RSA Journal
Issue 4 2022

RSA

Enterprising minds

Joanna Choukeir, **Tom Kenyon** and **Zayn Meghji** set out the RSA's Entrepreneurs for Change programme

Geoff Mulgan argues that we must rediscover our social and political imagination

Deborah Meaden on failure

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Andy Haldane

"At the heart of creativity and entrepreneurship is imagining and creating a different future"

The previous issue of *RSA Journal* discussed how the dynamism of businesses was a necessary condition for growth in productivity and living standards, the fuel of our economy. But the challenges we face today are not just economic; they are social and environmental, too. For mass flourishing, we need to replenish people, place and planet. Indeed, that is the essence of the RSA's Design for Life programme.

In solving today's societal challenges, we can seek inspiration from the past. Through the centuries, meeting these challenges has relied on great acts of reimagining the world – and then, crucially, taking action to make the imagined real. That is my definition of creativity. And just as the fuel for the economy is growth, the fuel for creativity is human ingenuity and entrepreneurship. So, in rising to today's challenge, this edition of *RSA Journal* focuses on entrepreneurs, enterprise and invention, and the role they play in driving system change.

In his interview, Geoff Mulgan explores why political and social imagination has shrunk, and with it creativity, and what can be done to rekindle that sense of wonder to meet the challenges ahead. Meanwhile, Tom Kenyon and colleagues set out the RSA's Entrepreneurs for Change pathway and how creativity and experimentation has been fundamental to the Society's (and society's) history, just as it will be to our future.

Nurturing entrepreneurship is not without challenges. As the experience of TechLit Africa's founder, Nelly Cheboi, shows, while social enterprise models are particularly pertinent in poorer neighbourhoods, this option is often limited for people facing poverty and constricted opportunity. Cassie Robinson and Graham Leicester argue that we must address the wider ecology around enterprise, including social, political and professional norms, but also governance, in achieving success. This is echoed by Nancy Neamtan and Marguerite Mendell, who explore the crucial role of governance models in social enterprise.

The journal also includes some practical examples of inclusive entrepreneurship. Shaheen Mistri and her colleagues outline the work of Teach For India, where entrepreneurial thinking has expanded access to education. Closer to home, Susan Aktemel writes about Homes for Good, the first of its kind social enterprise letting agency in Scotland. Nasiru Taura discusses 'peripheral entrepreneurialism' in seaside towns such as Bournemouth and Poole, which have emerged as unlikely engines fuelling Britain's entrepreneurial future.

From the local to the global, Ben McWilliams, Giovanni Sgaravatti, Simone Tagliapietra and Georg Zachmann suggest that responding to the global energy crisis will not just require innovation and ethics but also global cooperation, outlining the EU's current approach and possibilities for a grand reshuffling. And from the global to the inter-galactic, Martin Rees identifies some of the profound ethical questions arising from advances in areas such as AI, genetics and energy, and explores the role of scientists, the public and intermediaries in harnessing the best (and avoiding the worst) of these innovations.

Finally, the culture and psychology of entrepreneurship matters every bit as much as the finance, governance and science. Serial entrepreneur and investor Deborah Meaden (of *Dragons' Den* fame) reminds us that entrepreneurial success often relies on learning from failure. And in the same spirit, Joan P. Ball explores how entrepreneurs might reimagine their relationship with uncertainty to make it friend, not foe.

At the heart of creativity and entrepreneurship is imagining and creating a different future, leaning into, not away from, risk and uncertainty, and pursuing purposeful long-term objectives, whether social, economic or ecological. The fantastic stories in this issue of *RSA Journal* are evidence of all of those core ingredients in the entrepreneurial mix. ■

Read more about the RSA's new programme at thersa.org/fellowship/festival/design-for-life

Andy Haldane is Chief Executive Officer at the RSA

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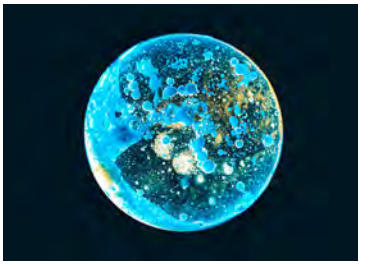

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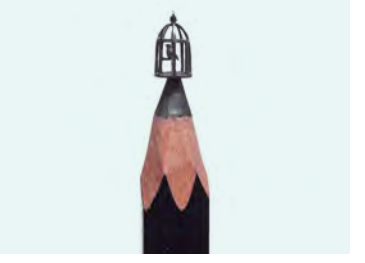

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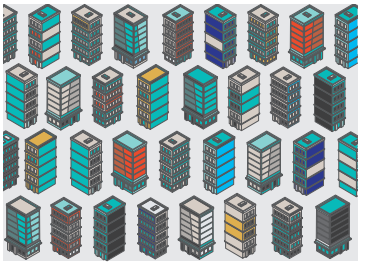

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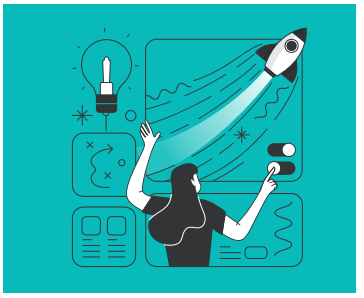

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1 According to a 2020 report, 43% of all UK venture capital goes to graduates of four universities: Oxford, Cambridge, Stanford and Harvard (page 12).

2 An OECD inquiry from 2003 outlining key 21st-century competencies defines competence as "the ability to meet important challenges in life in a complex world" (page 19).

3 In Paris, schoolchildren are allocated a portion of the participatory budget (3.5% of the city's overall budget) to help them learn about democracy (page 22).

4 The global economic cost of Covid-19, while largely incalculable, has been estimated at $10tn (£8.9tn) (page 29).

5 According to the Office for National Statistics, the number of UK households living in the private rented sector increased from 2.8m in 2007 to 4.4m in 2022 (page 30).

6 European countries are currently spending more than 1% of GDP propping up energy systems (page 34).

7 The 'social and solidarity economy' emerged in Europe, parts of North America and particularly in the global south in the 1990s (page 38).

8 The World Bank estimates approximately 56% of the world's population live in cities, a number forecasted to rise to 70% by 2050 (page 40).

9 India has the largest education system in the world, with 250 million children enrolled in over 1.5 million schools (page 43).

10 A 2019 Weare3Sixty report showed 9 out of 10 entrepreneurs report signs of mental health strain negatively affecting productivity (page 49).

RSA

A lifetime of service

Her late Majesty Queen Elizabeth II was patron of the RSA for the entirety of her reign. As Princess Elizabeth, she was named the RSA's first female president in 1947, a role she held until her accession in 1952. Her inauguration as president marked the re-opening of the Great Room for the first time since 1941, when its roof and floor were damaged by a blast from a parachute mine.

As president, in 1949 she accepted the Society's portrait of Dame Caroline Haslett, who in 1941 was the first woman to be elected to the RSA's Governing Council. She also opened the meeting to begin organising the Festival of Britain of 1951 and the RSA's highly popular Exhibition of Humorous Art in 1949. In 1958, the RSA awarded Her Majesty its Albert Medal, for having "undertaken public engagements on a scale greatly exceeding that of any previous reign" to promote arts, manufactures and commerce, by conducting overseas visits, touring industrial areas, and opening major infrastructure projects throughout Britain and the Commonwealth.

Even after 75 years of dedicated service, for which the RSA gives its enduring thanks, Her Majesty's words about the RSA House at her inauguration in 1947 still ring true: "[It] has been the scene of many outstanding discussions in which great artists, scientists and philanthropists have played their distinguished parts. May it continue, for many years to come…."

To find out more, visit thersa.org/her-majesty-the-queen-elizabeth-ii

BUCKINGHAM PALACE

7th August 1947.

Dear Sir Harry,

Thank you so much for your letter which I have had the honour of laying before The Princess Elizabeth, and I am to say that Her Royal Highness has much pleasure in accepting the invitation from the Council of the Royal Society of Arts to become the President of the Society.

The Princess bids me express to you and your Council Her Royal Highness' most sincere thanks for this very kind invitation.

Yours very truly,

Margaret Seyhen.

Lady-in-Waiting.

Sir Harry Lindsay, KCIE.,CBE.,
Royal Society of Arts,
John Adam Street,
Adelphi,
W.C.2.

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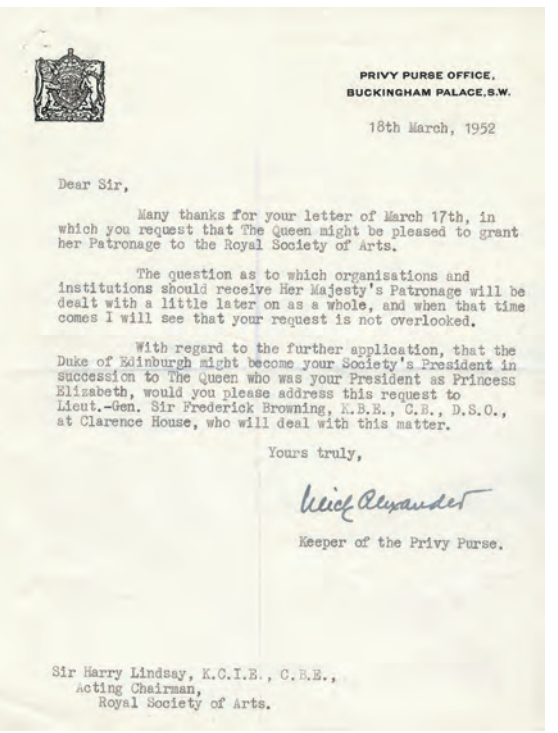


PRIVY PURSE OFFICE,
BUCKINGHAM PALACE,S.W.

18th March, 1952

Dear Sir,

Many thanks for your letter of March 17th, in which you request that The Queen might be pleased to grant her Patronage to the Royal Society of Arts.

The question as to which organisations and institutions should receive Her Majesty's Patronage will be dealt with a little later on as a whole, and when that time comes I will see that your request is not overlooked.

With regard to the further application, that the Duke of Edinburgh might become your Society's President in succession to The Queen who was your President as Princess Elizabeth, would you please address this request to Lieut.-Gen. Sir Frederick Browning, K.B.E., C.B., D.S.O., at Clarence House, who will deal with this matter.

Yours truly,

Ulick Alexander

Keeper of the Privy Purse.

Sir Harry Lindsay, K.C.I.E., C.B.E.,
Acting Chairman,
Royal Society of Arts.

2

3

4

1. A letter from HRH's Lady-in-Waiting to Sir Harry Lindsay, Chairman of the Council, accepting the invitation on behalf of HRH to become the Society's president. Dated 7 August 1947.
2. A letter from Ulick Alexander, Keeper of the Privy Purse, to Sir Harry Lindsay, Chairman of the Council, acknowledging the request for HRH to grant her Patronage to the Royal Society of Arts. Dated 18 March 1952.
3. HRH the Princess Elizabeth at the opening of the 194th session of the Society. Dated 5 November 1947.
4. Her Majesty the Queen and HRH the Duke of Edinburgh being greeted on their arrival at RSA House by Michael Frye, Chairman of Council, and Christopher Lucas, Director, for the reception and dinner to mark the 40th anniversary of the Duke becoming President of the RSA. Dated 14 July 1993.

Images from RSA

Action

The maverick mindset

In the UK over the past 70 years, the approach to modernising health and social care systems to meet changing needs has largely been incremental rather than radical or transformational. The RSA, together with NHS Lothian, designed and ran a six-month public entrepreneur programme to challenge the status quo and nurture a collective energy of change.

The programme supported 12 NHS Lothian staff members, all public entrepreneurs – or 'mavericks' – able to navigate the complexity of the public policy and financial arena and challenge convention. Each had an idea for change that challenged a combination of strategic and service issues, bringing new ideas to old problems and emerging opportunities. Working through the RSA's innovation approaches, we helped to accelerate these ideas while fostering a collegiate sense of solidarity.

The insights accumulated through the programme are presented in *A Rough Guide to Being a Public Entrepreneur in Practice*, an open summary including 15 lessons on how to widen and support innovative practice in the form of an NHS Lothian Entrepreneur's Manifesto. The guide offers insights, tools and approaches to help navigate change, disrupt the status quo and drive innovation in our public service bodies so that they can meet the needs of today and the future.

Arts in the spotlight

Get Directing!

Get Directing!, an initiative headed by the Directors Charitable Foundation (DCF), is exploring ways to encourage young people to see themselves as future directors of theatre, film, television, and virtual and interactive forms of storytelling. It delivers inspiration, mentorship, curriculum support and careers advice to young people, specifically those currently underrepresented in the field. John Dower, FRSA, a DCF trustee and screen director working in film, television and games, said: "Exciting possibilities are opening up all the time, and we want to be a part of the screen storytelling future. We plan to develop ideas further, including a fund-raising phase to prepare for expanding these projects throughout the UK."

To find out more, visit www.directorscf.org/get-directing-about

RSA Insights

180

The number of recorded visitors to RSA House during London's Open House Festival on Sunday, 18 September 2022. The annual festival offers people the opportunity to visit a range of properties (cultural, historical and unusual) across London over a specific date period. During its one-day opening, the RSA offered a self-guided tour of key rooms in the House, and the archive provided a display of artefacts, records and videos.

To explore RSA House, visit thersa.org/events/2022/09/rsa-at-open-house-festival

33%

The percentage of people living with multiple long-term conditions who reported low subjective economic security, according to RSA research (supported by Impact on Urban Health). By analysing Understanding Society, a national dataset with over 30,000 respondents, the RSA has been able to better understand how living with multiple long-term conditions impacts people's economic security and confidence in the future.

To find out more, visit thersa.org/blog/2021/10/the-impact-of-health-on-economic-security

110k

The total number of underserved workers reached in an RSA project (in partnership with Bayes Impact and the Mastercard Center for Inclusive Growth) testing an innovative approach to lifelong learning via digital platform Jobflix in France, with a small pilot in the UK. The platform enables users to explore career options, with an aim to support people's mindset towards developing a long-term career and link them to pathways to concrete employment opportunities.

To find out more, visit thersa.org/future-of-work/lifelong-learning

Image from RSA

Agenda

Sir Michael Marmot at RSA House

In a recent talk at RSA House, Sir Michael Marmot called for decisive action on social determinants of health and wellbeing. His message was clear. Public health should not be deteriorating, life expectancy should not be stagnating, and social and health inequalities should not be widening. He called for proportionate universalism, or universal policies that allocate efforts in line with need. The RSA believes those policies need to be responsive, non-discriminatory and long term to see lasting change.

Improvements in health and society are intrinsically linked and mutually reinforcing. The RSA's *The cost of independence* report found that mental and physical health is worried about by 61% and 54% of precarious young people, respectively, compared with 46% and 33% of their more secure peers.

Why is this happening? In the UK, austerity and deep cuts in public spending have had a detrimental impact on social and health equalities, a situation further compounded by the Covid-19 pandemic, and regions outside London and the south-east have been disproportionately affected. Between 2010 and 2020, annual council service spending fell by £413 per person in the north, while the 2021 Levelling Up fund only allocates £32 per person in that region. As the learning support provider for the Health Foundation's Economies for Healthier Lives, the RSA is examining the systemic link between economic development and public health outcomes.

To learn more, visit thersa.org/projects/health-economic-insecurity and thersa.org/projects/economies-for-healthier-lives

Fellowship

New Fellows

Since 2017, **Nick Bridge** has served as Special Representative for Climate Change for five British Foreign Secretaries, working with his colleagues and partners globally to tackle the climate and environmental crisis. Nick has over 20 years of diplomatic experience, including as British Ambassador and Permanent Representative to the Organisation for Economic Co-operation and Development and the International Energy Agency.

Dr Padmakali Banerjee is President and Vice Chancellor at Sir Padampat Singhania University, Udaipur, India. She has established Triarup, a foundation for nurturing her interest in upliftment and betterment of society and is also author of *The Power of Positivity: Optimism and the 7th Sense*. Dr Banerjee is deeply committed to social change and dreams of transforming the world by instilling hope and optimism in today's youth.

Make the most of your Fellowship by connecting online and sharing your skills. Search the Fellowship at *thersa.org/fellowship*. While you're there, don't forget to update your own profile: *thersa.org/my-rsa*.

Follow us on Twitter @theRSAorg
Our Instagram is instagram.com/thersaorg
Join the Fellows' LinkedIn group
linkedin.com/groups/3391

Some Fellowship events have moved online; to find out more and connect with Fellows in our global community visit *thersa.org/events/fellowship*

Grow your idea through RSA Catalyst, which offers grants for Fellow-led and new or early-stage projects with a social goal.

To find out more, visit thersa.org/fellowship/catalyst-awards

Image from Sir Michael Marmot

Events

Catch up online

Leading public thinkers, innovators and changemakers take to the RSA Great Room and digital stage to share and debate the ideas, events and movements that are shaping the future of our societies, our economies and our world.

Subscribe to our YouTube channel and 'like' us on Facebook to catch up on the latest content

youtube.com/thersaorg
facebook.com/rsaeventsofficial

Is social prescribing the future for healthcare?

Accepting the RSA's 2022 Albert Medal award in honour of their revolutionary work, social prescribing pioneers Andrew Mawson and Sir Sam Everington describe the power of social prescribing to combat isolation, improve public health and support full participation in society: "It's not about structures and committees, it's about people and relationships."

Watch now: https://bit.ly/3SxT1xz
#RSAhealth

Social justice and health equity

Sir Michael Marmot, the author of two landmark reviews of health inequality in the UK, calls for evidence-based action to tackle the health gap across the country at each life stage. Fair distribution of health and wellbeing, he argues, should be the goal that sits at the very heart of government policy.

Watch now: https://bit.ly/3CdSWcn
#RSAhealth

Rethinking good work

Millions of people in work still cannot afford to make ends meet, and too many 'good jobs' are too 'greedy', leaving little time for family care and outside interests. Good work advocates Hilary Cottam, Laetitia Vitaud and Sharmi Surianarain explore the broken work/life relationship and how we might repair it.

Watch now: https://bit.ly/3foguT2
#RSAgoodwork

When design and ethics collide

Designer George Aye, co-founder of the Greater Good studio in Chicago, US, warns of the risks and hazards that abound when designers seek to intervene in complex social issues without having a clear ethical framework in place. What needs to change to improve design practice, and to protect consumers and communities?

Watch now: https://bit.ly/3r9E2xo
#RSAdesign

Images by Piranha Photography

ENTREPRENEURS FOR CHANGE

The RSA's commitment to building a home for social innovators

by Joanna Choukeir, Tom Kenyon and Zayn Meghji
@JoannaChoukeir @MrTKenyon

Throughout our history, the RSA has been home to those interested in social innovation and to those who displayed the ethos of social entrepreneurialism before the expression existed. Today, it is more essential than ever that the RSA continues to be a home of social innovation. The complex social challenges that we are committed to solving require the experimentation and energy of entrepreneurs.

As part of its new Design for Life mission and Entrepreneurs for Change programme, the RSA has been thinking about how we build on this history, and how radical entrepreneurship might shift our systems to be more resilient, rebalanced and regenerative. How can we support growing movements of social entrepreneurs, given they are the ones with perhaps the greatest potential to improve systems that fail to keep pace with the challenges we face? And how can we support even those entrepreneurs whose products and services are not designed for direct social impact, to ensure their business models and practices are built on regenerative principles?

Supporting entrepreneurs is important for the RSA's mission because innovative, challenger businesses play a key role in imagining, designing and creating the future. Small and agile, they demonstrate what is possible in the here and now. Incumbent institutions, businesses and governments are often large and hard to change but they are able to *respond* to outside influence. Where entrepreneurs innovate and lead, incumbents follow and formalise. Entrepreneurs test and trial new innovations, while responsive institutions can ensure that infrastructure and support systems act on what has been shown to work.

As Nicolas Colin, author of *Hedge: A Greater Safety Net for the Entrepreneurial Age,* says: "Before the state can act, the field must be marked by a first generation of pioneers. Innovators and activists are the only ones capable of doing the hard work at the early stage, namely spotting the new economic and social challenges of the day and discovering the basics of the new mechanisms that can effectively tackle them."

By supporting entrepreneurs to realise models of a resilient, rebalanced and regenerative future, we can in turn influence the trajectory of larger businesses, institutions and even whole systems towards better futures for people, place and planet.

A home for entrepreneurial ideas

Experimentation requires risk-taking: stepping into the unknown to bring fresh thinking to challenges that defy existing knowledge and practices. This risk-taking requires support.

At the RSA, we have identified three forms of support that can benefit individual entrepreneurs and entrepreneurial movements: *capacity and skills building*; *funding and investment;* and *connecting and platforming*. Throughout its history of providing support, the RSA has experimented with all three.

At the RSA, **Joanna Choukeir** is Director of Design and Innovation, **Tom Kenyon** is Head of Enterprise Design, and **Zayn Meghji** is the Catalyst Fund Manager

"Support and investment for entrepreneurs disproportionately goes to those in already privileged positions, and the impact of this touches us all"

In 2019, the RSA hosted the Economic Security Impact Accelerator. This combined finance with connecting and networking. We applied the accelerator model – short-term, intensive support for innovators – to tackle the social challenge of economic security, the reality of millions of households living below the poverty line, facing the joint impacts of wages declining in real terms and employment becoming more precarious.

The thinking behind this approach was that what was needed was a connected 'scene' of 'system entrepreneurs'. We hoped that the discrete innovations of participants would coalesce into a field of practice to impact wider systems change. Traditional accelerators prefer to take a cohort of entrepreneurs and funnel them down into one or two 'big bets'. The RSA programme instead focused on 'field building', bringing projects and businesses driven by the same purpose together to develop a narrative for big change. Participants appreciated this non-competitive approach, which allowed a genuine and collaborative peer network to develop.

In 2020–21, we ran Rethink Fashion, a learning journey for entrepreneurs working on alternatives to fast fashion. This intervention focused more squarely on skills and capacity building. We began by acknowledging the damage that the current extractive, linear fashion industry causes to both people and planet, creating huge volumes of waste, pollution and exploitation. The programme collaborated with 12 innovators working across different parts of the fashion system to develop a cohort of complementary innovations with a shared mission to transform the system to be more regenerative. Again, the key positive outcome of this approach was the way it brought together a diverse cohort and encouraged collaboration; this approach also developed a shared purpose that helped clarify the intentions of each of those taking part. As one participant said: "Rethink Fashion helped us gain clarity on our mission, tell our story and articulate how we are driving a paradigm shift towards a regenerative future."

These two programmes have emphasised the power of bringing entrepreneurs together in non-competitive spaces to consider the broader system in which they operate, and how their innovations begin to create an alternative future. A shared limitation of each of these programmes, and one that doubtless connects to wider issues of inclusion, is the need for financing to support this kind of engagement.

In terms of pure funding, the RSA has financially supported social entrepreneurs for over a decade through its Catalyst programme. Over the years, the programme has supported a huge range of innovations that seek to benefit society, from an ethical food delivery service aiming to do things better than the gig economy giants, to community shops where people can go to borrow items that they might otherwise buy. The RSA's explorations of other forms of support, through the aforementioned Economic Security Impact Accelerator and Rethink Fashion programme, have shown how grant funding can be powerfully combined with offers that focus on capability building and peer learning.

Rebalancing the field of entrepreneurs

If entrepreneurs shape futures, it is imperative not only that we support regenerative principles in their development, but also that we encourage wider engagement with entrepreneurship from under-represented communities. Support and investment for entrepreneurs disproportionately goes to those in already privileged positions, and the impact of this touches us all.

The challenge to widen access to entrepreneur support was recently articulated in the RSA's Design for Life programme of change: "What if all excluded entrepreneurs-in-the-making were supported and connected to seed and scale the innovations necessary for the transition towards more resilient, rebalanced and regenerative futures?"

According to a research report published by community interest company Extend Ventures in November 2020, less than 5% of venture capital funding in the UK goes to companies with a female founder, and less than 2% of venture capital goes to companies with a Black or ethnic minority founder. Nearly 70% of funding goes to businesses with all-male founding teams. As if further proof on the lack of diversity in funding were necessary, consider that 43% of all UK venture capital goes to graduates of just four universities: Oxford, Cambridge, Stanford and Harvard.

Substantial challenges face potential entrepreneurs from more diverse and less advantaged backgrounds. For example, research from the social enterprise

accelerator UnLtd demonstrates that financing living stipends as well as business investment is essential to removing barriers for Black and ethnic minority social entrepreneurs. 37% of respondents to a survey carried out by UnLtd said that personal finances were the most prominent barrier to creating and scaling a social enterprise, and 34% cited access to funding and investment. This shows not only the importance of funding, but also of thinking creatively about inclusion in how funding is awarded, in order to address personal finances as well as finance for the venture itself.

Statistically, social enterprises have more diverse leadership than other small and medium-sized enterprises (SMEs). Research from the School for Social Entrepreneurs shows that 40% of social enterprises are led by women and 13% of UK social enterprises are led by people from racialised and minoritised communities. This compares with 17% of SMEs led by women and just 5% led by people from racialised and minoritised communities. There is still a long way to go to build a truly inclusive system of support for potential entrepreneurs who find they are excluded from progressing.

Reflecting on these challenges, the RSA has to acknowledge its own limitations in diversity of support, not just demographically, but geographically.

Supporting resilient entrepreneurs?

Widening the field of entrepreneurship is a priority for the future development of the Design for Life programme and its entrepreneurs pathway. To do this effectively, the RSA must consider the demand for participation as well as the supply of opportunity. What motivates someone to become an entrepreneur?

Some people are put off from thinking of themselves as entrepreneurs because of the dominant narratives of the 2000s. The world of *Wired* and TED Talks presents entrepreneurs as all-knowing titans of the tech world, engaged in a 24/7 battle to maximise personal productivity, push for global hyper-growth and increase company value with venture capital before selling out to Google. Meanwhile on television, the 'entrepreneurs' of *The Apprentice* are presented as money-grabbing narcissists, barely competent in the rush for the favour of a billionaire benefactor. The message is clear: to be a successful entrepreneur you must be an always-on risk-taker, you must prioritise profit and you must have the patronage of a billionaire funder.

To motivate a more diverse ecosystem of entrepreneurs we must understand that 'risk-taking' might mean something completely different to more vulnerable communities that are not White, male Ivy League and Oxbridge graduates. Having responsibility for the care of your family or the long-term security of your home is of a different order of magnitude from the risks of professional experimentation straight out of university.

All entrepreneurialism carries a risk of failure. The RSA will work towards supporting entrepreneurs in ways that are flexible enough to support commercial and innovation risks, but will aim to mitigate levels of personal or familial risks that might exclude less-advantaged communities from making the leap into venture-building. The RSA's challenge is to provide scaffolds that can support entrepreneurs who are furthest away from traditional funders, who cannot commit to a three-month residential accelerator and for whom social ▸

"It is not enough to reach into new communities if the incentives to participate in entrepreneur programmes are based around the priorities of the privileged"

change projects happen on their own doorstep, to begin to follow their passion and purpose.

Revisiting the 'myth' of the entrepreneur

Our narratives of success as well as risk when talking about entrepreneurs also need to evolve. It is not enough to reach into new communities if the incentives to participate in entrepreneur programmes are based around the priorities of the privileged. We must understand that, for many people, the aspiration of building a business is about constructing a good life spent engaging in pursuits we care about more than generating huge profits and unlimited growth.

In a recent research project, the RSA spent time with non-graduates, aiming to understand their motivations for lifelong learning. For many in the focus groups, there was an entrepreneurial imperative. They had found an interest outside of the workplace and wanted to professionalise their skills. The motivation to build a business often comes from the desire to move a peripheral activity that we love to the centre of our working lives.

Purpose in helping others is another driver for entrepreneurialism. In many nations, there was an explosion of social enterprise-building following lockdowns during the pandemic. For example, Social Enterprise UK's *No Going Back* report, published in 2021, shows that, in the UK a record-breaking 12,000 social enterprises were created between 2020 and 2021, as entrepreneurs sought to help their communities in the wake of the pandemic.

The characteristics many most associate with entrepreneurs are passion and purpose. In our experience of working with entrepreneurs, many consider their business model as a means to an end, the 'end' being spending time developing an idea they would aim to pursue regardless of reward. That was the risk worth taking.

Regenerative businesses

The extent of our ambition for Entrepreneurs for Change does not stop at ventures that are explicitly conceived as social enterprises; we want to encourage *all* entrepreneurs to think about the social and regenerative impact of their products and services. We believe the ecosystems of investors, accelerators and incubators that support entrepreneurs should encourage early-stage ventures to think not just about their business models, but also their impact on people, place and planet.

In a 2019 blog written for the RSA, Jenny Anderson, FRSA, described eight characteristics of regenerative businesses: they have planetary purpose; they think about intergenerational equity; they design for creativity; they think patiently; they operate systemically; they think collaboratively, not competitively; they are 'multi-capitalists' (thinking about social, human and natural capitals as well financial); and they seek new legal models. This thinking may sound radical, but it is already being embraced by large-scale organisations.

Patagonia is a brand of outdoor goods that embodies the values of the purpose-led business. The business's stated mission is to "use business to protect nature". The company has thrived through its commitment to the environment and future

generations and has for some time styled itself as an 'activist company', though not without flaws (an internal audit showed that the company had benefited from Uyghur forced labour in their supply chain as recently as 2011), operating differently in an effort to redress fast fashion, as well as broader societal issues like free speech. Earlier this year, Patagonia's founder, Yvon Chouinard, transferred ownership of the company to the Patagonia Purpose Trust to ensure its mission will not be diluted by buyers, heirs or public stakeholders. Instead of going public, Chouinard said, Patagonia is "going purpose". In terms of thinking about intergenerational equity and seeking new legal models, this certainly fits into Anderson's vision for regenerative business.

And it is not only 'activist companies' that are now thinking regeneratively. Karrie Denniston of corporate giant Walmart recently claimed "that in the moment of decision, in the moment of strategy, we're putting humanity and nature into those decisions".

Rethink Fashion aimed to bring trailblazers in early-stage fashion ventures together to explore what 'regeneration' means for their industry. The programme resulted in new products and brands being launched, as well as new networks being formed among innovators and amplifying their collective voice and calls for change within the industry.

The RSA plans to build on this model and create a distinctive set of tools and learning journeys that we can share with entrepreneurs in any field. We want to provide the next generation of business innovators to connect and capacity-build, to help them to support the regeneration of nature and humanity through their work and embed that deep in the DNA of their companies' missions.

Committing to impact

A key element of creating these toolkits and developing a deep knowledge commons to support regenerative business will be providing the data to understand 'what works'. Impact evaluation for social enterprise is an important but difficult discipline with a wide variety of metrics and frameworks that sometimes make it difficult to understand real impact. The RSA believes that we can contribute significantly to the developing field of regenerative impact by creating a strong evaluation capacity for early-stage ventures. As part of the commitment to thinking collaboratively, not competitively, impact data and case studies can move the whole field of regenerative entrepreneurship forward.

In designing the entrepreneurs pathway, we have sought to build on the long history of the RSA's support for innovators and the lessons from our pilots, programmes and Catalyst funding.

We are focusing on how to reach typically excluded entrepreneurs, with targeted interventions designed to meet their needs and aspirations. As a London-centred, privileged organisation, we know we cannot do this alone and plan to align with partners who have direct reach into the communities we do not. We want to support these communities to develop the agency, skills, ideas and connections that drive successful innovation.

We also want to work with partners who are already supporting entrepreneurs and new ventures. Our aim is not to replicate existing programmes or infrastructure to support new businesses. Rather, it is to find ways to augment these programmes and support new founders to embed regenerative principles into their ventures at the point of conception.

As the RSA develops its offer to pilot in this space, we aim to provide, not just financial support through Catalyst, but learning journeys and opportunities to connect to peers and investors, to influence change and to build social capital. Together we will work towards a world where all entrepreneurial ventures are able to support people, place and planet to flourish. ■

If your organisation believes in supporting regenerative entrepreneurship and would like to shape these pilots with us, contact zayn.meghji@rsa.org.uk

Dadima's Walk and Talk Sundays

Dadima's CIC, a free-countryside walking group based in the Chilterns AONB (Area of Outstanding Natural Beauty), received a £2,000 Catalyst Grant in 2022. Dadima's aims to connect generations and shine a light on inclusion and engagement factors experienced by people from Black, Asian and minority ethnic communities. 'Dadima' is the Hindi noun for grandmother, a name chosen "to encapsulate the wise grandmother figures across global cultures", said Subash Ludhra, FRSA, director at Dadima's.

Walk and Talk Sundays are intergenerational, educational nature walks. Dadima's promotes the benefits of such walks for physical and mental wellbeing, focusing on building intergenerational connections with people through nature, and breaking cultural stigmas around health issues. The walks also seek to encourage healthy, heritage food and cultural knowledge exchange, while focusing on underserved communities.

"We are hoping to better understand why people attend Dadima's walks and replicate our model across the country by training ambassadors to promote our community mission in their geographical areas," said Subash. These ambassadors will address agendas such as obesity, mental health and anxiety, walking for pleasure and for creative thinking, and act as nature role models for minority ethnic communities.

To learn more, contact subash@dadimas.co.uk

Images by Barry Downard

PERSONS OF TOMORROW

The competencies needed to meet the complex challenges of the 21st century

by Graham Leicester and Cassie Robinson
@graham_iff @CassieRobinson

Readers of this journal need no reminding that we live in powerful times. For many they can feel overwhelming, inexorable, exceeding our capacity for effective action, inviting resignation or even despair. Yet this sense of crisis is also provoking inspiring and powerful action. We saw this in many responses to the pandemic, memorably described by Indian author and political activist Arundhati Roy as an opportunity "to rethink the doomsday machine", opening a "portal" to a better world.

How many of us in the gathering storm of recent years have had the courage to walk through that door, and the stamina and other qualities required to stay there and make a difference? Can we learn from those who have done so about the qualities of being, doing, knowing and living together that we need to cultivate so as to flourish? These pioneers cannot carry the burden of hope alone: we all need to learn to live well in uncertainty and rolling crisis.

We are privileged to work alongside many such visionary actors. They are challenging the dominant narratives of our times, cultivating hopeful imagination, technical expertise and broad life experience to create the new spaces and patterns of life we desperately need for a viable future for humanity and our planet.

Responding to the immediate emergencies around us is vital work, but we also need people working on this deep, long-term, comprehensive and creative transition. Think of initiatives like Civic Square, a 'neighbourhood economics lab' in Birmingham that is visioning, building and investing in civic infrastructure for neighbourhoods of the future. Or We Can Make, in Bristol, who have created a localised production system for building community-owned homes. Doughnut Economics Action Lab and Open Systems Lab are both creating some of the civic infrastructure and 'hidden wiring' to support this kind of transformational work, and organisations such as Healing Justice London and MAIA are doing the culture-making, growing the capacity for imagining, community repair and healing that make all this work possible.

These groups are not just analysing the changes we need. They are creating and growing real alternatives. They know that others need to see what is possible if they are to believe it. They are designing, experimenting, iterating their way through the complexity in both a strategic and an open way. They are not building 'organisations' in the traditional sense, but rolling processes of organising, bringing together the most appropriate assemblage of roles and people for the task at hand. This itself raises tensions in a world set up for more stable institutions and traditional job descriptions.

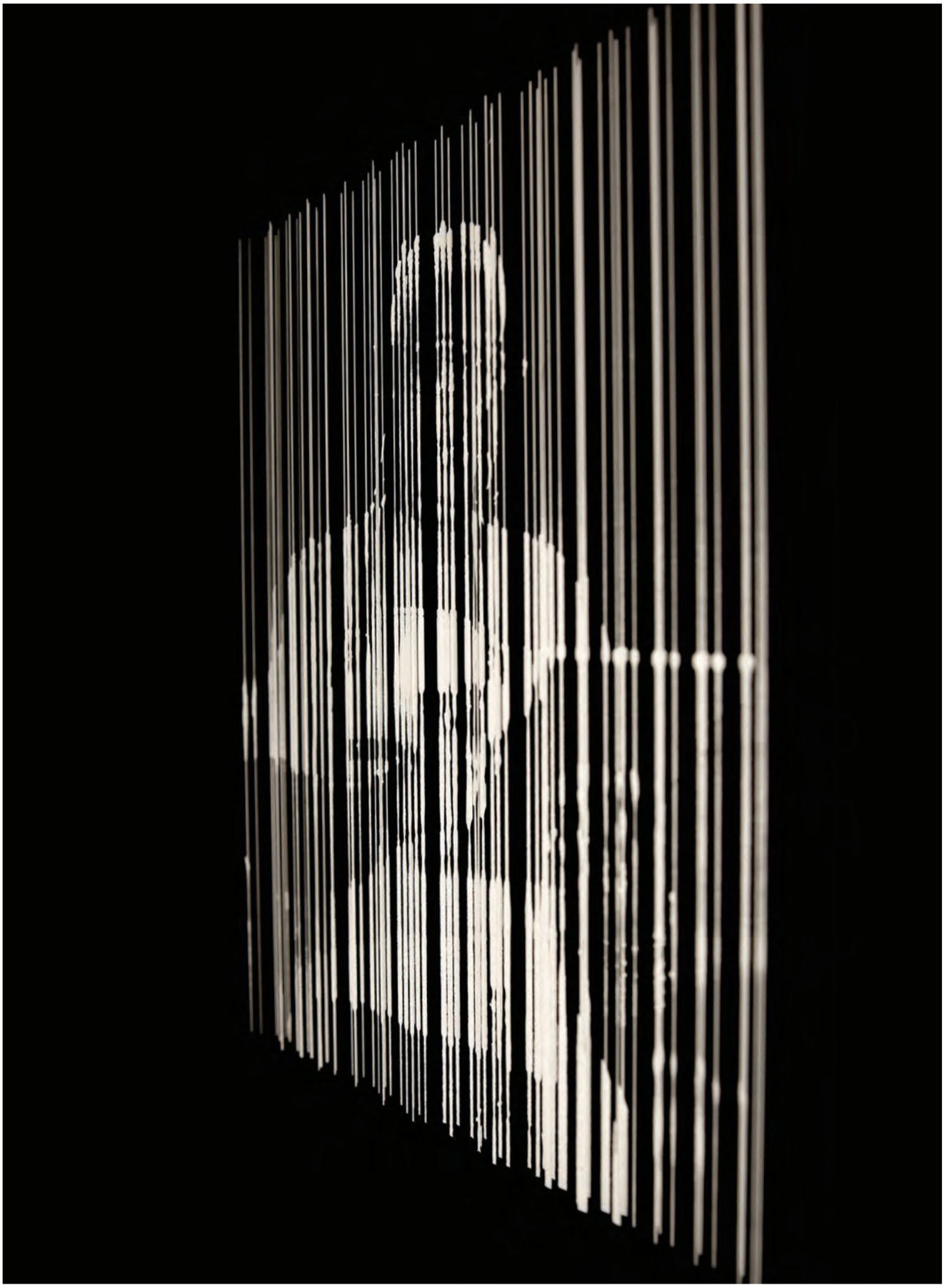
Support for system transition

These people are facing reality, and so should we.

We need to recognise how little support is available for this vital work. Directing more money into this kind of activity would be good. But those doing the work also struggle to find the people, the competencies, the specialist roles, the social infrastructure, the recognition that they need. Such support was always scarce but is now almost completely overlooked by a mainstream ▸

Graham Leicester is a co-founder of the International Futures Forum and author of *Ten Things to do in a Conceptual Emergency* and *Dancing at the Edge* (both with Maureen O'Hara)

Cassie Robinson holds strategy roles at Partners for a New Economy, Active Philanthropy and the Joseph Rowntree Foundation



"The 21st-century competencies are innate. They are already part of our rich human repertoire of responses, but undervalued, underestimated and underdeveloped in our late-modern culture"

system failing under multiple pressures, one that is drawn to short-term fixes, magic bullets and a return to 'normal'.

These pioneers are not only doing the work. If they are to create anything more than inspiring niche projects, they are also having to redesign the 'dark matter' around them: regulation, policy, rules, governance, structures and social, political and professional norms.

The professional services that exist to help support collaborative, innovative work – lawyers, legal specialists, accountants, banks, HR professionals – are inevitably still largely operating within the existing dominant paradigm. Some remain sceptical about radical forms and in any event are under increasing demand from others facing the consequences of the immediate crisis.

Pioneers are also finding it hard to find the people they need to join and progress their missions. People who can operate well in complexity, 'ambidextrous' people who can work with the old system while building the new, who are comfortable with emergence and uncertainty, and who are likely to keep their heads (and hearts and feet) while all around are losing theirs.

Our societies have not been investing in these essential capacities for living and working well in today's world, these '21st-century competencies'. Large gaps are therefore becoming apparent between our ambitions for long-term systemic change and the depth and breadth of competencies in people available to do the work.

In a famous essay from 1980, the American psychologist Carl Rogers called such people "persons of tomorrow". The good news is, as Rogers observed, the competencies they need to demonstrate are innate. But we are unlikely to reveal and develop them if we remain in thrall to the cultural story about competence that dominates today.

That story suggests, among other features, that: competence is a 'thing', a quality of the individual; it can be taught or trained to different levels by following an appropriate curriculum; it can be tested, measured and graded in the abstract; and it will ultimately win an economic return for the competent individual, their organisation or nation.

This approach has enabled a mastery of specialist competencies that has been hugely impressive, but it has become all but impossible within this context to recognise or develop the additional 21st-century competencies we now need to thrive in the world we have created.

Persons of tomorrow

For the past decade, the International Futures Forum (IFF) has been investigating how to encourage and support these competencies as part of a transformative growth response to powerful times. The inquiry has been based on sound theory, and on experience and observation of those people who display the capacities and qualities to thrive where others are struggling.

What competencies do they possess that allow them to grow through the turbulence others find so disorienting? How did they come by them? And how and where can those competencies best be developed and refined through practice?

The resulting book, *Dancing at the Edge: Competence, Culture and Organisation in the 21st Century*, written by Graham with Maureen O'Hara, a colleague of Rogers for three decades, takes a different stand in relation to competence. It follows the definition of competence drawn from an exhaustive Organisation for Economic Co-operation and Development (OECD) inquiry from 2003 as "the ability to meet important challenges in life in a complex world". The book asserts that competence is not a capacity of the individual but is always demonstrated in a human system, in a culture, in a pattern of relationships; and competencies are qualities of whole persons – they cannot be distinguished one from another, developed in isolation and mastered one stage at a time.

Further, humans come designed for a complex world. The 21st-century competencies are innate. They are already part of our rich human repertoire of responses, but undervalued, underestimated and underdeveloped in our late-modern culture. They require the right setting to show themselves and a supportive environment in which to develop. People and the setting they are in develop in parallel.

We do not need a new curriculum, or another list of skills, but rather a culture, spaces for growth, where people are guided and encouraged to express and develop their innate potential in the company of supportive others.

We know that these competencies exist because we have seen them demonstrated in practice by the persons of tomorrow all around us. When we ask groups to identify these competencies in others that they know and admire, the lists have a simple, human quality, and they look very similar in different cultures and settings. The persons who are thriving and effective agents in today's complex world are described as calm, humble, tolerant, they have a capacity for fun, are open to not knowing, curious, active (not passive), challenging of the status quo and the comfort zone, paying attention to self-care, encouraging of others, empathic, good listeners and so on.

These are foundational human qualities, aspects of whole persons, available to all of us. So how to develop them in practice?

Competence in complexity

It is now five years since the IFF began experimenting with a range of practical programmes and experiences specifically designed to develop this 'competence in complexity'. The work has taken place in all sectors – public, social, community, government, philanthropy and corporate – in a variety of geographies and across age groups. For example, a simple set of resources called 'Kitbag' is now in use in many schools and other settings around the world. The multinational life science company Bayer is offering a version of the programme to their experienced middle-level leaders to help them become comfortable and effective in a landscape of constant change. In Scotland, there was a special variant created for 'policymakers of the future'.

In all cases, the IFF has found that the first step is *awareness*. Noticing, reading and paying attention to the unconscious *psychological* dimension of the landscape allows us to perceive, recognise, feel and interpret our own and others' psychological experiences as they occur, moment by moment, and spontaneously adjust our behaviour in response to that perception.

This gives us the option of moving beyond the default defence of denial and withdrawal as protection against anxiety. We can engage with reality rather than deny it, drawing on other psychological resources and invoking a transformative growth response.

We can go further by bringing a conscious awareness to other ways in which we are already 'reading' the landscape, making better sense of what previously appeared incoherent and unstable.

We can develop *cultural literacy* – recognising the cultures in play, how we participate in them, how we can change them, the fact that every intervention is a cultural intervention – and *knowledge literacy* – bringing a conscious awareness to what counts as knowledge in our personal or professional circles, how we know what we know, 'seeing like a human' rather than seeing like a state.

This cultivation of awareness and these three literacies – psychological, cultural and knowledge – expand our natural capacity to feel at home in complexity. It is then possible to develop the capacity for intentional agency, effective action in the landscape, realising an aspirational purpose.

The Brazilian philosopher Roberto Unger describes this kind of effective agency in an otherwise confounding and possibly overwhelming landscape as "turning the tables on our circumstances". He identifies this experience, of being an agent rather than simply a victim or a bystander, as the source of hope. Agency breeds hope, not the other way around.

What we are seeding in these programmes is not a curriculum but a culture, one that feeds life and allows us to recover what we have lost in the modern world, reconnect with sources of life and vitality, recover our full personhood. This feels like a vital missing element in all the talk of systems change and social innovation.

As Carl Jung said, "we do not solve our problems, we outgrow them." ■

Artwork by Remco Kingsman (prettynicecart.com)

"Even in relation to profound problems, over a longer period, you can make a huge difference"

Geoff Mulgan interviewed by *The Times'* Rachel Sylvester

@geoffmulgan @RSylvesterTimes

Geoff Mulgan CBE is a professor at University College London and a former CEO of Nesta, Director of the government's Strategy Unit and Head of Policy in the Prime Minister's office. He is also the author of many books, including *Another World is Possible: How to Reignite Social and Political Imagination*

Rachel Sylvester is a political columnist and interviewer at *The Times* and chair of *The Times* Education Commission. She is also a co-presenter of the Times Radio podcast *Past Imperfect*

Rachel Sylvester: We're talking at a time of huge political volatility and changes in UK leadership. As someone who spent years working in Downing Street, what advice would you give the new prime minister about getting Number 10 and the Whitehall machine to work?

Geoff Mulgan: What has been striking about recent leadership campaigns is that there was almost no discussion of the big issues of the next 10 or 20 years, and therefore very little clarity about what the roadmap is. The great risk for any leader is to be pulled into the tyranny of the immediate, and therefore not give any roadmap to the government machine, let alone the country, about what they can achieve that will look like a great success from the vantage point of 2030 or 2040.

Since the financial crisis, horizons have shrunk for British leaders and leaders globally. As a result, there are surprisingly few fields where there is a clear 10-year strategy. The government needs a plan for productivity, hopefully aligned with net zero, which isn't just rhetoric about cutting red tape and cutting taxes, which almost no one believes will fuel growth. It's quite hard to be a plausible Conservative prime minister without some story about how you will grow the cake as well as how you will distribute it; we are in the extraordinary position where, for a large proportion of the population, incomes have not risen for 15 years and real earning power is declining faster than anyone can remember.

Sylvester: In your new book, *Another World is Possible: How to Reignite Social and Political Imagination*, you talk about taking a more optimistic approach to politics. Are people right to feel pessimistic?

Mulgan: The pessimism is partly grounded in realism and partly not. Obviously, if incomes are stagnant for long periods of time, people become pessimistic and it's not surprising they think their kids will be worse off. And it is right to be deeply troubled about climate change. But I'm struck by how many people have no sense of a positive alternative, of what our welfare, our healthcare, our democracy could look like a generation or two from now. It is not obvious they have to be worse than in the past. Even many pretty well-informed people are unaware of the gains made and we've lost the calibration of realising that, even in relation to profound problems, over a longer period, you can make a huge difference.

I do a lot of work in Scandinavia, which has a different political culture from the UK, with leaders who are much more comfortable talking 20, 40 years into the future. They have ambitious net zero goals, want to reduce inequality and modernise democracy. We should be thinking about what we can take from those examples, and the key is to be more realistic about what our options are rather than embracing glib rhetoric or a misleading pessimistic fatalism.

Sylvester: What or who is driving this short-termism?

Mulgan: Both the Conservative and Labour parties, at various points in the past, had big teams in research departments whose job was to think ahead many years into the future. That's almost completely gone. Parties around the world are hollowed out, only focused on immediate tactics and communications.

I also blame universities. For quite complicated multiple reasons it's become almost career-threatening to work on designing possible options for a generation from now as opposed to either analysis of the present or the past, or critique. You can find fantastic analyses of history or the recent past, or diagnoses of what's gone wrong in, for example, the British economy, but in terms of prescription, it's much thinner gruel.

The media also play their part. For example, the BBC does every now and again try and have programmes looking at options for the future, but most media find it much more comfortable to talk about disaster than options.

Sylvester: Is social media creating this treadmill of short attention spans and divisive politics? It's harder to make long-term decisions when politics is polarised.

Mulgan: Without doubt, social media has fed the sense of living in an eternal present, without either historical depth looking backwards or a sense of how the present relates to an unfolding future. We've chosen social media designs which exaggerate polarisation, emotion and anger, although there are alternative designs out there which help groups come closer to a consensus or ensure that they engage with facts and analysis as well as feelings and emotion.

Particular business models of dominant social media have distorted our public culture in unfortunate ways. I've had many discussions with teenage activists who were both very motivated and dynamic and yet also deeply pessimistic about the future. They couldn't articulate what might a better world look like when they are 50 or 60. These students – and politicians I've spoken to about this – found it very easy to describe ecological disaster or technological futures of drones and robots and rampant AI and genomics. But ask them to describe a plausible welfare system and there was nothing there. That's why I've concluded we have a profound crisis of imagination which, though we may be legitimately pessimistic about real factors like climate change and stagnant income, fuels an excessive negativity and fatalism about the world around us.

Sylvester: In your book, you draw a contrast between this pessimistic activism of young people now and the more optimistic idealism when you were growing up. One in six young people are suffering from a form of mental health disorder. Is that to do with this sense of anxiety about the world and, if so, what can we do to tackle that?

Mulgan: *The Lancet* did a brilliant study earlier this year showing how well-informed – globally – young people are about the threat of climate change, but how pessimistic they are about the prospect of action, their lack of confidence in the key institutions being able to do the right thing, and their sense that the older generation don't really 'get it'.

There is a parallel shift going on, which is very important to political imagination, which is how we think about health. Back at the dawn of the welfare state, it was assumed the job of the state was to deal with our material realities and physical needs, while mental health and wellbeing was a job for the family or the community. Now, majorities in every part of the world put mental health on an equal footing to physical health in terms of its priority. Yet we spend vastly less on it, have far less systematic evidence about what works or what is to be done.

Sylvester: I did an interesting interview with Salman Khan of Khan Academy, who thinks one of the explanations for the mental health crisis among the young is that there's very little personalisation in education and that children feel very disempowered at school. He thinks the solution is to give children and young people more agency over their lives.

Mulgan: Yes, agency is as crucial as cash or economic prospects. That is true in all our lives. If we feel we're just passive victims of external forces, then it's not surprising we become depressed and pessimistic.

In terms of agency in schools, I would rather that children from a very early age were experiencing the exercise of power, ideally embedded into the curriculum. In Paris, a part of their very large participatory budget goes to schoolkids to allocate the cash. They're learning democracy from a very early age and democracy in the sense of taking

"We've lost the capacity to think both radically and imaginatively, and in many ways the competence of everyday systems has significantly deteriorated"

responsibility for decisions, not just telling a government what to do differently.

I'm sure that the rhetoric around taking back control, which fuelled Brexit and politics around the world, is a response to this sense of lost agency. There's very striking research in many countries into how isolation fuels fatalism or authoritarianism, and a pathological loop of lost agency, which then leads you to project agency onto a distant leader, hoping that they will fix everything for you. A sense of mutuality, agency and optimism are all closely connected. We thrive best with others, with the sense of possibility in the future, and not just being passive recipients of others' commands.

Sylvester: You chose to use the word 'imagination' in your book. Is there a danger that it ends up feeling fantastical?

Mulgan: I deliberately used it. That may be, paradoxically, because I'm now in an engineering department, so I spend much of my life surrounded by people working on technology, where (as in the sciences) it's taken for granted that you need imagination about what could be possible, and you need extreme competence and efficiency in implementation. The same is true in politics and in society. You need creative, expansive imagination, which is willing to think about things which aren't possible now, and that must be allied to rigorous, efficient implementation.

In those parts of the world which are more comfortable with the long term, which includes Scandinavia and East Asia, imagination and implementation are twins rather than alternatives. The sad thing about the UK is we've lost both at the same time. We've lost the capacity to think both radically and imaginatively, and in many ways the competence of everyday systems has significantly deteriorated in the last 10 years, whether it's the Whitehall civil service machine, our railways, or parts of the NHS.

Sylvester: Is it partly that politicians seem so powerless compared with large corporations?

"Politicians have a lot of power. What they haven't often got is good thinking about how to use it"

Mulgan: Certainly, the tech giants have had the space to think radically and imaginatively and have completely reconfigured whole fields in ways politicians haven't. But I don't buy the argument that all power has gone from governments to business. Every time there's a crisis, you see how wrong that is. We saw that in 2007/8, when governments moved incredibly dynamically to fix the crisis of the market – which the banks and Google and Facebook certainly didn't have the capacity to fix – and we saw it during the pandemic, when so many governments moved with extraordinary speed to create new payment systems, lockdowns and fund vaccines.

Politicians have a lot of power. What they haven't often got is good thinking about how to use it. They need to be smarter about how they use their power and about collaborating, because almost all the big issues of the next generation or two are transnational issues, and the nation state on its own won't be able to do very much; they will have to band with others.

Sylvester: Using your imagination, how do you think the world is going to look different in the future? Let's start with the NHS.

Mulgan: It probably will still exist. Britain is very much an institutional society, whether that's the Royal Family, or Parliament, or the BBC or the NHS, and I hope the Prime Minister realises that. It's been very unfortunate that in recent years the Conservatives have set themselves against so many of those institutions.

My imagination of health in 20 years' time would be in some ways a much broader, richer one, where we look at almost everything through a health lens. While our culture has gone in that direction, our policies and our institutions are still a generation or so behind. My vision of a healthy, thriving health service is a 'whole of society' approach to health, from primary schools to the design of city centres and streets and transport, to dealing with food.

Sylvester: What about education? I've spent the last year chairing *The Times* Education Commission, and what's so clear is the system currently is stuck really in the 20th or even – in some ways – the 19th century.

Mulgan: Any profound shift of paradigm takes a long time, as so many people are embedded in a previous model of doing things. I'd love to see schools change in that direction, and universities perhaps even more, so they can be part of solving the problems of the future rather than just analysing or commenting from

"This is perhaps the heart of the task of political leadership and imagination: it has to offer a roadmap to a better future, but also to acknowledge and have respect for the things of the past"

a distance. One version of that I call 'exploratory social science', where, as a matter of course, a big university would have, as part of its work, a focus on future designs. This could be like what Cardiff launched back in June this year, which is a social science park situated between the university and the outside world, in which you have people from the government, from the city, charities, campaigners, as well as academics, working together on big, long-term problems, like policy for disability or race. Every big city should have something like that.

Sylvester: You write about how there is this sense that we are in a pivot moment, both in terms of the balance of power in the world, but also the shift in the need to change on green technologies and the rise of AI. This is inevitably anxiety-inducing.

Mulgan: Absolutely, and we will have to say goodbye to many things. I've always loved Turner's painting *The Fighting Temeraire*, which shows a beautiful old sailing ship being pulled in by the ugly little steam tug to be broken up. That was a period of profound transition in Britain, from its great era of oaken ships to the Industrial Revolution, and that involved huge pain, huge suffering and a huge loss of meaning as well as loss of jobs and livelihoods. The transition from a carbon economy is just like that. Saying goodbye to any of that is difficult and painful. This is perhaps the heart of the task of political leadership and imagination: it has to offer a roadmap to a better future, but also to acknowledge and have respect for the things of the past and not to dismiss them. To have a roadmap for that transition where the losers – and there will be losers – are compensated for their loss, because in aggregate we will all benefit.

The worst response is just nostalgia, to promise to go back and make Britain great again. That is a complete dereliction of duty.

Sylvester: How optimistic are you about the political system grasping this mettle and understanding the scale of the challenge and really harnessing the idea of imagination?

Mulgan: Our democratic institutions in Britain, as in most of the mature democracies, are still 19th- or 18th-century creations. It's just not a logical way to run democracy now, either in terms of expressing the multitude of complex wishes and needs people have, or in terms of mobilising the knowledge of the world to help guide those decisions. A lot of innovation is happening around democracy all over the world, but the old democracies are still very resistant to change, including in Britain, and this fuels a profound secular decline of confidence in democracy, particularly amongst young people. It's not just that they see it as ineffectual, but it just looks so different from what they take for granted in the world of work or retail or relationships or travel or entertainment, all these other fields which have been revolutionised in the last generation.

Sylvester: What would you do about the political parties? Because that old Left/Right grouping feels completely archaic and not able to deal with any of these modern issues.

Mulgan: A few years ago, I held some events where we brought together the new political parties of the last 15 years from around the world and the UK's old ones. Many of [the new parties] use completely different organising methods, and I naively thought the old parties would at least try to copy their best methods. But they copied literally nothing. That is really striking. I'm not a great fan of electoral reform but, at least in other countries, having a more open electoral system makes it easier to create new parties, new models and to put a bit of competitive pressure on the old ones.

Sylvester: Would you ever stand for Parliament yourself, or want to be a Minister?

Mulgan: I don't think I'd be very good as the front-of-house person. Essentially, my career has been a mixture of top–down (working in governments in Singapore, Australia, UK) and bottom–up (working on campaigns or setting up NGOs or social innovation), and I still think the best change comes when there is a kind of pull between the top–down and the bottom–up. This is a very simple shift where on every issue you look at how the top–down and the bottom–up combine. But it is one that is still alien to our London/Westminster political culture, but not to organisations like the RSA, which is full of people who live their lives in that everyday social innovation world. ■

Images by Kristian Coomber /Wardour

UNDER THE MICROSCOPE

Science can save us, but only if we let it

by Martin Rees
@LordMartinRees

In our responses to Covid-19, we were told to 'follow the science' and there has never been a time when 'experts' have had such public prominence. Indeed, in its response to the pandemic, science has been our salvation, driving an urgent worldwide effort to develop and deploy vaccines, combined with honest efforts to keep the public informed.

The hope is that we will learn from Covid-19, enabling nations to cope better with emergent pandemics in the future. Novel viruses can emerge unpredictably at any time and spread with devastating speed. And we are now more mindful that our fragile and interconnected society is vulnerable to other 'high consequence, low probability' scenarios – massive cyber-attacks, cascading failures of crucial infrastructure, or nuclear war – whose likelihood and impact are rising year-by-year. New technologies offer not only huge benefits but also create new ways for humanity to harm itself, via the consequences of error or terror.

There is a linked set of challenges that do not rise sufficiently high on political agendas because they are not 'immediate'; indeed, they require actions spanning timescales longer than the electoral cycle.

Foremost among these is preserving the 'natural capital' embodied in our planet's environment. In earlier centuries, the benefits garnered from the natural world seemed an inexhaustible resource. The worst terrors humans confronted – floods, earthquakes and diseases – came from nature, too. But we are deep in the 'Anthropocene' era. The human population, now approaching 8 billion, makes demands on energy and resources that are not sustainable without new technology, threatening irreversible changes to the climate and mass extinctions. Novel technologies – especially bio and cyber – are socially transformative but open up the possibility of severe threats if misapplied. The worst threats to humanity are no longer 'natural' ones: they are caused (or at least aggravated) by us. We are living in the first era of Earth's 45-million-century history when one dominant species – ours – can determine, for good or ill, the future of the entire biosphere.

Rising to the challenge

There are some reasons for good cheer. Advances in health, agriculture and communication – the fruits of scientific discovery – have boosted the developing as well as the developed world. Everyday life has been transformed in less than two decades by digital technologies and we would have been far less able to cope with lockdowns without these facilities. Computers double their power every two years. DNA sequencing is a million times cheaper than 20 years ago: spin-offs from developments in genetics could soon be as pervasive as those we have already seen from the microchip.

Without earlier scientific insights, we would be denied the everyday benefits of electricity, vaccines, transport, the internet and AI. We should be evangelists for new technology, not Luddites. It is essential, for instance, for the expanding population of the global south to have enough food and enough clean energy ▸

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at affordable prices. At the same time, many of us are anxious that technologies are advancing so fast that society may not properly cope with them.

There are other reasons to be anxious. Inequalities within countries, and between countries, are vast. Rapid advances in science raise profound questions. Who should access the 'readout' of our personal genetic code? How could lengthening lifespans affect society? Should we build nuclear power stations or wind farms if we want to keep the lights on? Should we use more insecticides or plant genetically modified crops? Should the law allow 'designer babies'? How much should AI be permitted to invade our privacy? Are we prepared to accept a machine's decisions on issues that matter to us?

Such choices – decisions on how science is applied – are not just for scientists to make but should involve us all. In any democracy, they should be preceded by wide public discussion. But for this to rise above the level of tabloid slogans, we all need a 'feel' for the key concepts underlying modern technology, and an understanding of the natural world (including humans). Equally important, we need to be mindful of how incomplete and provisional our knowledge is. This said, science's findings are not only the basis of everyday technology but are also of sufficient intrinsic interest that they should be part of our common culture.

Acting for the long term

The challenges posed by the pandemic were unprecedented (at least in peacetime) in their urgency, impact and global scope, but that does not mean that we will not face further shocks. At the same time, the threat of anthropogenic climate change looms over the world; it is predictable, but gradual and insidious. This is a 'global fever', in some ways resembling a slow-motion version of Covid-19. Both crises aggravate the level of inequality within and between nations. Those in the megacities of the developing world cannot readily isolate from rogue viruses, their medical care is minimal and they are less likely to have access to vaccines. Likewise, it is those countries, and the poorest people in them, that will suffer most from global warming and its effects. Climate change and environmental degradation may well, later this century, have global consequences that are both graver than those of pandemics and potentially irreversible.

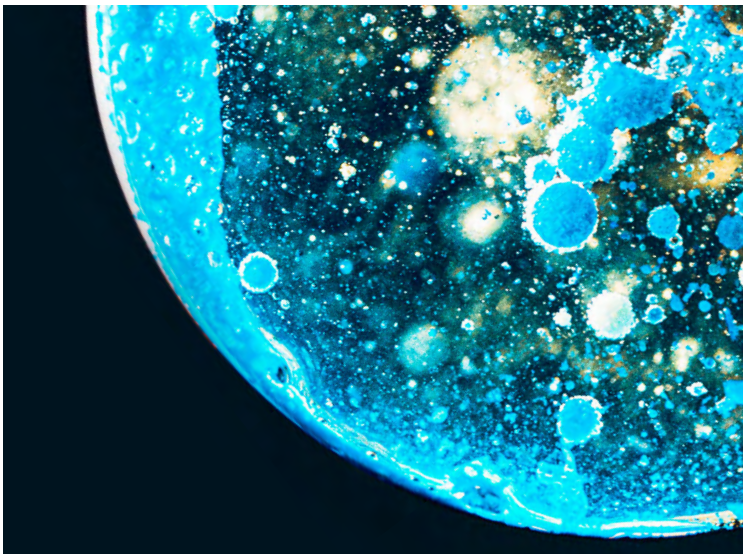
But potential slow-motion catastrophes do not engage the public and politicians – our predicament resembles that of the proverbial boiling frog – content in its slowly warming tank until it is too late to save itself. Well aware of the threats, we fail to prioritise countermeasures because their worst impact stretches beyond the time-horizon of political and investment decisions. Politicians have minimal incentive to address longer-term threats that are not likely to occur while they are still in office, and which are most devastating in faraway parts of the world.

For change to happen, we need a scientifically aware, energised and inspired public, pushing their governments to prioritise measures crucial for future generations. Except in emergencies, scientists have meagre direct influence on policy; they must enhance their leverage by involvement with NGOs, via blogging and journalism, and by enlisting charismatic individuals and the media to amplify their voice and change the public mindset. The rise in activists, especially among the young, gives us grounds for hope. We have also seen the potential power that people such as David Attenborough and Greta Thunberg have in shifting public perspectives and the rhetoric of the business sector. We need more people who can influence us and our political leaders, who resonate with science but can inspire the ethical guidance and motivation that science alone cannot offer.

The role of scientists

Scientists have a responsibility to ensure that, when their findings can lead to practical innovations, these are beneficial; they should speak out (and, when appropriate, inform their governments) against potentially unethical or dangerous applications. They should help governments to decide wisely which scary scenarios can be dismissed as science fiction and how best to avoid the serious ones. We also need social scientists to help us envisage how human society can flourish. But, when both stray beyond their specific field of expertise (as individuals or via other professional bodies), it is equally as important to recognise that they speak 'only' as 'concerned citizens'.

As H. G. Wells wrote a century ago, we are in "a race between education and catastrophe". It is crucial that enough talented people should opt for scientific careers and that, when they do, there are sufficient incentives and appropriate opportunities for tertiary education. More broadly, a basic science education is important not just as a first step for would-be professionals, but also to ensure that all of us understand enough to feel at home in our high-tech world, participate in debates on how science is applied and avoid being bamboozled by statistics or 'fake news'. Yet, formal education is one of the most sclerotic aspects of UK society; the US offers greater flexibility, but at school level the whole Anglo-Saxon



Close up of water molecule. Images from Getty

"It is deeply imprudent for nations to ignore potentially catastrophic scenarios and not prioritise precautions to minimise the risk they pose"

world can learn lessons from Scandinavia and the far east. The world is changing so fast that learning must be a lifelong process that needs to be inclusive and flexible, not restricted to a privileged minority.

A safer world?

These challenges are global in nature and consequence. The threats of potential shortages of food, water and natural resources, and transitioning to low-carbon energy, cannot be solved by each nation separately, nor can the regulation of potentially threatening innovations, especially those spearheaded by globe-spanning conglomerates.

It is deeply imprudent for nations to ignore potentially catastrophic scenarios and not prioritise precautions to minimise the risks they pose. The global cost of Covid-19 has been estimated at $10tn (£8.9tn) in addition to the millions of deaths and the infection of hundreds of millions. Given this, a world investment of hundreds of billions of dollars in early planning and preparedness would not have been disproportionate, as it would have significantly mitigated the pandemic's spread and impact. Other grand challenges need resources on at least this scale.

Science is also truly global in culture. We need to deepen international contacts among professionals, in universities and colleges, and to strengthen international organisations and academies. In a 'new world order', nations will need to yield more sovereignty to new organisations along the lines of the International Atomic Energy Agency, the World Health Organization and so on.

As science's potential becomes more powerful and pervasive, it is ever more crucial to ensure that it is deployed optimally, and that the brakes are applied to applications that are dangerous or unethical. But we must expect technology-driven changes in lifestyles even though we cannot predict the innovations that will drive them. These will happen on a timescale of decades, playing out against a shifting backdrop of political tensions between the 'west', China and the global south. While faster than the overall societal changes that occurred in earlier centuries, it is still slow enough to give nations time to plan a response: to mitigate or adapt to a changing climate, to modify lifestyles and to achieve sustainable modes for food and energy production.

Such transformations are possible in principle, as most of the relevant science is already known, though there is a depressing gap between what is ethically and humanly desirable and what actually occurs. Let us hope that the pandemic will change mindsets towards a greater awareness that 'we are all in this together'. There are a few rare times when there seems special motivation to focus on the prospects for all of humanity. This is one of those times.

But even if there is no scientific impediment to achieving a sustainable world beyond 2050, the politics and sociology can engender pessimism. Will richer countries recognise that it is in their self-interest for the developing world to prosper, sharing fully in the benefits that science offers? Can the focus of our sympathies become more broadly international? Can nations sustain effective but non-repressive governance in the face of threats from small groups with high-tech expertise? And, above all: can our institutions prioritise projects that are long-term in political perspective even if a mere instant in the history of our planet? ■

HOMES FOR GOOD

A Scottish social enterprise letting agency is creating a roadmap for the private rented sector

by Susan Aktemel

@susanaktemel @HomesForGood

Home is the foundation for all our lives. At Homes for Good, we believe everyone deserves a home where they feel safe and happy.

In the UK, approximately 19% of households sit within the private rented sector (PRS). This amounts to approximately 325,000 homes in Scotland and includes more people than live in housing association properties. Yet the PRS is fraught with challenges and has a poor reputation for quality, cost and even criminal practice. Landlords are often unfairly demonised in the press and a target for ever-increasing government intervention, although it is widely accepted that 'problem' landlords are a tiny minority.

The size and shape of the PRS in the UK has shifted dramatically in the last 15 years. According to the Office for National Statistics, the number of households in the PRS in the UK increased from 2.8m in 2007 to 4.4m in 2022. Traditionally the home of students, young working professionals and people who rent as a lifestyle choice, it is now an essential part of the housing ecosystem, with people of all ages and income levels relying on a privately rented house or flat as their home.

In 2006, I became a private landlord in Glasgow, and for years I relied on local letting agents to look after my tenants and my portfolio. I grew increasingly frustrated with the poor practice I experienced and eventually decided to create the letting agency I needed and wanted: ethical, friendly, transparent, professional, values-led and with social aims at the heart of the business.

Homes for Good, the first of its kind social enterprise letting agency in the UK, was born in 2013. It grew organically, attracting landlords through word of mouth and professional networks, and we quickly caught the attention of the housing world at a regional and national level.

I then focused firmly on tackling what I saw as the biggest issues: social housing waiting lists and the dreadful quality at the lower end of the PRS. People on low incomes and in receipt of benefits have extremely limited housing choices – they will wait years for a housing association property to become available – leaving the PRS as their only option. Many landlords and letting agents simply do not want to rent properties to people on benefits, with a general perception of heightened risk around arrears and damage. Seeing there was both an acute social need and a unique business opportunity to address, I set

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Image by Wardour

out to create a housing portfolio of well-designed, high-quality, low-cost homes that would be affordable for people on low incomes.

We knew that reaching our goals to improve quality and management within the PRS and create access to quality homes for people on lower incomes would require significant investment, but with a viable business model and strong social impact, the case was compelling and the long search for backers began. In 2014, we created Homes for Good Investments, with venture capital and bank debt, using funds from social impact private and institutional investors. With an initial plan to raise £6m to create 100 homes in Glasgow, to date we have raised £20m and have created over 300 homes using a simple model: buy at the right price in the right place, renovate, interior design and furnish, then let to the people who need them. We plan to raise £20m to create a further 200 homes in Glasgow – the need is both endless and urgent.

Currently, over 450 people live in our homes, with over 90% on low incomes and receiving benefits to support their living costs. Around one-third of our tenants were homeless prior to living in our properties, around a quarter are young people in their first homes, and many of our tenants have additional support needs around mental health, addiction and disability. The Homes for Good model is also unique for our approach to building relationships with and supporting our tenants, whether young working professionals or elderly tenants on benefits. Our interior design programme, Love Home, engages with tenants who may be struggling with their home environment. All of this contributes to longer tenancies and tenants who feel safe and secure in their homes. As well as having deep social impact, it makes business sense.

As a now thriving social business group of four companies, our target is to grow to 1,000 homes under management by 2025 and to cause a 'ripple effect' in the PRS across the UK and beyond. Over the last three years, we have been supported by the National Lottery to work with interested people and organisations to disseminate our model and to replicate our approach in other UK towns and cities. In the context of rapidly increasing housing shortages across the social and private sectors, a quality, values-led approach to providing a place to call home has never been more critical. ■

POWER STRUGGLE

European leaders must strike a grand bargain to untangle the crisis in the energy market

by Ben McWilliams, Giovanni Sgaravatti, Simone Tagliapietra and Georg Zachmann
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In energy annals, 2022 will be remembered as the year of Europe's great energy crisis. This year, Europe has experienced an energy situation every bit as concerning as the oil shocks of 1973 and 1979, which profoundly impacted the global energy and political order. Over the course of the year, three shocks have rapidly converged, pushing the continent into an energy crisis and upending Europe's energy market: the effects of Covid-19; Russia's invasion of Ukraine and related sanctions on oil and gas; and a series of unlucky coincidences.

Public policy has discouraged upstream fossil fuel investment, but has not accelerated sufficiently the deployment of alternative clean energy sources or reductions in fossil fuel demand. This has resulted in a profound energy supply–demand imbalance in the context of the bounce-back of global energy demand after the peak Covid-19 crisis. Next came Russia's weaponisation of energy and its invasion of Ukraine. Russia has been manipulating European natural gas markets since summer 2021 by substantially reducing exports and failing to refill Gazprom-owned storage sites in the EU ahead of last winter. This move, initially considered to be part of Russia's strategy to push Germany towards a quick certification and entry into operation of the newly built Nord Stream 2 pipeline, saw another potential explanation when war began.

Since spring, Russia has used its remaining supplies as a geopolitical weapon to divide the European front in support of Ukraine, notably, by reneging on long-term supply contracts that were considered sacred by European partners. After initial cut-offs to Poland and Bulgaria, Gazprom cut supplies to a dozen additional European countries and substantially reduced flows to its main markets, Germany and Italy. By early July, Russia was only sending one-third of previously anticipated volumes of gas overall. As a result, gas prices in the EU have exploded more than tenfold and governments are nervously trying to protect consumers against this price shock by handing out billions in subsidies. Europe managed to compensate for reduced Russian supplies by importing record levels of liquefied natural gas (LNG), most notably from the US. At the same time, several new gas deals have been signed by European governments with alternative suppliers, namely in Africa, with additional supplies expected to come online over the coming years.

Finally, a series of unlucky coincidences exacerbated an already tight energy situation. Corrosion problems pushed France to temporarily shut down half of its nuclear power plants, increasing the need for gas in power generation. A severe drought in parts of Europe compromised not only hydropower generation, but also thermal plants that require cooling and coal-fired power plants that rely on waterways to deliver coal. As extreme weather events become more frequent, this situation raises a longer-term issue around the impacts of climatic change in electricity production.

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"Policymakers must explain to citizens the impending trade-off between household energy consumption and the preservation of jobs and peace"

Disruption to demand

The consequence of the convergence of these three shocks has been an extremely tight supply–demand balance both globally and within the EU. As almost all fuels are affected, short-term fuel-switching supply elasticities are close to being exhausted (a typical example would be between gas- and coal-fired power generation). Instead, demand reductions – both actual and anticipated – now play an outsized role in price setting (any bearish outlooks for energy prices are typically predicated on a recession eroding demand).

High prices and forced demand reduction result in a huge political problem for all countries. Accordingly, governments have tried to address this exceptional situation with exceptional policies. European countries are spending more than 1% of GDP propping up energy systems, with subsidies often tied directly to the consumption of energy, thus boosting demand. An ever-growing range of ideas for how to intervene into energy markets to address the crisis are being discussed, from the joint purchase of natural gas to energy price caps, rationing plans and nationalisations.

Both the impact of the energy crisis – which varies between regions – as well as differing national policies to address the crisis will shape the physical and institutional setting of the European energy sector. For example, excessive nationalisation of energy policies will substantially undermine the ability of Europe to cope with the current crisis and imply jointly choosing a steeper path toward decarbonisation. With each government focused on ensuring its own security of supply, the EU as a whole risks building substantial gas overcapacity. This would be an inefficient use of resources and risk entrenching new interest groups opposed to a speedy phase-out of natural gas.

The reality is that Europe might not have enough energy to fully meet desired demand over the coming winter. This represents Europe's greatest systemic risk right now from both an economic and political perspective. A disordered energy crisis would not only push Europe into a spiral of economic recession and social tensions, but also expose its political unity to the risk of energy protectionism. This would weaken its foreign policy, most notably its stance against the Russian aggression in Ukraine.

Putin's strategy to weaken Europe's support for Ukraine by weaponising energy is now clear to all. For European leaders not to succumb, they must rapidly prepare a counter-offensive for what will be a difficult winter. Choices over how to manage limited energy supply will shape the future of Europe's energy system and have wider political ramifications. If managed correctly, deeper integration and accelerated investments can allow Europe to defeat Putin's strategy and drive transition toward cleaner and more affordable energy.

EU's grand bargain

To this end, European leaders must strike a grand bargain to pool the diverse untapped energy potentials of member states in order to unwind the EU from the dependency on Russia and lay the foundations for a rapid wave of clean energy investments. But what steps must be taken for this to happen?

First, all countries must honestly and immediately exploit every available supply-side flexibility to the European energy market. This will require painful political compromises. German nuclear power might

reduce gas dependency on Russia by 10%. Dutch gas fields could contribute a significant amount. Stronger imports from Ukrainian nuclear plants could displace a few percentage points of gas-burn, and temporarily lowering pollution and labour-time standards even in less Russian energy-dependent countries would help supplies. Energy security is challenged as never before, and some trade-offs with social and environmental goods must be temporarily reassessed.

Second, agreeing to jointly procure gas on international markets will reduce the risk that the unity among member states might erode as they outcompete each other over limited supplies. Moreover, joint procurement promises to lower financial and political costs for gas and might allow the EU to use pooled gas volumes to provide energy to the most severely hit consumers.

Third, all countries must make honest and comprehensive efforts to reduce demand. This requires serious and straightforward communication to the public. Policymakers must explain to citizens the impending trade-off between household energy consumption and the preservation of jobs and peace. To achieve this, countries need to ensure that all consumers have strong incentives to reduce consumption. European leaders should agree to stop directly subsidising energy consumption and instead agree to subsidise energy saving. Regulatory tools such as vehicle speed limits or changing minimum temperature rules for buildings need to be on the table. Politically unlocking untapped energy supply and demand reduction potential in Europe will substantially alleviate market pressures.

The fourth crucial element of the grand bargain will be to secure a political commitment to maintain a well-functioning European energy market that ensures that molecules and electrons flow to where they are most needed. Instances of fragmentation of the EU energy market, such as the 'Iberian exception' (in which the European Commission allowed Spain and Portugal to decouple the price of gas from that of electricity for a fixed period), must be contained as much as possible and be, indeed, exceptional.

Fifth, European money should be pooled for providing compensation for difficult domestic decisions. For example, households in Groningen should be compensated for increased tremor risk from gas drilling, and it is not the Dutch government who faces strong incentives for doing so. Given the importance of the gas field for the EU's security of supply, the compensation should come from an EU instrument. Likewise, in terminating Algerian gas contracts and allowing gas to flow into Italy, Spain should be reimbursed the substantial price differential to more expensive LNG. Compensating demand reduction in southern Europe might also be facilitated by providing joint incentives.

Sixth, and crucially, the poorest in society exposed to energy poverty are more vulnerable than ever and continue to need support. National governments should provide lump-sum transfers or other social aid that does not weaken price signals for reducing energy consumption. Given the massive fiscal imbalances in the EU, in this case, a joint European fund might be considered.

Finally, short-term imperatives must not detract from the deployment of long-term solutions to reduce fossil fuel consumption. Investment in clean energy technology and the associated infrastructure is an essential part of escaping the energy crisis and meeting the EU's decarbonisation targets. This crisis is an opportunity to invest in further connecting Europe's energy grids, which will improve resilience to future shocks and facilitate a cost-efficient transition. One estimate, from green thinktank Ember, is that the EU must double the pace of wind and solar deployment to meet its goals based on limiting global warming to 1.5C. The current permitting process is slow and a major obstacle to rapid renewables deployment; it should be simplified and accelerated.

Scaling up deployment of renewables and long-duration storage, more rapid electrification for heating, public transport solutions and clean mobility, among many other decarbonisation measures, should all be reinforced. Such long-term investment will improve energy security and decisively eliminate Europe's dependence on Russian gas.

Underpinning this bargain will be commitments to ensure efforts are equalised around the continent. In many cases, however, efforts will not be equally distributed. Relatively well-supplied countries will have to take action largely for the benefits of their neighbours. The creation of the above-mentioned European fund, alongside an EU-level agreement on redistribution, must be accompanied by a political commitment to maintain a well-functioning energy market ensuring flow to where it is most needed.

By sealing a special declaration on a European grand energy bargain, EU leaders would commit their governments to a coordinated and fair approach to the energy crisis. This would bind ministers and regulators, guiding them through the difficult choices they will have to make. Choices over how to manage limited energy supply will shape the future of Europe's energy system. If managed correctly, deeper integration and accelerated investment can allow Europe to defeat Putin's strategy while also pushing the transition toward cleaner and more affordable energy. ■

Image by Peter Crowther

GOVERNANCE MATTERS

The long-term success of social enterprise depends on establishing secure frameworks

by Nancy Neamtan and Marguerite Mendell

Nancy Neamtan works in the field of the social economy, community economic development and social finance. From 1996 to 2016 she was a founder and CEO of the Chantier de l'économie sociale, a Quebec-wide organisation that works to promote and develop the social economy as a component of a new development model

Marguerite Mendell is an economist and professor emeritus at Concordia University (Montreal), and a co-founder and director of the Karl Polanyi Institute of Political Economy

The past few decades have seen a groundswell of initiatives, movements and networks emerge with the expressed goal of integrating social and environmental objectives into the very processes of enterprise and overall economic development. In the early 1990s there was a crystallisation around the concepts of the 'social solidarity economy', particularly present in Francophone and Hispanic regions of the globe, and of 'social enterprise' in Anglo-Saxon contexts.

Today, this expanding reality refers to a wide range of practices and legal forms of governance and ownership with diverse missions. In all cases, this approach to enterprise development questions the traditional cleavage between economic, social and ecological imperatives. While, in some cases, the ecosystems that support this shift are well integrated into the existing development model, in others, new or renewed business models form part of a more recent and broader movement to democratise the economy, responding to ecological and social transition. Examples range from the rapid growth of social enterprises in countries such as Australia and the UK, the increased recognition of the societal impact of the social and solidarity economy (SSE) – including the UN taskforce on SSE – as well as wider calls for a systems approach to addressing the root causes of socio-economic and environmental challenges worldwide.

In all cases, this context highlights the importance of governance and ownership – both within the enterprise and more broadly in economic development processes – as key determinants of the potential wider social impact of these new business models.

The social and solidarity economy

In the 1970s, the impact of neoliberal economics on deepening inequalities, poverty and social exclusion were at the root of a growing interest in new, community-driven business models. This movement gained force in the 1980s through the emergence of a diversity of initiatives, primarily territorial, to revitalise urban and rural zones. For example, in the US, the need to address the economic impacts of racism, growing poverty, social exclusion and the lack of access to affordable housing were driving forces behind the community economic development movement. In other parts of the world, the need for accessible social services (for example, childcare and homecare for a growing elderly population) and employment integration were the basis for both civil society and public service innovation. The expression of this new entrepreneurial approach took on several forms.

The social and solidarity economy emerged in Europe, some parts of North America and particularly in the global south in the 1990s. Its conceptualisation allowed stakeholders, including social movements, to create momentum by linking cooperatives, non-profit organisations, mutuals and other forms of collective organisations and enterprises. Collective ownership and democratic governance were central to the cohesion of this movement, despite a diversity of realities and practices. Many young people were attracted to this perspective, as it offered alternatives to individualism and the drive for profit characteristic of the market economy.

The concept of social enterprise first appeared in the 1970s in the US and picked up steam in the 1990s, particularly in the UK and America. Social enterprise was rooted in intention, as a growing number of new and existing private entrepreneurs chose to integrate social or environmental objectives in the development of their business activities.

Meanwhile, the concept of corporate social responsibility, which had emerged earlier in the 1960s, took on new forms with several significant examples, such as Danone and The Body Shop. In the financial sector, the Rockefeller Foundation introduced impact investing in 2007, encompassing a wide variety of investment practices that integrated social and environmental impact into intention and expected outcomes.

Defining the boundaries

As more and more economic actors operationalised expressed social or environmental intentions in their business models, the need to define clear parameters through institutional frameworks became self-evident. At local, national and continental (in the case of the European Union) levels, new legislation and policy has been enacted to identify and support social enterprise or the social and solidarity economy. Traditional cooperative legislation has been expanded to include social cooperatives, allowing a wider diversity of stakeholders into governance structures. Associations or non-profits have taken on entrepreneurial approaches, requiring adjustments ▸

"A market-driven economic development model must concede its primacy to mitigate ecological and social crises worldwide"

in an organisational structure that had operated primarily outside of the market.

At the same time, the need to establish clear parameters for privately owned social enterprise has been reflected in the emergence of 'benefit corporations', or B corps, enshrining stakeholder governance and commitment to the environment, communities, customers, suppliers and employees in law, while seeking to deliver profits for shareholders.

A contribution to economic transformation?

In many countries, the rise of this entrepreneurial movement was perceived from the outset as a means to compensate for the inadequacies of the current economic system, particularly around workforce integration for marginalised groups or the creation of services at a local level. Social movements, and particularly labour, tended to be wary of this approach, fearing its use as a means to weaken the role of universal public services. Through dialogue, both internationally and nationally, the clarification of the interdependence and complementary role of the public sector and SSE initiatives allowed for major advances on the ground and in public policy.

This landscape is rapidly evolving. The role of social and solidarity enterprises is increasingly accepted as part of a new paradigm, in which the objective of business goes beyond wealth creation to encompass social and environmental dimensions and in which a market-driven economic development model must concede its primacy to mitigate ecological and social crises worldwide.

Although this is encouraging news, it is important to recognise that the contribution of the social and solidarity economy to economic transformation cannot depend uniquely on good intentions. Based on our experience in Quebec and internationally, several key lessons provide guidance on what is necessary to ensure that it contributes to societal change in the short and long term.

Ownership and governance matter

While privately owned social enterprises are traditionally created by individuals who hope to 'do good' while generating financial return, collective enterprises within the SSE emerge as a response to the needs and aspirations of local communities. Numerous studies in North America and Europe have shown that these enterprises have a higher survival rate than traditional business; they are rooted in communities and are often part of a broad ecosystem of solidarity and mutual support. Though they must demonstrate economic viability, their principle motivation is to improve their capacity to respond to community needs. In this context, collective ownership is a determinant factor to assure that these businesses achieve their long-term positive societal impact.

The integration of a diversity of stakeholders in the governance of these enterprises – be they workers, service users or representatives of the community – is another strategic path to assuring benefits for the broader community. For example, the creation of social cooperatives, rooted in shared governance with community, was instrumental in the resurgence of cooperative development in nations such as Italy, Canada and Brazil. The mechanisms of collective multi-stakeholder governance are crucial to maintaining long-term commitment to the common good.

The achievement of transformative change within the economy must go beyond the creation of enterprises: the creation of ecosystems and new relationships with the state are essential. Territorial governance models involving civil society in partnership with government and other economic players, the co-construction of public policy through dynamic and institutionalised processes, and the recognition of the important role for citizen participation within the economy, are all crucial to these transformative objectives.

Today, a mainstream thinker like Harvard Business School's Michael Porter predicts that: "The next transformation of business thinking lies in the principle of shared value: creating economic value in a way that also creates value for society by addressing its needs and challenges." While this statement is welcome, history has taught us that tinkering with the dominant economic development model without questioning underlying principles of ownership and governance does not lead to the fundamental changes that the current social and ecological crises require. The social and solidarity movement is built upon a different vision, one that embeds the economic viability of the enterprise in societal needs and aspirations. It is no surprise that this movement continues to grow and deepen its roots in communities across the globe. ■

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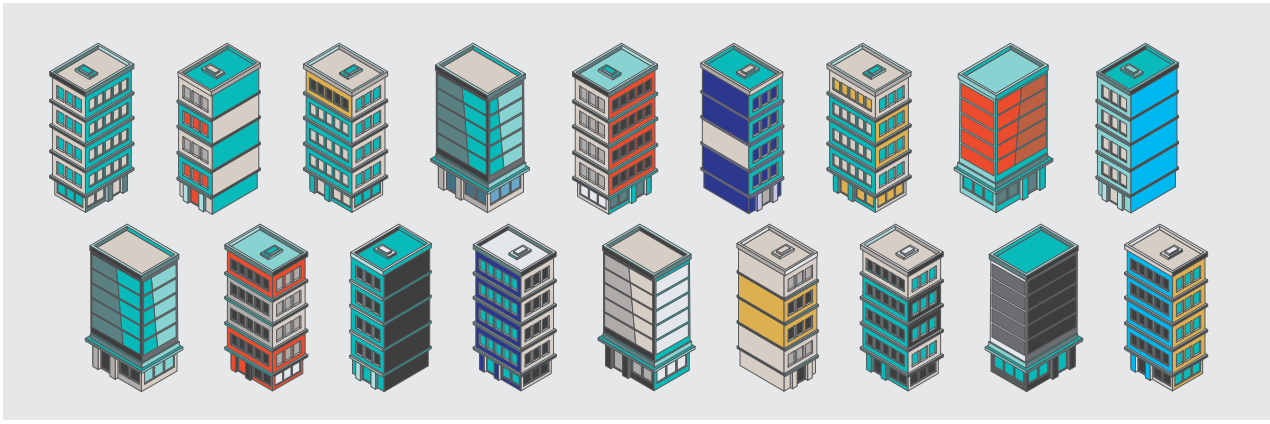


URBAN HORIZONS

To meet the greatest global challenges, we must harness the potential of our cities

by Chris Murray and Tom Stratton
@TomStratton @corecities

Cities will play a central role in determining how successfully we deal with the biggest challenges the world faces: unsustainable economic growth, entrenched inequality, social cohesion and climate change.

The cornerstones of success include acting at scale, a consistent approach over time, and coordinated policy interventions between the local and national level. This means that national policymaking must be complemented by local leadership that is empowered to act at pace, and in ways that are tailored to the distinct needs of each city as well as the broader functional urban areas they sit at the heart of.

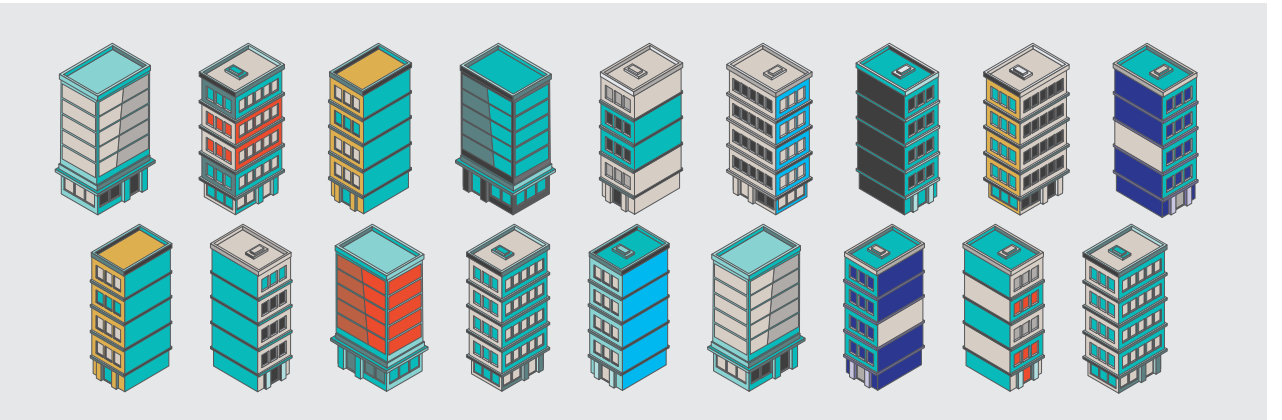
Globally, we are seeing a rise in the recognition of the role of cities – and particularly networks of cities operating together – in addressing issues that require coordinated national and local interventions. In the UK, there is a long history of networks, such as Core Cities UK, operating together on common issues, but within a more centralised system than that of other developed nations.

Given that a majority of people live and work in urban areas, it is no surprise that cities are central to shaping all of our futures. The World Bank estimates approximately 56% of the world's population live in cities (due to rise to 70% by 2050) and 80% of global GDP is generated in urban areas. This picture is replicated in the UK, where government estimates show that close to 90% of people live in urban areas producing around four-fifths of GDP.

The UK context

The UK's urban areas pose a set of bespoke policy challenges. The government's Levelling Up White Paper found that cities outside of London tend to be less productive than similarly sized urban areas in other countries and, according to the Office for National Statistics, some of the most pronounced inequalities in pay, education and health outcomes are found within cities. Similar to their global peers, UK urban areas have a lower carbon footprint than the rest of the country on a per capita basis. However, relative to European peers, UK urban areas are less dense and public transport of poorer quality, both of which make marginal progress towards reducing emissions and meeting net zero more costly.

Chris Murray is a former Director of Core Cities and **Tom Stratton** is Chief of Staff at the RSA



There has been substantial academic and policy work aimed at exploring how we can harness the potential of the UK's urban areas, not least by the RSA in conjunction with Core Cities UK and their partners.

This included the City Growth Commission, which in 2014 recommended steps that could be taken by the UK government to support urban areas in boosting the trend rate of growth. Its recommendations spanned physical and digital connectivity, housing and planning, skills training and devolution. Some had a profound influence on government policy, for example helping to reshape the landscape of sub-national governance, through City Deals (which give local areas specific powers and freedoms to help regions support economic growth), the creation of combined authorities and metro-mayor devolution.

Further work by the RSA, Core Cities and others – the Inclusive Growth Commission, completed in 2017 – concluded that growth can be conceptualised more fairly to the national good, understanding the links between high deprivation and low productivity. It recommended a re-coupling of social and economic policy, which had drifted apart over the previous decades, focusing on social outcomes alongside more traditional measures of growth, such as gross value added.

The Urban Future Commission

Building on this work, the RSA is embarking on a major piece of work – the Urban Future Commission – aimed at driving practical change in the UK's urban areas.

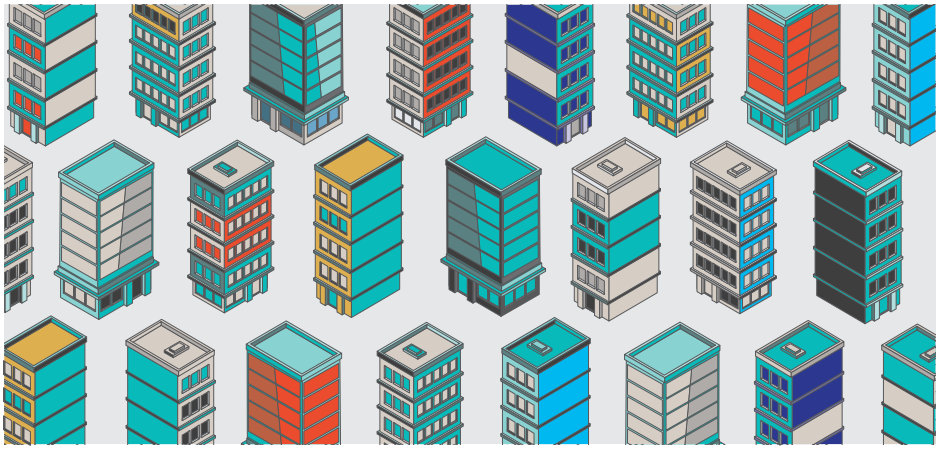
The third collaboration between the RSA and Core Cities, the Commission will begin by answering the question: *What are cities now, their economic, social and political role and function, locally, nationally, globally?* This will take our understanding of the challenges facing UK cities to the next level, building on the findings of previous Commissions and Core Cities work with the Organisation for Economic Co-operation and Development.

Brexit, Covid-19 and climate events of increasing severity are shocks that remind us of the great challenges we face. These shocks require us to revisit an additional question: *What do we want and need cities to be, what are their biggest challenges and opportunities?* The third central line of enquiry will be: *How do we bridge the gap between where we are now and where we need to be?*

The RSA's recently published Design for Life programme for change and the UK government's Levelling Up White Paper are immediate responses to recent shocks that represent a useful starting point for answering these questions. Design for Life provides an analysis of the economy, society and, crucially, the environment, as 'nested systems', distinct but interrelated, which policymakers must consider together to avoid unintended consequences. Further, it argues that all three systems are degraded to such an extent that the concept of 'sustainability' is no longer a sufficient condition; policy needs to be regenerative and nourish all three systems back to health.

Meanwhile, the Levelling Up White Paper speaks more directly to rebalancing the UK economy and society specifically through 12 levelling up missions that can serve to galvanise and coordinate action. This specificity is helpful in identifying the UK's shortfalls in crucial enablers for success, such as strong local

"... the RSA is not waiting for national government to take the lead, but working with partners and Fellows to drive change at the local level"



governance and the depth of finance available to urban areas.

The RSA's Urban Future Commission will draw on this work to help us to sharpen the potential contours of national and local visions and action plans, beginning with the three nested systems. In relation to the *economy*, our aim will be to develop ideas that boost productivity through nurturing concentrations of complex industries and positioning cities to take advantage of emerging trends in international trade. On *society*, we will focus on building social capital through interventions that boost social mobility and those that champion local pride in place. When it comes to the *environment*, the Commission will seek to identify ways that cities can drive progress towards net zero targets.

A fourth avenue of exploration is the 'enabling institutions' that underpin successful action at the local level, identifying where gaps exist and estimating the extent of shortcomings, as well as developing options to address them – for example, working with local areas to identify non-state models of governance that facilitate collaboration between public, business and civic leaders, as well as give voice to residents. Our aim would be to bring these leaders and custodians of finance together to work out how the programme of action can be paid for without relying solely on central government funding.

The Commission will take a 'people first' approach to understanding place. To this end, we hope to undertake 'deep-dives' into individual cities, exploring the themes of the Commission within a local community context. We want the Commission to be highly participatory and, as well as engaging communities, we will draw on the support of Core Cities' expertise and the RSA's new Associate Fellow scheme, as well as hold several events, bringing a broad experience to bear on these critical issues. Finally, we will draw on the RSA's global footprint to identify international examples of good practice that can sit alongside UK evidence.

These strands will lie at the heart of the Urban Future Commission over the next 12 months. Building on our past work and experience, the RSA is not waiting for national government to take the lead, but working with partners and Fellows to drive change at the local level. ■

To find out more, visit thersa.org/uk-urban-future-commission

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Entrepreneurs Unlocked

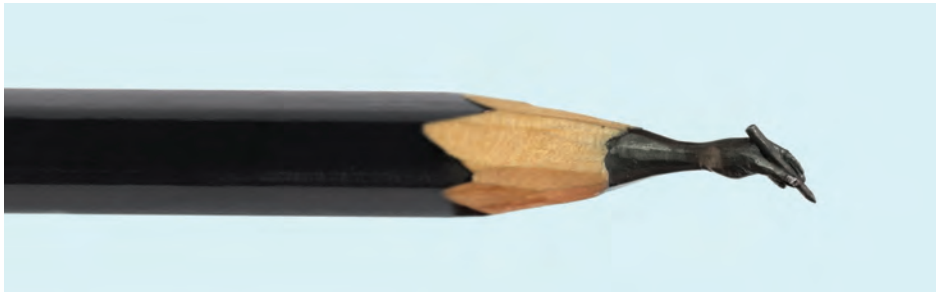
David Morgan, FRSA, has received a £2,000 Catalyst Seed Grant to enable Entrepreneurs Unlocked CIC to provide support to those with criminal convictions who wish to set up their own businesses.

Starting in December, four people will be offered two months of support, including access to a new business incubator and the opportunity to develop positive peer-to peer-relationships, a key element of the project. Its focus is on developing practical skills, producing items for sale such as pre-loved furniture, artwork and other craft-based products.

Participants will experience how to set up a business in a live environment and, by programme's end, will be able to register a legal business and start trading, thereby earning an income to support themselves and contributing to the economy. Participants will be able to continue to use the space and access support when needed after completing the programme.

"The first few months of trading can be hard and having a strong positive network can be the difference between success and failure," said David. "Enabling someone to change their future through entrepreneurship can enable them to lead a crime-free future, reducing the huge cost of re-offending, which is estimated to be £18bn a year."

Find out more at www.entrepreneursunlocked.org



TEACHING FOR INDIA

An ambitious entrepreneurial model is building education solutions across the subcontinent

by Shaheen Mistri, Manasi Jain and Muskan Tanwani
@TeachForIndia

India has the largest school system in the world, with 250 million children enrolled in over 1.5 million schools across the country. While we have made strides in enrolment for all grades and genders across rural and urban areas over the past decades, the vast majority of our students are not reaching grade-level competencies. According to India's National Education Policy, before 2020, over 50 million students did not attain foundational literacy and numeracy in elementary education. In 2019, UNICEF reported that more than 80% of our children failed to receive the academic foundation and 21st-century skills required before leaving school.

This inequity has lasting implications for individual happiness, fulfilment and wellbeing and perpetuates the cycle of poverty. According to the World Bank, 176 million Indians are living on under Rs. 147 (£1.60) daily. There is an urgent need to break this cycle. Given the scale and diversity of India, and the depth of need, we need a movement of leaders – teachers, students, parents and others – to educate every Indian child and enable them to unleash their potential.

Leadership in teaching

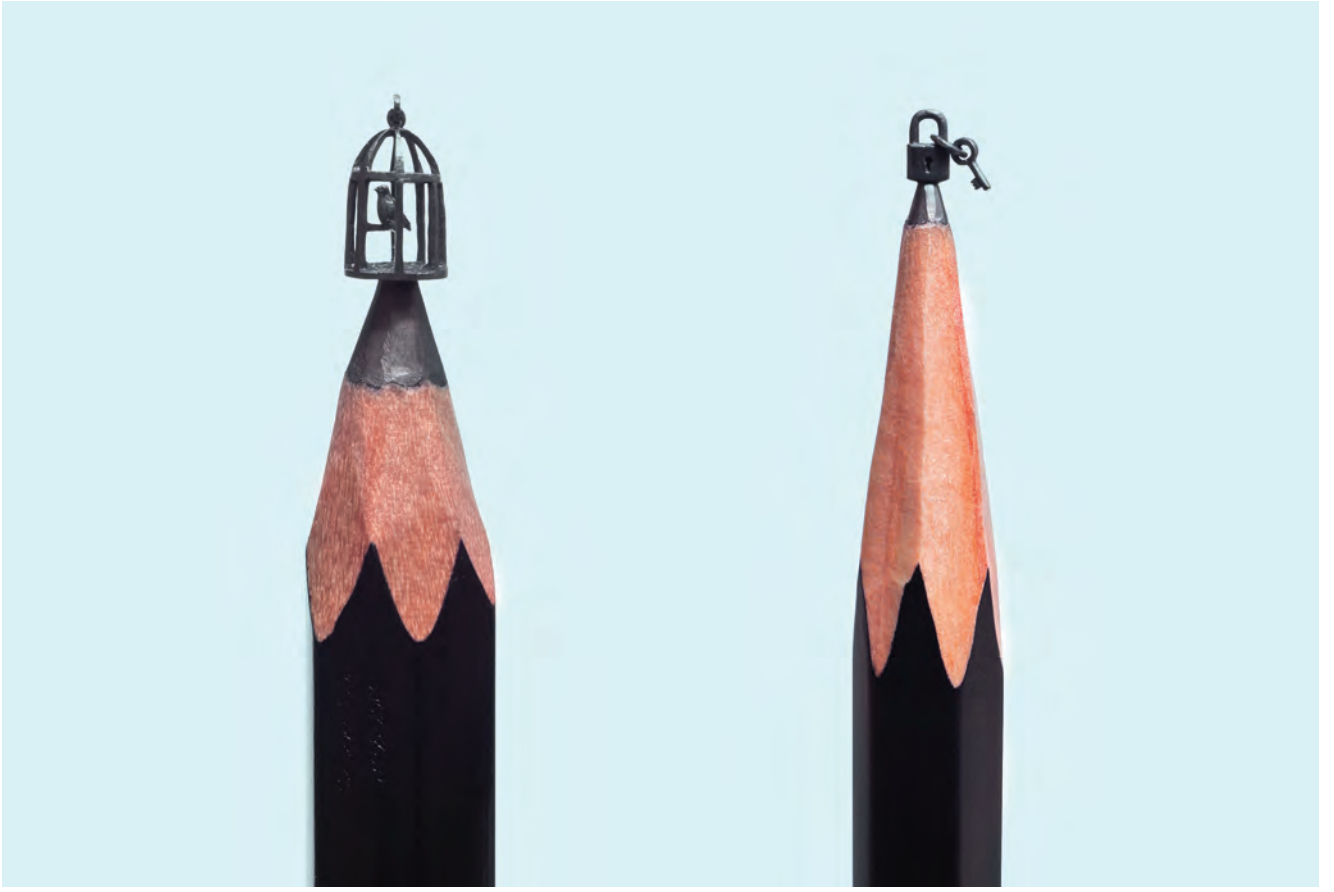
At Teach For India, we believe that all children must have the opportunity to attain an excellent education and that collective leadership is the path to that vision. We recruit the brightest, most committed young people to teach full-time in low-income schools for two years. Our Fellows not only provide their students with a holistic education, but they also impact their schools and communities through targeted projects.

Today, we are a movement of 1,000 Fellows teaching 32,000 children and 4,200 alumni, collectively reaching 33 million children across India. 77% of our alumni continue to work in the social sector. Our community is thriving with entrepreneurs who have founded over 150 organisations working towards finding solutions for different problems in the puzzle of educational inequity. Beyond the Fellowship, we ▸

Shaheen Mistri is the founder and CEO of Teach For India, a non-profit that addresses educational inequity at scale; she also founded Akanksha Foundation in 1989 and led its operations until 2009

Manasi Jain is Chief of Staff at Teach For India

Muskan Tanwani is a rising first-year student at Ashoka University



support our alumni entrepreneurs through a nine-month incubation programme to help them build organisations in the education space. This has provided support to 41 alumni entrepreneurs so far, and 92% of their organisations continue to operate today.

Until 2017, our impact was limited to urban areas and English-medium schools; in rising to the scale of the challenge we needed to expand our reach. In response, we piloted TFIx, an incubation programme to help education entrepreneurs launch teaching Fellowships in remote locations. Over the past five years, TFIx has reached over 200,000 children across the country. One such example is Anubhuti (founded by Sakshi Srivastava), which works towards achieving life skills for 25,000 children from Uttar Pradesh slums.

Leadership in students

The power of students' voices is evident in their role in sparking global movements, such as those started by Malala Yousafzai, Greta Thunberg and others. Longitudinal research by the Quaglia Institute shows that, when students are given a voice, they are three times more likely to experience feelings of self-worth in school, five times more likely to be both engaged in and have a sense of purpose in school, and seven times more likely to be academically motivated.

With a bold and ambitious vision to reimagine education in partnership with students, in 2017 we started the Kids Education Revolution (KER). Every year, the programme brings together hundreds of changemakers and educators from across the country to engage with each other and unpack what it takes to build student leadership.

KER works to uphold three principles at all levels of the system. First, we provide *safe spaces for voice* informed by studies, as detailed in Lynn Holley and Sue Steiner's 2005 research, which show that safe spaces affect *what* students learn and *how much* they learn and that, when students believe their class is safe, they are also challenged to assess their viewpoints and biases. Safe spaces take many forms, but include honest conversations, circles of dialogue and listening, and classrooms where mistakes are integral stepping-stones to learning.

Second, we treat *children and educators as partners*. In this model, students have the ability to look at the traditional schooling system through a new lens and purpose, allowing them to question

and work to change it. They develop a belief in their voice and understand the importance of every voice around them. They also operate with a deep sense of commitment, respect, reciprocity and shared responsibility.

Third, we see *children as changemakers*. The purpose of education should be to empower every child with what the Design for Change programme calls '*I can*' mindset, in which students learn they are not helpless, but can drive change. When children identify a problem they care about and go through a process to find a solution, they grow in their learning and leadership in unprecedented ways.

KER also draws on the work of Brazilian educator and philosopher Paulo Freire, whose 1968 book, *Pedagogy of the Oppressed*, states that education can be an *act of love* when educators intentionally choose to value and present love to their students and into the pedagogical process.

In March 2020, the Covid-19 pandemic led to the shutdown of schools in 190 countries across the world. UNESCO estimates that one year of school closure can only likely be recovered after between 9 and 14 years of additional learning, equivalent to a child's entire education. Now that schools have reopened, we propose a radically different approach of investing the thought, resources and actions to effectively bridge the gaps and reimagine a better education system by fostering student voice, leadership and agency. This will require not just a pedagogical shift, but also a philosophical and behavioural shift of all stakeholders in the system. ■

The 8Cs: 21st-century skills

Our experience has highlighted what we call the 8Cs: the essential skills central to developing leadership and children's learning. Below are examples of how some of our student leaders have exemplified these in action.

Courage: I take ownership and act
"When I was investigating some illegal work happening in our community dumpyard, I was recording evidence on my iPad but I got caught. The men there confiscated and deleted everything. They started telling me that they would kill me. But the next day I came back with my friends and documented everything again." Rehan Shaikh

Compassion: As I work towards my goals, I take care of myself and others
"When you start becoming open to a person or a friend , then the person starts to share their personal issues and why they aren't speaking up." Nandini Ved

Collaboration: I work with love, in partnership with others, towards shared goals
"As a part of my project, I am working with 15 student leaders in our school who are working on diverse issues, and collectively we are working with almost 400 people." Raghvendra Yadav

Communication: I listen and share, knowing that in doing so we grow and learn
"Our actions contribute to communication, too! By expressing ourselves, we have the power to hold people together as speakers and listeners." Koyena

Creativity: I imagine a better reality and believe that things can change
"I go to public places with my djembe to perform poetry and songs. Through my performance, I aim to spread the idea of ending hatred and discrimination and practising equality instead." Sunny Sharma

Curiosity: I learn what is needed to meet ambitious, evolving goals
"I wanted to know about the problems faced by the city and the biggest problem I found was the city garbage dumpyard… I did research [to]… understand the diseases and other harmful effects it causes to the people living in the community." Farhan Siddique

Consciousness: I reflect, see self-awareness, and I can control how I see the world
"A while ago, kids from government schools used to come and tell me about the problems they are facing regarding their exams and the way their teachers used to teach them. I realised that I have never taken a step towards making a change and I have been a hypocrite all this time. This pushed me to join a project and work towards making a change." Deepigashree

Critical thinking: I seek to understand why I do what I do
"Before making other people aware, we need to make ourselves aware. So first we read information about the policies and then we did surveys to collect data on the current reality of the communities." Anjali Tiwari

Sculptures and images courtesy of Salavat Fidai

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ANYONE CAN BE AN ENTREPRENEUR

But we must make sure that everyone gets a chance

by Nelly Cheboi
@nelly_cheboi @techlitafrica

I grew up in a small tin-roof house in rural Kenya. The cement floor was full of potholes. There was this patch near the door that had not disintegrated, just big enough to accommodate my torso. I used to lie on that spot and look at the roof, which was also full of holes. While this meant the house flooded during rainy seasons, on sunny days, rays of sunlight would shine through in a spectacular way. I loved looking at the different shapes of light bouncing around while I strategised the ways I could lift my community out of poverty. I was maybe 11 and was scared to die before I could change the narrative of people growing up in communities like mine.

Less than a decade later, I had moved my family out of that house, built a primary school, started a hairdressing school and founded a non-profit, TechLit Africa, which provided more opportunities for rural Africans to make a living online.

I grew up watching my dear mom work tirelessly to educate my sisters and me. She engaged in all kinds of informal businesses, including selling goats and vegetables. She, like so many people in rural Kenya, worked day in and day out just to provide for her family.

The lack of upward mobility is the most depressing bit. Rural Kenyans are not waiting for handouts; the systems in place do not work in our favour. Loans have at least 12% interest rates, unreliable roads make it difficult to distribute goods, and our education system is so expensive that families continue to sink into poverty just to educate their kids. This climate is unfavourable to entrepreneurs and hinders small businesses from growing and creating more jobs.

I knew education would give me a chance at a better life, so I worked hard in school and at age 19 I was awarded a scholarship to study in America. I immediately got a job through a work-study programme at my university and within just one year I had moved my family out of poverty and started on building a school. Even though I left my village in Africa and travelled to America to 'make it', I am inspired by a future where rural African communities have access to digital economies without leaving their homes.

That is the premise of TechLit Africa, which teaches digital skills using donated, used computers that would otherwise end up in landfills. Our biggest expense is getting the laptops into the country, and even that is not very expensive, only about $50 (£44) per device. Our programmes then prepare kids for the digital economy, providing opportunities to gain skills that enable them to work remotely from their villages for tech companies all over the world.

The lack of strong institutions and infrastructure keeps rural Africans poor, but digital infrastructure is the easiest kind to build. The hope for a future where rural Africans can be making money online is what keeps me going. ■

Nelly Cheboi is founder and CEO of TechLit Africa

Image: Nely Cheboi, courtesy of Nelly Cheboi

PRESSING PAUSE

Building resilience in advance is the key to successfully confronting adversity

by Joan P. Ball
@joanpball

Overwork and sustained stress at the intersection of conflicting professional, personal and pro-social goals has been shown to have serious implications for the health and wellbeing of social entrepreneurs. This is not necessarily surprising, since changemakers at every level spend their days (and often their nights) overseeing a complex ecosystem of priorities, all competing for finite energy and resources. So how can impact leaders sustain viable social enterprises without sacrificing personal wellbeing and risking burnout?

Answers to this question often come in the form of trite ideals. Slow down. Get more rest. Make time for yourself. Breathe deeply. Meditate. Be mindful. But, when faced with the choice in practice, many of the busy social entrepreneurs I work with choose their enterprise and those they serve over any of these – and their personal welfare – often until they reach a point of exhaustion, frustration or both. Calls for resilience at these points of inflection can add insult to injury. The notion that one might easily 'bounce back' from physical and emotional exhaustion is at best unhelpful, at worst, disheartening.

This got me wondering what it might take to build resilience before we encounter adversity, rather than simply hoping to bounce back after the fact. I was engaged in action research about 'stuckness', and the challenges people face when they encounter adversity – especially in times of uncertainty and change – repeatedly came up in conversation. This sparked a deep dive into prior research about resilience that led me to the work of Dr Michael Ungar, Founder and Director of the Resilience Research Centre at Dalhousie University in Canada.

Ungar defines resilience as "the capacity of individuals to navigate their way to the psychological, social, cultural, and physical resources that sustain their wellbeing, and their capacity individually and collectively to negotiate for these resources to be provided in culturally meaningful ways". The beauty of this robust view is that it conceptualises resilience less as an individual trait or a passive act of waiting to 'bounce back' and points instead to the possibility of a more active resilience. In this formulation, we have the agency to intentionally gather relevant resources before, during and after adversity strikes as a means of making sense of challenging circumstances and charting a course when the way forward is uncertain or unclear.

The power of viewing resilience through this lens is that it emphasises resource-gathering, encourages community-building, and acknowledges that context and culture are relevant factors that influence how we might prepare to face the expected and unexpected challenges inherent in social change work. This can be especially helpful for social change leaders, who often report feeling isolated, under-resourced, and stretched thin in their professional and personal lives. So, how might you identify gaps in your psychological, social, cultural and physical resources before you're stretched too thin? There are a variety of reflective exercises, sensemaking approaches and mapping tools that can guide social entrepreneurs on their journey to active resilience. Determining which ones are most helpful is an exploratory journey that involves making time for dispassionate curiosity, engaging in rigorous inquiry and a willingness to explore. ■

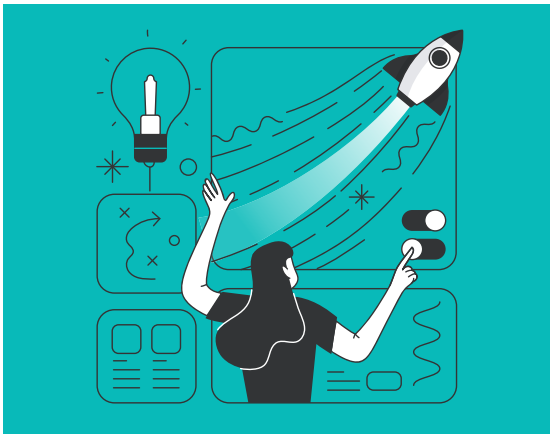
Joan P. Ball is the author of *Stop, Ask, Explore: Learn to Navigate Change in Times of Uncertainty*. She is Associate Professor of Marketing in the Tobin College of Business at St. John's University, New York, and founder of WOMBLab, a transition services consultancy

Image from iStock

CHANGING TIDES

Digital entrepreneurship is swelling in some seaside towns across the UK

by Nasiru Taura



Over the last century, entrepreneurialism has been associated with speed, optimal growth and cognitive intelligence. While this approach has generated substantial financial wealth, it has also been associated with the rise of bio-diversity loss, harmful effects to flora and fauna, and higher levels of stress among our entrepreneurs. The world needs a more inclusive and regenerative approach to entrepreneurialism that is contextually gentler and more humane to people, planet, and places. My research (Taura and Radicic, 2019) on frequent digital innovations in some peripheral seaside towns of the UK, particularly in Bournemouth and Poole, shows that we could all learn something from the recent emergence of gentler entrepreneurialism in these locales. This approach to entrepreneurialism is more likely to deliver positive outcomes for our environment and economy and provides a roadmap to more socially sustainable practices.

The rise of peripheral entrepreneurialism

An interesting phenomenon is happening in the UK, in which some peripheral seaside towns are defying all odds to emerge as engines to fuel Britain's entrepreneurial future. One of these, located at the peripheral margins of south-west England, is the seaside town of Bournemouth and Poole, which boasts a thriving digital cluster. In 2015, Tech Nation reported that the town had grown (in number of digital companies incorporated between 2010 and 2013) by more than 200%, ahead of Tech City in East London, which grew by 92% over the same period. Curious to find out more about the growing confidence of this regional capital, we surveyed the frequency of digital innovations in the region and associated antecedents. We found a renewed optimism was enabling some seaside towns to overcome many years of physical isolation from the urban centres of economic activity, and associated challenges such as deprivation, low-skilled seasonal work, low wages and lower educational attainment levels.

Turning the tides

The tides are being turned by a cluster of health and wellbeing-conscious entrepreneurs, social impact investors and imaginative social spaces nurturing frequent innovations. With 9 out of 10 entrepreneurs reporting signs of mental health strain negatively affecting their productivity (Weare3Sixty Report, 2019), we can expect to see more reverse migration of entrepreneurs and returnee entrepreneurs from centre to peripheral towns. To retain this new wave of entrepreneurialism, seaside towns need effective strategies to provide entrepreneurial spaces that match the needs of the returnees. In the UK, initiatives such as the Barclays Eagle Labs are providing spaces with easy access to resources in multiple locations. In Bournemouth and Poole, the birth of such spaces is complemented by regional-specific events such as the Bournemouth Silicon Beach festival and Digital Day Bournemouth.

In addition to igniting creativity and innovation, entrepreneurial spaces should make the most of seaside towns' natural habitats. This includes using the waterfront and countryside as springboards for developing psychological restorative spaces (for improving attention and wellbeing), contemplative imaginative spaces (for nurturing inspiration), and therapeutic spaces (for managing emotions) in support of entrepreneurs and their activities. The government could support the development of such spaces by dedicating investment to funding these efforts and the regeneration of all seaside towns. ■

Dr Nasiru Taura is a Senior Lecturer of Entrepreneurship at Bournemouth University, where he specialises in entrepreneurship, innovation in hostile and/or peripheral environments, and design management

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There is a lot to treasure in a flop

by Deborah Meaden
@Deborahmeaden

Failure is bad, success is good. It is hardly surprising that many believe this mantra to be true given that the language around failure – defeat, loss, collapse – is devoid of any hint of constructive positivity. And yet, failure is an important building block of success; one simply cannot exist without the other.

Failure is embedded deeply within the DNA of every business, which is built from millions of successes and failures, from huge to tiny, happening all the time. Indeed, learning how to recognise and manage failure to ensure it forms part of the greater success of a business has become increasingly important, particularly in a world where our needs are evolving at an ever-accelerating pace, forcing us to try new and challenging propositions to keep our audience satisfied.

Being in business is like overseeing a constant experiment. We may think we have the 'knowns' and the 'tried and tested', but these factors are continually evolving and we must make constant tweaks and changes in response, adding a new ingredient here, a new approach there, with shifts great and small. Each one of these shifts carries risk of both success and failure.

Of course, all fails are not equal. It is wise to avoid catastrophic failure, but unwise to avoid failure of any kind, which inevitably leads to fearful inertia. Good judgement and being tuned in to your internal and external market should allow a business to encourage risk-taking and to embrace both the rewards and the losses that follow.

Neither are all fails bad. Preventable fails are frustrating, but some failures are very smart indeed and, when handled correctly, can be seen as a bridge to the future 'next big thing'. Some failures emerge out of fundamentally sound moves, caused by complex organisation structures getting in the way. Here, too, given the right environment and thoughtful review, these types of failures may well spark a very sound step forward for an organisation.

But changing our response to failure is a big task. Nobody likes to get things wrong, and it can be difficult to convince anyone that good things pretty much always come out of sometimes epic fails! Change can begin simply by refocusing the actions around an identified 'fail': by probing the 'why'; by making sure the moment is viewed as a real opportunity to learn and adapt; by deep and open reviews; by learning how to deal with the emotions surrounding a fail; and by building a resilience which enables you to consider, learn, apply that learning and move forward.

Failure is powerful. It often evokes a higher sense of emotion than even the greatest successes, and that emotion can be harnessed for good or bad. We should embrace the power of failure and understand that, without a culture that appreciates and even nurtures failure, no business will ever reach its full potential and may even be forming the path to its own demise.

I would like to reframe failure as I see it: a critical aspect of building success, without which we would all stagnate both personally and professionally, leaving life's biggest opportunities undiscovered. ■

Deborah Meaden is a *Dragons' Den* investor, successful entrepreneur and co-host of *The Big Green Money Show*. She is actively involved in numerous charities supporting environmental, wildlife and microfinance initiatives

Image by Wardour

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