succeed if people from both sides are involved and are prepared to collaborate with one another.” ■

■ *If you are interested in joining the RSA's Social Entrepreneurs Network or attending any of our Spotlight events, please visit [www.rsafellowship.com/group/socialentrepreneursnetwork](http://www.rsafellowship.com/group/socialentrepreneursnetwork)*

## NEW FELLOWS



JON ADAMS



MARTHA PALMER

## DISABILITY IN THE ARTS

Artist and geologist Jon Adams is working to change the public perception of disability in the arts through educational projects.

Adams, who has grown up with dyslexia and Asperger's syndrome, almost gave up his dream of becoming an artist after schoolteachers failed to encourage him. Not until 2005, when Britain won the bid to host the 2012 Olympic and Paralympic Games, did he gain the courage to change his life. Today, with support from the London 2012 Cultural Olympiad in the South East of England, he is using his skills to raise public awareness of mental health issues.

In 2010, Adams launched Dysarticulate, which asks people to share the Olympic spirit by planting flags recycled from old book pages. His new initiative, Look About, aims to map people's experiences of living with disability through a geological metaphor.

Adams joined the RSA because he wanted to become part of a network that can inspire progress, particularly within the sphere of mental health. "About 80% of people with Asperger's are unemployed, yet many have specific talents to offer companies," he said. "We need to give them the confidence to achieve more."

### IN BRIEF

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

**Christopher Pruijsen**, aged 19, is the youngest-ever president of the student-run entrepreneurship society Oxford Entrepreneurs and director of the not-for-profit organisation Oxfordshire Business First.

**Dr Anne Stenros** is an expert in the theory of architecture, design and innovation. Based in Helsinki, Finland, she is global design director at elevator and escalator manufacturer KONE Corporation.

**Stephen Roper** is professor of enterprise at Warwick Business School. His research interests include innovation, enterprise growth, regional development and industrial-policy evaluation.

**Dr Kate Saunders** is chief executive of the British Dyslexia Association, which aims to build a dyslexia-friendly society by raising awareness, conducting research and improving education and outcomes for dyslexic individuals.

## DRAMATIC FLAIR

As the founder and artistic director of the Little Something Children's Theatre Company, Martha Palmer seeks to inspire a passion for creativity among pupils and teachers.

Palmer has first-hand experience of the value that creative programmes can bring to the education system. While working as arts manager at Townley Grammar School, she helped to implement the Contender Charlie project, which aims to equip young people with leadership skills. Twenty 15–16-year-olds have the opportunity to lead projects based on their personal interests, such as running a maths group for gifted and talented primary-school children.

Through her theatre company, Palmer builds children's confidence and encourages teachers to experiment with more creative approaches. "Teachers can only be effective leaders if they really care about what they are doing, so it's important to re-energise them," she said. "At the RSA, I hope to network with other people from the education system who share my interest in innovation."

### YOUR FELLOWSHIP

Explore opportunities to get involved at [www.thersa.org/fellowship](http://www.thersa.org/fellowship)

**Networks near you:** connect with other Fellows at one of the regular local networks and events taking place throughout the world.

**Online networks:** RSA Comment and FRSA online spaces enable you to debate, engage and connect.

**Fellowship newsletter:** a fortnightly e-newsletter about your activities, detailing ways for you to get involved.

**Fellowship Council:** keep up to date with Council activities.

**Spread the word:** help build a progressive society by nominating other Fellows.

**Fellows' facilities:** use the RSA House library, archive, bar, restaurant and meeting spaces.

**Turn your ideas into action:** the Catalyst Fund supports new and early-stage projects aimed at tackling social problems.

## SMALL BUT NOT SMALL-MINDED

Since I am the chair of my local Transition Town initiative, it is not surprising that I strongly support Roger Scruton's advocacy of community-based environmental action ('Green shoots', Spring 2012). I also share his scepticism that international treaties will provide a panacea for a sustainable society and economy.

We need to decentralise many of our existing supply chains – particularly energy and food – with more local production and more efficient consumption. Local action is central to much of this. But it is oversimplistic to imply that 'small is beautiful' is universally the right principle. We need reconfigured national and international infrastructure as well.

Wind-farm sceptics cite the blindingly obvious fact that wind is intermittent as a reason not to build windmills. In fact, it is a reason to build them in well-dispersed locations, to interconnect them and to add other sources of renewable energy, with every step building a more resilient system.

So, there is a bigger enterprise that local communities cannot achieve by themselves, and I fear Scruton's version of localism encourages communities to play no part in this. Small is often, and increasingly, beautiful, but small-mindedness is ugly.

—Sandy Rodger

## CAPITALISM'S SAD TRUTH

I greatly enjoyed Susie Orbach's article ('The sad truth', Spring 2012). I believe that late capitalism lies at the heart of the problems she identifies.

Large companies need to generate demand for their products. They do this by advertising to make potential consumers long for their products. However, they also need to keep their production costs down. This requires them to pay low wages and to operate in economies where high levels of unemployment, labour casualisation and the threat of dismissal keep wages down.

This generates feelings of frustration, inadequacy and, yes, unhappiness. To this source of malaise, our politicians are adding a further one. They tell us that happiness is possible and achievable, so if we are unhappy, it is our fault. In doing so, they give us another reason to feel inadequate.

—Grazia letto-Gillies

## SELF-MOTIVATED RECOVERY

I have spent the past seven years as a commissioning manager for Barnsley's Drug and Alcohol Action Team, where we are supporting a 'recovery model' in our treatment system ('Addiction myths', Spring 2012). I am not a clinician and have always been drawn to a social or experiential perspective. I now see visible signs of recovery here and elsewhere as a result of individuals' rising levels of skills, confidence and sheer bloody-mindedness to take responsibility for changing their lives.

—Via the online *RSA Journal*



## PATTERNS OF VIOLENCE

Matthew Taylor is right to point out that it would only take a "terrorist with a dirty bomb" to reverse the direction of Stephen Pinker's graphs of victims of violence (Comment, Spring 2012). However, this would not be evidence of an overall increase in violence. It could occur while the majority of us are becoming more peaceful. Harold Shipman's and Anders Behring Breivik's atrocities in Britain and Norway respectively meant that murder counts rose dramatically in both countries. In different ways, both men's arrogant beliefs that they were superior to their victims were bolstered by similar views held by others.

More people can become peaceful, but violence still rises overall. This is inevitable if we do not also moderate those ideologies that suggest that some people are superior to others. These range from common everyday elitism to the most pernicious extreme racism.

—Danny Dorling

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



## EARTH IS OUR BUSINESS

16 MAY 2012

Polly Higgins argues that a law against ecocide could put a stop to the mass destruction we are inflicting on the planet

# “IN 2008, THE TOP THREE CORPORATIONS IN THE WORLD CAUSED \$2.2TRN WORTH OF DAMAGE AND DESTRUCTION”

Two hundred years ago, a man called William Wilberforce decided that it was time to abolish slavery. When he started out on his journey, he did not know how long it would take for that outcome to become a reality, nor even whether it would happen in his lifetime. In fact, despite all the odds being stacked against him, it did. Two days before he died, the laws were passed.

Today, we can do the same to tackle a different form of slavery. Instead of human beings, it is the earth that has become enslaved. We are experiencing a cycle of destruction that leads to resource depletion, which, in turn, provokes conflict and war. This triggers more damage, conflict and war, and so on. Only by introducing an international law of ecocide can we halt that cycle.

This is about governing our societies in a way that turns the moral imperative into the legal imperative. In legal terminology, when *malum in se* becomes *malum in prohibitum*, an act is considered so wrong in itself that it is prohibited. Now is our chance to decide that, morally, it is so wrong to cause vast destruction that we should close the door to it.

We already have what are known as ‘crimes against peace’. Genocide, war crimes, crimes against humanity and

POLLY HIGGINS IS AN INTERNATIONAL ENVIRONMENTAL LAWYER, ACTIVIST AND AUTHOR

crimes of aggression all supersede national legislation because they compromise our right

to live peacefully on this earth. Yet these laws are predominantly about protecting human-to-human engagement. We need to create a fifth crime against peace that expands our concern to all living beings by prohibiting extensive damage to ecosystems within a given territory.

One of the criminal principles to which all countries adhere is the responsibility principle, which recognises that crimes are committed by human beings, not abstract entities. International criminal law takes this one step further with the principle of superior responsibility, sometimes known as the command-and-control principle. This recognises that a few people – heads of state, ministers, chief executives, company directors, heads of banks and so on – can make decisions that have an adverse impact on millions of people. How these people finance their decisions is important because, at the moment, a lot of money is flowing into mass destruction that has been normalised by law.

During wartime, it is already an international crime to cause widespread, long-term damage. During peacetime, however, this does not apply, and environmentally destructive behaviour can go unchecked. This is because chief executives and directors have a legal duty to maximise shareholder profits. The Economics of Ecosystems and Biodiversity study found that, in 2008, the top three corporations in the world caused \$2.2trn worth of damage and destruction. Yet this

was perfectly acceptable because it is the law to put profit first.

If you are heading up a fossil-fuel company, it is not financially viable at the moment to get off that juggernaut of destruction. Unless there is legislation that closes the door conclusively on this kind of behaviour and opens up the door to innovation, this will not stop.

It comes down to how we view the earth. If we view it as an inert thing, what happens is that we put a price on it, we buy it, we sell it, we use it, we abuse it, we commoditise it and we enslave it. If we view it as a living being, we start looking less at its imposed value and more at its intrinsic value. We recognise that if we destroy the earth, we destroy our ability to live in peaceful enjoyment. This is about shifting our understanding – not just personally, but also in a legal context – away from property and ownership laws and towards trusteeship laws.

Campaigners such as Wilberforce understood that the moral imperative trumps the economic imperative, and that is ultimately what led to the end of slavery. Today, our scales of justice are out of kilter and we are failing to look at the long-term consequences of our actions. Rather than squandering what we have, we must start to build a world that has resilient economies and that is not based on damaging and destructive systems. We need a law of ecocide to help us end the era of ecocide. ■





## EVERY NATION FOR ITSELF

10 MAY 2012

What challenges and opportunities will we face in a world without global leadership? Ian Bremmer discusses

Globalisation has always been driven by the US. Coming out of the Second World War, the US created and led institutions – such as the International Monetary Fund, the World Bank and the United Nations Security Council – that were fuelled by American priorities and values. All of these were underpinned by the US's political and economic systems, its capital and its allies. This is the world that we have lived in, economically and strategically speaking, since the war.

Over the past 30 years or so, the balance of power has shifted from the US to China; from the developed world to the developing world; and from debtor economies to creditor economies. Yet the architecture has remained the same. Clearly, if we have global institutions and leadership that reflect a US-dominated order, combined with an underlying balance of power that increasingly does not resemble that order, it is eventually going to break.

The 2008 financial crisis was a big enough shock to make that break, which is why everyone started calling for a new architecture. We created the G-20 – the world's 20 largest developed and developing economies – to provide the leadership and public goods that are necessary for us to thrive and prosper.

The reality, though, is that the G-20 is aspirational. What we actually have is a

G-Zero world that is characterised by an absence of global

leadership. The US is never going to bail out Europe; China and Russia are mostly interested in their own national security issues; the BRICS (Brazil, Russia, India, China and South Africa) are not cohesive enough as a group to create their own agendas; and the Europeans are too distracted by the continuing euro crisis to take action. So we are unlikely to have global responses, whether led by the US or by any other country.

What are the implications? In a US-led global environment, countries that want to be winners generally align themselves with the US-led process and focus on globalisation. In a G-Zero environment, by contrast, the risks are much higher. The winners are the so-called pivot states, which are capable of hedging and adapting to different types of integration. Turkey, for example, pivots between the Europeans, the Middle East, Eurasia and Russia, and this rebounds to its benefit.

The G-Zero world is not sustainable for long. Nature abhors a vacuum, and so does geopolitics. So what comes afterwards? First, it is likely that the US and China are heading towards more conflictual relations. Second, other countries are likely to matter a lot on the global stage because the willingness of the US and China to play the role of global policemen will continue to erode.

In China, it will erode because, as a poor country, it is unlikely to take action on protecting the climate. Nor will it promote global trade in the way that a rich country can afford to do. In the US, as inequality and unemployment increase, the willingness of the average American citizen to support globalisation will deteriorate.

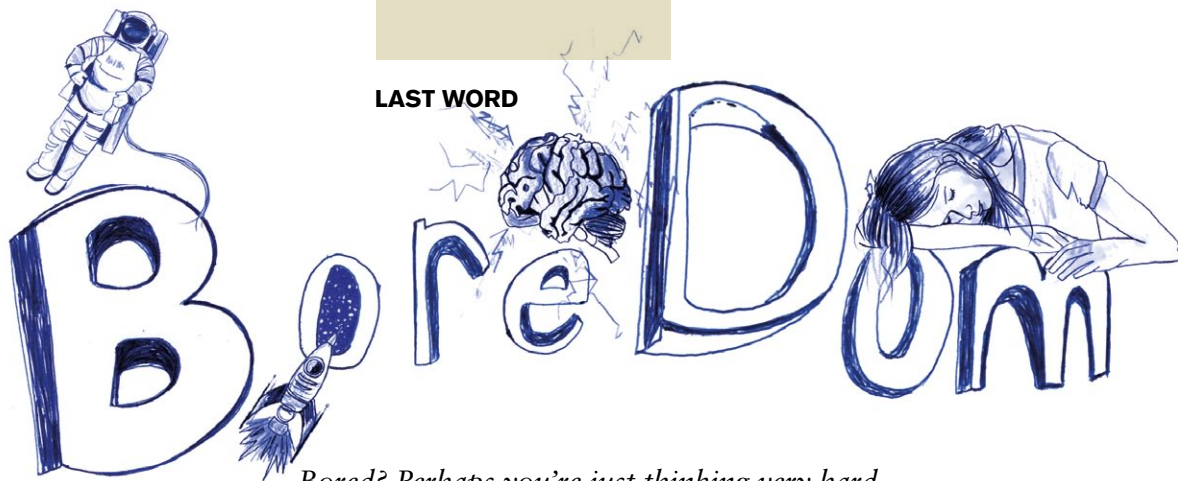
All of this suggests that we are moving towards a world without global architecture; a world made up of regions that each work in a completely different way. That is the principal challenge that we are likely to face as we come out of the G-Zero world. ■

## MORE FROM THE EVENTS PROGRAMME

It has been another busy quarter for the RSA's Events programme. Writer **Ferdinand Mount** issued a rousing call for more equality, transparency and accountability in Britain; author and TED phenomenon **Susan Cain** argued that we undervalue the power of introverts at our peril; **Rt Hon Francis Maude MP** and Foundation Trust Network chief executive **Sue Slipman** discussed new models of public service provision in the NHS; **Sebastian Seung**, a rising star in the field of neuroscience, explained the significance of mapping the brain's connections; leading social psychologist **Jonathan Haidt** discussed the origins of morality and social cohesion; **Ruchir Sharma**, one of the world's largest emerging market investors, outlined the shifting balance of global economic power; bestselling journalist and author **Jonah Lehrer** revealed the mysteries of creativity and imagination; Ashoka founder **Bill Drayton** discussed the fundamentals of good social enterprise; and Environment Agency chairman **Lord Smith** explained why the environment must be considered a strategic priority in reviving economic growth.

*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](http://www.thersa.org/audio)*

*Full national and regional events listings are available at [www.thersa.org/events](http://www.thersa.org/events)*



LAST WORD

*Bored? Perhaps you're just thinking very hard*

*By Peter Toohey*

**J**oy Stone, a 27-year-old Glaswegian drama teacher, outlines her classroom goals in this way:

I teach children.

I teach them:

- 1 Routine
- 2 When to keep their mouths shut
- 3 How to put up with boredom.

The list comes from Janice Galloway's novel, *The Trick is to Keep Breathing*. It's the last item that really catches the eye. I believe that Joy Stone is correct. One of the responsibilities of a teacher is to show students how to be bored.

Why? Because their lives are likely to be full of boredom. The New Economic Foundation, a London-based think-tank, asserted in 2009 that UK citizens were the fourth most bored of 22 European nations. The US may not be far behind. In a survey of approximately 400 secondary-school students in the New England area, nearly one in ten respondents said that boredom was a "real or serious problem in their lives".

A youthful habituation to boredom can produce some immediate benefits. Daydreaming, the most common by-product of a bad bout of boredom, is one. Neurologists show that certain areas of the brain are not dulled during daydreaming, but are actually very active. Contrary to what teachers assume, their bored, distracted, dreamy pupils may be thinking very hard.

Kalina Christoff, a psychologist at the University of British Columbia, has demonstrated how bored children in the classroom benefit from not paying attention. She has shown that the 'executive network' in brains, which deals with problem solving, goes into overdrive during daydreaming. "This is a surprising finding," Christoff explains. "When you daydream, you may not be achieving your immediate goal – say, reading a book or paying attention in class – but your mind may be taking that time to address more important questions in your life, such as advancing your career or personal relationships." The brain may even be trying to solve the very problems that the teacher is posing.

Bulking up on classroom boredom can offer another benefit. In their paper

PETER TOOHEY IS A PROFESSOR IN THE DEPARTMENT OF GREEK AND ROMAN STUDIES AT THE UNIVERSITY OF CALGARY

*Boredom and Schooling*, Teresa Belton and Esther Priyadharshini suggest that, for students, boredom can be a "powerful stimulus to creativity". And it's not just in front of the blackboard that notions of the link between boredom and creativity abound; it's a staple of literature as well. Sir Arthur Conan Doyle had Holmes interpolate his scientific deductions with awful bouts of boredom and lethargy that subsequently fuelled his creative urges.

Outside school, boredom can become genuinely helpful. It can breed dissatisfaction with methods and concepts that are intellectually shopworn, encouraging businesspeople and thinkers to search for creative change and novelty. Yes, the more boredom, the better. Chronic boredom may be as powerful a motor for success for hedge-fund managers as it is for Holmes.

The chronically bored seem to be more liable to novelty-seeking behaviour than most. Professor David Zald from Vanderbilt University studied 34 men and women and, by examining factors such as decision-making speed, spontaneity and adherence to rules, ranked the individuals on a 'novelty-seeking scale'. He found that novelty-seekers tended to have fewer dopamine receptors, so their brains were less efficient at modulating levels of dopamine, the neurotransmitter that forms part of the brain's reward system. During novelty-seeking activities, which cause a dopamine spike, those with fewer dopamine receptors gained the greatest stimulation.

Zald's experiment shows that there is a real physiological connection between seeking novel solutions and chronic boredom. The most creative entrepreneur might be the one who is regularly bored.

Maybe boredom should be taught in the classroom and the City. And maybe that lion of lethargy Ilya Oblomov – the eponymous hero of Ivan Goncharov's 19th century Russian novel about boredom – had the right idea. He offers a model on how to be gainfully bored for students and businesspeople alike:

As soon as he had got up in the morning and had taken his breakfast, he lay down at once on the sofa, propped his head on his hand and plunged into thought without sparing himself till at last his head grew weary... Only then did he permit himself to rest from his labours and change his thoughtful pose for another less stern and business-like and a more comfortable one for languorous daydreaming. ■

ILLUSTRATION: ANDREA TURVEY

# RSA

House

*A taste of summer*

**The Vaults restaurant in the RSA House will remain open throughout July and August, including the Olympic fortnight**

Why not book a table for lunch and try out the seasonal menu created by our new caterers, Harbour & Jones

+44 (0)20 7930 5115 | [house@rsa.org.uk](mailto:house@rsa.org.uk) | [www.thersa.org/house](http://www.thersa.org/house)

# Help future generations fulfil their potential



**1755**

RSA awarded its first premiums for new products and inventions

**2010**

RSA Catalyst set up, seed funding Fellows' projects that make an impact in the UK and internationally

**1856**

RSA launched the first national exams for vocational qualifications

**2008**

The RSA Tipton Academy opened, continuing the RSA's strong commitment to education



**Two things link the RSA's roots in the Enlightenment and its contemporary mission.**

First, our continuing work aimed at making sure more people can fulfil their own potential.

Second, our Fellowship. As a Fellow of the RSA, you are continuing in the footsteps of Fellows past. Your support ensures that the RSA can continue to make an impact.

**By remembering the RSA in your will, you will help ensure our work continues for the next 250 years.**

For more information on leaving a gift in your will or to discuss other ways you would like to support us, please contact Tom Beesley, individual giving manager, on +44 (0)20 7451 6902 or [tom.beesley@rsa.org.uk](mailto:tom.beesley@rsa.org.uk)