

URL: <https://stvp.stanford.edu/blog/videos/a-world-of-changemakers-entire-talk>

Ashoka Founder Bill Drayton shares new ideas on how the world can transition to a place where everyone is a contributing change-maker. Drayton also sits down in conversation with Stanford Professor Tina Seelig to discuss critical skills for changemakers, the possibilities for collaborative entrepreneurship, and the importance of giving yourself permission to make change.



Transcript

So it's really a pleasure to be back.. I've got a very ambitious agenda to get through in 20 minutes.. So we all know that we're at a transitional, we all sense that.. Basically we're moving from a world that was defined by seeking efficiency and repetition.. And now we're in a world that is not only different but it's the exact opposite game.. It's defined by change.. In this world, A fit B because they kept doing the same thing.. In this world, A changes and bumps everyone around them, et cetera.. Change begets and accelerates change.. So we are living at the tipping point between two absolutely opposite systems..

And that has huge implications for every aspect of every person's life, for every organization, for every country, city.. And so all we're trying to do in 20 minutes is understand this.. And I have promised Tina, I will give you a little bit about the roots of Ashoka as an example of entrepreneurial behavior.. Then we'll go to what is this change in the strategic environment.. In dealing with it, there is something new called collaborative entrepreneurship.. When you say the word entrepreneur, you typically mean one person who's upsetting everyone around them.. Well imagine 700 working together worldwide.. This is very powerful and it's a key part of the change that's going on.. And then finally come around to what does this mean for each of us individually in all aspects of our lives.. So let me begin with my - what I promised to do..

If you imagine, four 19 year olds who cannot afford a flight to India, picking up a car in Germany and driving there with the roads being dirt roads, two thirds of the way.. So that's how we got to India.. And once there the statistics of 100 to one difference in average per capita income suddenly became people you knew.. And since if you have the slightest entrepreneurial thrust, the question then is what are you going to do about it.. Well as you know pretty well, sophomores control absolutely nothing.. So leverage becomes really important.. So what's the most highly leveraged way of closing the north and south gap which is another way of speeding up the change process.. Well, what's the most powerful force in the world? It's always regardless of time or sector a big pattern change idea but only if it's in the hands of a really good entrepreneur.. It's that combination that moves history always.. And so we said okay, well, what if we were able to encourage/enable more of the best entrepreneurs, the best ideas dealing with the social issues, get started and succeed and we have together become a community that helps one another..

That can make a really big difference.. So that was really - it's a very simple idea.. And it turns out that it's a very valid one.. So when we got started, there was no word social entrepreneur, we had to invent it, which tells you just how backward this field was.. So one of our first challenges was how do you introduce this idea, this field.. Our first really major success was introducing over 20 odd years, a framework change where now pretty much people across the world think about I could have a career in causing significant change for the good.. And as you all know there is almost a panic when universities do now serve this area.. Stanford was one of the first.. So the power of this idea if you think about it is really very simple.. If you help a really powerful idea and an entrepreneur to get started they're not going to stop, they will - it will just keep growing..

And you're helping launch the institution and they are role models.. If she can do this, well maybe I can do something.. And it turns out the social entrepreneurs in particular have another very powerful impact.. They are not in this to capture a market and dig a moat.. The goal is to change the world for the good.. And so how do you do that? Well, you're not going to go and deal with every school or village or what not, so you have to make your idea as simple and understandable and safe as possible, precisely so that thousands and thousands of other people can say that's a good idea, we're going to make that work for our community.. So the structure of social entrepreneurship is not just the entrepreneur and the organization, but there is

a third dimension which is pretty invisible to most scholars and business people because it's not in business which is the movement.. And in doing that, you are also encouraging thousands and thousands of local people to stand up and be change makers and they become role models and they recruit other people.. So this is an invisible mechanism that's really powerful.. It's moving us towards the everyone-a-change-maker world..

It's a really simple idea.. I'm going to give you a couple of quick examples.. Mary Gordon is a Canadian Ashoka Fellow.. She was teaching a class in Toronto and she saw, that's very key, entrepreneurs have to first give themselves permission to see a problem and if you're not a change maker, the last thing in the world you want to see is a problem or an opportunity, because you can't do anything about it if you aren't a change maker.. So Mary gave herself permission to see the problem, that children in her class when they saw they had to deal with another child who made them uncomfortable.. All they could do was respond with aggression which of course invites aggression back.. And as that pattern gets deeper and deeper, the future for those children gets bleaker and bleaker and that school is just not going to be a very attractive place.. So she gave herself permission to change the whole system not just her class.. So she had to find something pretty simple.. I can tell you now that there are two countries that have this as national policy..

In Scotland which may or may not become a country is also.... has also made that decision.. Now what did she do? She brings an infant, two to four months old, to the class at the beginning of the school year and asks for three hours a month.. So this is 24 hours over eight months and the infant wears a little T-shirt 'the professor', presides from a green blanket.. Mom is there and the first graders and the third graders have to figure out what is the professor saying.. And then what is the professor feeling.. Well, this is very powerful and it works.. Children, we are all genetically we're social species and we know we've got to figure that out.. So these kids are all over this.. We're opening that door for them..

This is not that complicated.. It doesn't cost a lot.. It doesn't upset people etcetera.. So this is one person who gave herself permission who is playing a very important role and I didn't choose this example by accident, it plays into the larger theme we're coming to.. Joe Vilet if you know her play work she is right here in the Bay Area.. She is reintroducing play, especially to the city center schools that have done away with it.. So they have more memorizing time and less conflict was the idea.. Well, it turns out that her methodology turns on group play.. And group play is a good way for kids to practice empathy.. So those are two examples you can immediately see how they fit together of 700 of the 3,000 Ashoka Fellows focused on children and young people..

And you won't be surprised that when you move to this very different world, everyone has to have a different set of skills and the foundational skill is cognitive empathy which is beyond I feel your pain which elephants can do.. It's something you have to learn.. We have motor neurons, we have the cerebral cortex so everyone can do this but if we don't consciously enable children to do this, how on earth are they supposed to do it? The world we're in now, the world we're going into is getting more and more complicated.. And so what you have to do applying cognitive empathy is complicated.. You have to understand all the people around you, layers out further and further into the future.. And not just in a couple of contexts that are stable over a person's life but now a kaleidoscope of all of these different contexts as the world changes faster and faster.. Well every year, the level of cognitive empathy you have to master is going up.. And if you don't master it, what happens? Well, you're going to hurt people and you're going to disrupt groups.. It used to be not so long ago that you could be a perfectly successful first person if you just knew the rules and diligently followed them.. Well the central fact is that the rate of change is going up exponentially since at least 1700 we can measure that..

And we've got another point that the rules don't exist.. They haven't been invented.. They are in conflict, they are changing and you just can't be a good person by diligently following the rules.. So we are guaranteeing the marginalization of vast numbers of children because we aren't smart enough to realize that there is a new paradigm for education for growing up that requires this.. Well Mary and Joe are two people who show us how to do it.. Okay, so now, I'm going to come back to this and use this need for a change.. A framework change when we get to collaborative entrepreneurship.. And I want to take an important detour to describe the strategic environment change a little more deeply.. Everyone here is already in this new world.. You wouldn't be in this room if you weren't..

But most people aren't.. And just be able to see 'oh this is the new game', 'that's what's going on' is really powerful and enabling.. Then people can figure out what they need to do as a young person, as a parent, as a leader of any institution, any group.. If you don't know the new game, how can you possibly play it.. So there is huge power in helping people see it.. Right, so let me just quickly lay the scene.. All through pre-history and up to very recently the game was efficiency and repetition.. That's what human organizations were designed to do.. And we learned how to have efficiency at bigger and bigger scale and gained tremendous wealth out of that.. So think the assembly line or the law firm..

How are these organizations characterized? You've got a few people who choreograph everyone else and what you want is everyone else to have a specialty that they're really good at and they practice and do a lot and you want them to stay within those walls.. And A fits B because they keep doing the same thing.. We've built up very complicated structures with finer and finer stovepipes, universities are not exactly immune to this problem.. Well, this doesn't work very well as you go up that curve of exponential change what is the environment like now.. Well each piece changes and bumps everyone else.. So you have to constantly change who you're working with if you're going to do a good job now serving in this new environment.. So instead of stable but walled institutions now you have to have a fluid, no walls, because you have to constantly be putting

together new combinations that people and the sources from all over the world to be able to do a good job of serving the opportunity that's there today but will be different tomorrow.. So you can't have walls.. So fluid, open is obvious, you have to get the best ideas anywhere in the world, the best inputs, the best relationships, the best access so open.. So fluid open teams of teams..

Now the word team is very precise.. You don't have a team if one person is telling everyone else what to do.. In a team everyone is a player.. And in a world, where everything is changing and the game is contributing to change, and contributing to the constant rearrangement that is associated with that, you better be a change maker because people can't afford to have you on their team if you aren't.. And this is very stark and it's happening very quickly.. One of the things that happens when you go up an exponential curve, what took 50 years, now is taking 10 years.. So Detroit in this country was the top of our technology, pride, not to mention hubris, the big tailfins, the whole thing.. 50 years ago, and you know where it is today, they missed out.. They missed entirely.. Well that could happen to the country or it could happen to any metro area or to any ethnic group or any other group..

If anyone misses this historic turn, they don't have a lot of time to miss it.. So everyone has to be a change maker.. This is Ashoka's goal now.. An everyone a change maker world, helping people see it, helping everyone get there.. This phrase is very radical.. We mean everyone everyone, no mental reservations, though not including all those people, they can't do this.. They can.. If we structure society so that they can.. And a change maker, that's the most powerful thing you can be.. So everyone really powerful..

Everyone having the gift that everyone in this room has of being able to give at a significant level to express love and respect and significant action.. That is what brings everyone all the prophets inside us tell us this health longevity, happiness.. Well, we have that.. It's not right that other people don't have it.. So we're saying everyone has to master a set of skills so that they are change makers, so they can really contribute in playing this game.. And you have to organize in ways that make that work.. So what is the standard of success in this new world for any group or any team of teams? What proportion of your people are change makers, at what level of skill of change making and how good a job are you city, country, whatever it is doing in helping people work together in this fluid open way.. We're living right here in this valley at an epicenter and you can see how quickly things are moving in that direction.. Well, it's going to be much faster.. Once people see this, then it's going to be really quick..

And so there is huge leverage in helping people over the awareness tipping process and we think we're very, very close.. So that's a quick summary of this change in the strategic environment.. So I want to put in the final building block in this analysis before I come to what this means for each of us.. And that is collaborative entrepreneurship.. So I will use the example of now we have to have everyone master the skills to be really good change makers, that's a profound change.. You can't get to everyone a change maker world, unless you have an everyone a change maker population by definition.. And so how do we do that.. Well you have to start with young children and young people and you have to change how you deal with the people who work with you in the workplace as well but because we have a short time.. I am going to focus only on young children and briefly young people.. So every young child must master cognitive empathy..

Thank you Mary Gordon and Joe Vilet and 700 others.. We know how to do that.. So how do we go society to recognize that we need to do that? How many elementary school principals in this country or anywhere in the world know they are failing if you have one second grader who has not grasped cognitive empathy and if all the kids aren't practicing.. It isn't on their agenda.. They are rated in terms of how did you do in the test scores, the old information transfer game and you can't have mayhem in the hallway, i.e.. ruliness.. Well that was a formula that worked when you were trying to produce people who would do the same thing all their life.. You gave them the skills to be a baker and the rules and they could be a baker or a banker or lawyer, whatever it is and that was efficient when you were in the old efficiency and repetition model.. It is absolutely dysfunctional at this point.. So I mentioned any child who doesn't master cognitive empathy will hurt people and is gone..

And forget the other skills they have to have to play and to be a change maker.. Other skills are team work.. A very different type of leadership.. When everyone is a change maker you have to lead in a very different way, envisage, enable ensure, a very different process and then change making itself.. Four very complicated learned skills.. Now I have just summarized a new paradigm for growing up in education.. Every child must master cognitive empathy and every teenager better be practicing change making.. The test of success is what proportion of 21 year olds know that they are change makers, because they've already been change makers and they've actually mastered the skills at 21.. There are secondary measures such as what proportion of the elementary school principals are focused on cognitive empathy and know what to do.. Well, we think we can change that in the next five or six years, the framework change..

need a completely different set of measures.. We think there are three levels of impact and it's really important to differentiate them.. Direct service, you do need individuals to go out and dig wells and teach an individual classroom and the measures for that are what you would expect.. Pattern changes, what entrepreneurs do, need a completely different set of measures.. So we don't talk about how many people do the Ashoka fellows serve directly.. We measure them instead as follows.. So over half have changed national policy within five years of launch.. Three quarters of changed the pattern in their field at the national level within five years of launch.. Over 90% have had independent institutions copy their idea in those five

years.. All those measures have to do with pattern change..

Now framework change is different again.. It's the most timely leveraged, and we are living in a moment where a large part of the game is framework change.. People have got to see the new game and then see what the implications are for them in all aspects of their lives.. And then you have to translate it for geographic areas and subject matter areas like wellness or law.. So here we are - we want to change the paradigm for young children and also for teenagers.. But let me just take young children.. So how do we do this? Well, you can't do it by direct service and US is one of the 10 places we think you've got to tip if you're going to tip the world, right? So there are 80,000 elementary schools.. We are not going to deal with 80,000 elementary schools.. That is completely wrong thinking.. And pattern change doesn't really do it..

How many schools have picked up various ideas, alright its coming into the South Bronx and Seattle etcetera but it's only when you have the framework changed and parents are asking and schools are wanting this that we've really changed the picture.. So how do we bring about that framework change? So we have got hundreds of entrepreneurs working together, and first of all you've got to figure out what the new paradigm is.. Then the next step is you've got to figure out what we call the jujitsu.. So we the entrepreneur, either individually or collectively are always a really small force.. So how do we change the whole system, the way the people think.. So the jujitsu which you have to do is figure out what are the smallest number of forces that you need to set in motion with one another to create a chemical reaction that becomes a self-multiplying force and then draws in others.. So we're really small.. We can't deal with a lot but if we choose the minimum number.. So here is what we think we need to do for the US and this is underway and underway right here in this part of the country.. So we started this a year and a half ago..

We think 60 schools out of 80,000, 30 writers and publishers and a team of Ashoka fellows who are co-leading the effort.. So all we have to deal with is 91 teams to have a triggering effect take place.. We can do that, right? So 160 schools.. So well first of all there are five in the Bay Area.. You will not be surprised to discover your ahead of the curve.. That's what living in an epicenter means.. So we're looking for schools and please help us, we've got 30 of the 60, we're inviting others to come in for the second 30, who represent all the diversity of types of kids, types of school, types of community.. Who have a track record of causing change.. So once they are on fire and they really want to do this, they are good at it.. You don't choose a basketball team of short people who don't know how to play basketball..

And then third, there has going to be team of people in each of those schools who totally understands everyone is a change maker.. This is where the world is going.. This is fact.. They understand that, and therefore they know that every child must master cognitive empathy.. Must, not this is a nice thing and it's sort of Buddhist and all that, this is completely critical.. And it's not one of 16 things.. This is something that we have to do.. And they know that if they figure out how to do that, they are doing something really important for their kids, their school, their community, the country and beyond.. They are on a big playing field.. So this is us recruiting our team of teams..

60 schools, 30 writers and publishers and the team of fellows.. So take Univision.. They serve Hispanic community.. They don't have a story until we have Hispanic schools that are on fire.. You put those two together, both of them can really have a big impact.. If we get five or six major writers and publishers going on this and the schools pushing, we've got 12 Ashoka fellows who are actively leading.. Two of them in this area and one of them at Stanford.. And you begin to see what's going to happen.. Parents begin to catch on and they ask schools, well, how good is your school to your principal on empathy, and some principals say we're very good, come here.. And the tipping process is underway..

Now, we're a year and a half into this and to frankly my great surprise, we have three graduate schools of education, who see this is on their critical path.. They really want to do this because when suddenly 10,000 or 30,000 schools want to do it, they are going to be well positioned to serve and that's not going to hurt them.. That wouldn't be happening if we were not close to the tipping point.. There is another five schools who want in.. So this begins to affect more and you get a very positive dynamic.. That is the tipping process.. So this is very short but collaborative entrepreneurship, once you understand how to cause pattern change, triggering - sorry framework change, triggering pattern and direct service change.. Alright, so the last part - this is very personal.. This is a moment in history, these changes affect all of us in every part of lives.. So are you developing the skills you need? Have you given yourself permission to be a change maker or an entrepreneur for the good of all, which is what a social entrepreneur is..

Are you helping your friends make that journey? Everyone here knows and cares about some young person.. Well, if you've got a 15 year old and she says to you - or a 12 year old, this is a mess.. Put down whatever you are doing and say to her, well why don't you get your friends together and fix it.. Who, me? Yes, you can do this.. That conversation is incredibly important.. And then you have to learn how to be supportive without taking over.. The whole adult-young person relationship is adults in charge.. You are incompetent, irresponsible stay out of the way, we do it faster or a politer version, diary, let me do that for you.. All of us can do this, and this, this is so important, I talked about young children for a moment.. Let me just share with you a story that really had a big impact on me..

We have Ashoka youth venture program that is designed for any young person who has their own dream, builds a team and wants to change it.. The goal is to change the youth culture every middle and high school so that it is in everyone a change maker culture and every kid is encouraged to do this.. So this is a really poor rural area, Appalachian in its basic

culture and this young woman I am about to describe comes from.. So we're not talking about middle class privilege kids here.. We have a couple of hundred of these Ashoka youth ventures.. I am sitting down at lunch.. She comes over.. I can just feel her power before she sits down.. And she very quickly lets us know she is 12 because she looks smaller than that, and okay, what did you do? Well my younger brother is autistic and I hated the way kids treat him.. What did you do? So she has a system that she and her team spot a case like this and they figure out how to go and deal with it, the psychology of that case..

At the same time they have an awareness program for the whole school.. I guarantee if any of you had the experience I did, you would not have the slightest doubt for one millisecond that she is going to be a change maker all her life because she already is.. She has her power, she has her graduate degree.. She is not going to be afraid of anything in her life.. She knows how to work with people.. She has already put together a team and she will just keep doing it.. Now there is one more part to this story and this is why this story I find particularly compelling.. I asked her next, how many student groups are there in your middle school? Over 50.. Well, how many middle schools do you know have over 50 student groups? So when we she walked into that school, she had this problem.. And the youth culture said to her, you've got a problem, you solve it..

You build a team.. Look, we've got 50 teams here.. You can do it too.. We will help you.. We'll be with you.. Now that's what we need in every middle and high school in the country, here and around the world.. How on earth are we going to have a generation of change makers if we don't have a generation of change makers in middle and high school.. You can't learn this by a book.. You have to actually do it and how do you live in a world where everyone is a change maker if you are still living in a 19th or 18th century culture of the classroom.. I mean, please, right? So everyone here can contribute to this..

We all know young people and care about them.. If you've got a six year old and she hits her four year old brother or puts her arm around her and say how do you think your little brother felt when you did that? I had that question asked of me a lot when I was growing up.. And I am now grateful for it.. So we all can do this.. We are also all in institutions, and we care about some of them.. Probably everyone here cares about this university, everyone care about a citizen group or a company, or a religious group or a sporting club.. Can you help that group make this transition? Virtually every group has to make the transition, it's not easy.. Well that's another challenge for everyone here.. And then finally this is one of those rare moments in history where we are privileged, all of us, if we give ourselves permission, to really contribute to this history.. Everyone here can help this change happen..

It's a matter of helping people open up their minds to see, okay, we're living in a world of change, this is the new game.. This is a much, much better game.. Everyone a change maker means there is no way the problems outrun the solutions.. It's an inherently far more equal society because everyone is really powerful.. Everyone a change maker.. Think about that.. And then everyone has this experience we all do of being able to express love and respect in action and have a really happy life, really happy.. So thank you.. Wow, that was inspiring, and I am going to be a change maker right now because what I am going to do is I am going to change up the schedule and I am going to open up to questions as well as - oh, that's interesting, okay, as well as ask some questions.. So I'm going to start with the first question but I also want to make it open to audience so I want to think about questions that you'd like to ask as well..

So one of the things I was most fascinated with and really found was incredibly powerful was your model of the three levels of engagement, so the direct service, pattern change and framework change.. Now do people make a decision at what level they want to engage or is it something you need to start out at the bottom, first I need to be sort of the individual contributor and start using my empathy to identify opportunities and move up this hierarchy or can you just come right in at the top and change a framework? Well, there are many social entrepreneurs in the world who have done just that.. They came up in a world that this was very foreign.. You just try being a social entrepreneur in 1981 in Indonesia.. The Javanese culture is no, you don't upset anybody, that's the last thing you do.. So, and there is no word to describe the field but yet the social entrepreneurs were there bringing about really fundamental change.. So yes, people can do this.. The examples I gave you, Mary Gordon in her classroom, she gave herself permission.. No one told her to do this.. And the concept that we have been talking about here, she didn't have that concept..

She was solving that specific problem.. When she came into the community of the Ashoka fellows and our joint learning that she was able to see the larger pattern.. Joe Vilet was about the right to play.. Well suddenly she realized that group play was a really good way for kids to master empathy and avoid marginalization and much better future for their kids and school the community, the country.. Well suddenly she has five new, six new arguments for why her work is important.. So anyone can take the initiative, but it is much harder before the society is tipped.. And if you just take a high school or middle school, the first one, two, three, four kids who do this have got to change the youth culture in that school.. That is hard.. It's a youth culture of in-confidence and lack of confidence and there is a certain amount of anger in what's happening which is not very functional.. And so helping the first kids who do this so that when this young woman I was describing comes in, it's the norm..

Once it's the norm it's much easier.. And once it's the norm and all the parts of society flow one into the other, elementary school through work, they are all structured this way and people value these values and are constantly trying to help one another develop them.. Great, thank you.. Any questions from the audience? Back there, in the middle.. Can you stay back and speak really loudly.. Yes, I can speak louder.. Thanks for the talk, it was very interesting.. I was curious, you talked a lot about education.. I was curious as to what you think the best motivators are for young people seeing high school, 17, 18 who haven't been introduced to these concepts, not only empathy but also haven't been introduced to new technologies and haven't

developed that curiosity to be a game changer.. What do you think is the best starting point, the biggest motivator that you can give them to try and make them understand, you know, this is good for you, you should spend your time doing it..

Well, in the context to that high school, it's a classmate who is doing it and once you get four or five kids who are succeeding, two in the first year, three in the second year, you have 100 kids who are saying come and join us, this is really important.. And you can tip the culture of the school at that point.. Now society wide it's really important for us all the work together so that we all see this.. So that parent see it, the principles see it.. The other kids see it.. When you get to the tipping point, it goes really, really quickly.. And we're very close at the moment.. We've studied the civil rights movement, the women's movements, several Gandhian movements and you see the same pattern.. A few organizations push and push and push.. You begin to get islands who start doing this..

Silicon Valley is very big, one of the most sophisticated.. And they start connecting with one another, think the web for example, and suddenly you get to the point where large numbers of people are less afraid of hearing this because people might laugh at them and more afraid that if they don't listen, and participate they are going to be not in the conversation.. And their daughter might be hurt or their organization.. And we're right at that tipping point.. Once you get there, things go really quickly.. And once young people have figured out, which isn't going to be hard, that this is the game you've got to play if you want to be powerful.. Well, I can just tell you young people really hate being treated as the last large colonial population in the world.. There has been a whole series of marketing studies by companies and others that is right up there with the hormonal interests.. They really hate it but it's inarticulate.. Once we articulate it and you have the models it will go really quickly..

So you talk about breaking down walls and that sounds really great but how do you actually know that a wall was there? Often organizations and where people are so used to them, they don't even see them any more.. So how do you actually notice a wall was there and then start breaking it down? Well, our goal for this part of the work is in fact five, year six years from now that anyone doing strategy whether it's business school or engineering school or McKenzie, my old firm - I was just talking to the managing partner about this two weeks ago - or someone running a religious house, we want anyone who thinks about strategy to know that if they look around them and they see a wall - business, social, whatever it is - they very, very probably have a huge productivity breakthrough opportunity, wealth service opportunity, if they know how to put people together that were not working together before in new hybrid production productivity systems.. That becomes - in a world of fluid open teams, of teams that are constantly changing - that becomes completely essential skill.. So we think of sort of three different phrases.. 'Walls no more': that sort of - when you see a wall you know you have that opportunity.. Then 'hybrid values systems'.. That's the critical leadership skill you got to have in this new world.. It's one of the central ones and you end up - the end result is a fluid open team of teams.. So this is another perfect example of a framework change.. Now we have actually demonstrated this because we figured people wouldn't listen to us unless we did in several different environments..

And, because of time, I know you are looking at me.. No, I'm just looking at you.. I will be very brief about this.. So in India, there are 24.8 missing housing units for informal sector workers in the cities.. Informal sector worker means you buy vegetables, for example, in the morning, you sell all day, you make a profit, you support your family.. Right? So why are there always missing housing units? Well there is a complete market failure from the point of view of business.. The vegetable seller doesn't get a payer stub; there is no paper work.. Well how the hell do you deal with that? And they want - they need and can afford a 200 to 280 square foot home.. Well that's a little bit different from what we make now.. And who are they, what - they belong to what group and they live where? So complete market failure..

On the other side, you have a large citizen sector that has come up, it is actually very competent and has a much lower cost structure, that lives in these neighborhoods, has trust, but they're a lousy real estate development and they don't have access to mortgage capital.. So market failure.. Now here we are, you see a big wall that is separating these people.. It's obvious what the answer is once you get this new framework in your head; you all know right now.. So you ask the citizen groups to do the things that have to deal with the neighborhoods, the marketing, the judgments about lending, the technical assistance all the way through to collection and you pay them for that.. This is a major new source of income for the citizen sector that will only grow.. The builders build, the finance people finance.. Right, so what has happened in Ahmadabad which is the first city where we've got this underway, about seven months ago - I'm a little bit late on statistics - there were 4,700 units that were either built and occupied or almost and another 25,000 that were at the stage at least of land option.. Ten other cities have taken this up.. Eight new finance firms have come into a market that didn't exist two years ago..

And we've have two major global financial institutions who are looking at this as a really big opportunity.. If you translate for those few cases to the 24.8 million, this is a \$340 billion market failure that is now being fixed.. And that's before you think of the 700 million other Indians that are likely to move into the cities and it's before you think about the 300 square foot house and it's before you think about China or et cetera, et cetera.. This was - all it required is starting to think this way.. Look for a wall and if you can figure you just can't ask people to keep doing what they were doing before and put them in a room, you've got to figure out a new system.. And that requires being a good entrepreneur.. So there is - for example right now in that case, we don't want to keep putting these things together.. Oh.. So how are we going to solve that? Well, so we think we need the equivalent of the real estate agent doing co-opping or condominium-izing buildings here.. So for 1% of the deal there is a new class of people that are in the process coming up in three cities so far, housing for all entrepreneurs..

Well the business people like this because this is less expensive than they had to pay; they used to pay 2% or 3%. For the point of view of these people if you do 500 units, that's \$100,000. Well, even taking off your costs, this begins to look very attractive in the Indian context. But the point is not housing, the point is this is we want everyone to think in this new mental framework. So you are the godfather of social entrepreneurship but I haven't heard you use that term today which is very interesting. What do you think of the future of social entrepreneurship. When we talked beforehand, you said that you actually sort of saw that as something that was an incredibly important term and process before. Do you see that as really critical going forward and how does social entrepreneurship relate to traditional entrepreneurship that we teach in our classes? All right, so it's just a historical oddity that happened and we can understand why but around 1700 business broke out into the everyone change maker world, structurally. This is an incredibly radical breakthrough. They said, if you've got a better idea and you implement it, we're going to make you rich and respected and we're going to copy you.

That was the beginning of the end of the elites. And from Rome to 1700 there was no growth in per capita income in the west, it went up and down with weather cycles. In the 1700 it went up 20%, in the 1800s 200% and in the last century 740% and of course this revolution has been going on across the world. But it didn't happen for either government or the citizen sector. Why? I think the main reason is that it was so easy for government to tax the new wealth i.e., you're not taking away something from people they had before so they barely notice it. So government grew and paid for the citizen sector and government doesn't have to be a monopoly but it just is. That's just part of it being historic and not modern. And no monopoly can stand competition. So the pay masters said, don't compete. And so the citizen sector, isn't it weird? Fell behind for three centuries from business.

And so we ended up with a real difference. Business develop business schools and language and all this stuff and we didn't. And it's really hard to remember what the citizen sector was like 30 years ago. It was so demoralized. No one would go into it. And it was sad. And we started Ashoka in 1980 because we believed that that was going to break out and it did. And so over the last 30 years, there has been a dramatic increase in the productivity and scale and now globalization of the sector. And so we've been growing jobs at 2.5, 3 times the rate of the rest of the OECD economy as we catch up. And that's one of the reasons it's such an exciting sector.

It is growing much faster in terms of productivity as well as just simple growth. And parenthetically the growth in employment is mirrored by growth in the volunteer part of the sector. So it's not a transfer of one to the other; both are growing. So what that says is, as in the example, that barrier is going to fall and everyone here can contribute to that. But there is a second and more modern definition of social entrepreneurship that is actually becoming more important. And so let me explain that. First of all, the word entrepreneur. Entrepreneur means pattern change. It doesn't mean direct service. So that means still a relevantly small number of people.

And social means that from deep within that person is committed to the good of all. And therefore their work is. Now I have said nothing - nothing in what I have just said defines sector. Every type of person is in education: businesses, government, religions, people of this or that ideology, and people who care about the good of all. And as we go - especially as we go through this transition and we enter a world that everything is bumping everything faster and faster. All the systems we used to assume were steady are not steady; they are bumping one another just as much as anything else. Well, it's very important to have a group of entrepreneurs on the playing field who are constantly pulling the game back to the center because there are lots of entrepreneurs there who are there for self interest, or the shareholder's interest or some religious or ideological point of view. And it's not that they intend to do evil, it's just that they accidentally do it. So I use a very concrete example: privacy. We are losing privacy really fast and I think privacy is really important for a freedom and creativity.

Why are we losing? Well, first of all we need preventive surveillance because a few people can do a lot of damage with the technology we have today. I don't see how we avoid that. Second, you all know about Moore's Law, it all invented here. Well that means you can connect all the dots for almost nothing and more and more people can do that. And that's not good for privacy. And then third, the dominant business model in the digital realm is you give people something they want, you get information, and you sell it. Now our friends at Google and we really have enormous respect for them, they are caught in that system. They are not helping privacy. You need the social entrepreneurs who were really focused on the good of all who will notice a trend like this. And for - just because inside them they have this commitment to the good of all, they are going to step up and you can see that happen.

You can see the antidotes of the social entrepreneurs beginning to deal with this problem of our loss of privacy. So I hope - and I expect actually but who knows for sure - but I expect we are moving to a world, where everyone is going to be driven by empathy-based ethics and that will be the norm. But we are still in this unhappy transition period where the dominant systems are rules and enforcement and fear which works less and less well because it's too complicated, too many moving pieces and so corruption is getting worse, and that's no surprise. And we're not quite there where everyone in every institution is being encouraged and helped to live a life that is guided by empathy-based ethics. We probably have to change some of the goals and measures of success to do that for example. Thank you very much. Another question? When you choose the issue you want to tackle, how do you balance your passion with what you think the world needs most and what happens when the two are at odds? Should we repeat the question? So the question is how do you balance your own personal passions with what the world needs most? I find it really hard to imagine that there would be a conflict if you were really being guided by empathy-based ethics and I said the most important thing for personal happiness is being able to give in a

significant way.. The biggest gifts you can give anyone is giving them the gift that they can give.. And of course we all have different passions.. My college roommate was and is an artist and he is not an entrepreneur..

He is just one of the loveliest people I know.. So he has a life of direct service in that field, that's not in conflict.. We need really dedicated teachers in the classroom.. They are going to have to be change makers too.. Charlie, my roommate, has to be a change maker.. Look at how art is changing.. Look at - I mean, we've just been talking about the revolution that's coming to all teachers.. So I am puzzled, maybe you could expand on what the conflict is because I maybe missing something here.. I guess it's there are many different types of issues and it's tempting to order them by what is most needed or what is least needed and when you have a variety of passions, it's hard to choose when you're being selfish or when you're just trying to be more effective, because maybe this issue isn't something that's as needed based on research or whatever it is but it's something that I could be more effective at because I am more passion about.. So....

This is very personal.. I just think you should do which you really love as long as it fits with helping other people in the best way you can.. Charlie loves being an artist and he is incredibly good at it.. He has worked out a role of designing parks.. So he has some income coming in.. I think he is living a wonderful life.. And saddest thing I can see - I see it a lot - my law school classmates got stuck in the system, many of them.. And I can see them squishing who they really were.. And they are not happy about it.. But they are caught they think..

And that's really, really sad.. That's not doing one any good.. I lasted in law for seven weeks.. Thank God it was over quick one.. And if it doesn't fit who you are, for God sakes, run.. So I'm going to end with the last question.. Can you paint a picture of what it is to be an engineer in the future.. If you are a change-maker in a hi-tech company as an engineer, what would that look like? Well I hope that all of us learn to understand whole of society.. This whole stove-piping thing: I am only a lawyer, only an engineer, only a baker, that's part of the old world.. It's really important that everybody understand the whole of society..

What's the fun of being in a little box? Now, of course, you bring special talents and skills to bear but Darlene who leads the Ashoka effort in the Bay Area and I were just over at Singularity University this morning and the challenge that they have and we have is how do we marry so that the best technology is.... they would like to figure out how to serve the sort of changes we're talking about here.. Well we need that sort of technology.. The rate at which repetition is being driven out is very heavily technology based.. AI, the algorithm, the web is just - repetition is going away much faster than agriculture did.. 1900, almost all - everyone in this country, 97% were in agriculture.. We're now 2% and 3%.. Repetition is going that way.. I just - I have two recent stories that I love about this.. I mentioned I was talking to the guy who runs McKinsey and he told me, he used to run the China work, and he told me about Alibaba's new lending operation..

Well this is new, billions of dollars, it's huge; \$1 to \$10,000 loans.. But how many people - and apparently they have much better metrics than any of the other banks in China, not that they are a bank - how many people do you think is running that? These vast numbers of small loans, all over the country.. What do you think their staffing is? Alright well I will spare you embarrassment that I suffered when I had to answer this.. It's 200.. Well how many millions of bank people are going out the window in terms of repetitive functions? And these are intellectual repetition functions; this is not physical automation that's going out the window.. My other great story is - this was in the New Yorker about three or four, five weeks ago - archeologists, they go into the jungle and if they didn't look to their right and look through two feet of foliage they'd miss a wall that was there.. And they had to deal snakes and insects and all this stuff.. Very slow uncertain process.. So Lidar, probably invented by someone here, not an archeologist but a New York explorer allied to what else? A Beverly Hills movie guy got together to go down to the mountains on the western part facing the Gulf of the Mexico with Central America which - it's got a lot of rain and snakes and all this stuff.. And they're - golden cities keep people talking about that..

So they said, we're not going to go with all those snakes and they got permission and they entered this little plane, they made a hole in the bottom, Lidar machine sends billions of light rays down and captures them bouncing them.. And because of the great computer science people here they can tell if it's bouncing from a leaf or a stone.. So all the vegetation goes away, the plain flies back and forth over this Manhattan- size valley for three days like a 1960s fax machine.. And guess what they discovered? The whole valley is a city.. The whole valley, streets, aqueducts, building and they have it all there.. Now that does away with 85% of what archeologists do in terms of field world.. So you know what CAD/CAM did.. It took away 40% of what architects do.. The Watson technology at IBM - IBM thinks it will get rid of 50%-odd of what doctors and nurses do.. So repetition is really, really going away and which is great..

Who wants to do repetition if you can be a change maker but then people really have to get into this new thing.. And so I just think this is a completely wonderful time we're going into but everyone here is going to have a great time with this, I know.. But we also have a trust, we have the privilege of being able to see those.. And now there is a challenge of how do we help the society see it and articulate it.. So please do.. This was truly inspiring.. Please join me in thanking our wondering guest.. Thank you...