

Speaker: **Indy Johar – Co-Founder 00 and Young Foundation Senior Innovation Associate**

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Good afternoon. I am absolutely honoured to be here actually. Part of the reason I am here was in 2011, Mark did a rather wonderful talk which was a system builder talk right here in TEDx Oxbridge. And it actually much inspired the last few years of thinking on work that I have done. And I hope in a way raises some questions. So, on that basis I am going to talk a little bit, and I am going to raise some questions, following on from actually very much what Mark and Margaret were saying - but looking it at in in a sense some of the challenge I think we face - the dark matter. I'm going to talk about social innovation, everyone talk about it, everyone talks about it publicly. It's increasing in the policy agenda.

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But actually what is it. What are we talking about? I am going to use this example, India, car crash in India, it's a great example of a wicked societal challenge. India has one of the largest road deaths in the world. When you look at this problem, unfortunately a friend of mine, his close friend passed away on the road. Nobody helped him in the road in India. He was lying there for over an hour. He decided to leave his job in the US and go to India and said I wanted to do something about this. He went out there and he said why did people not help. Well actually the reason people didn't help at that time because they were concerned by the police.

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Everyone else was talking about right we need to build a tech product - a 999 service, the reason why people why people weren't walking up and helping people - they were worried the police would take them in. So what did he do? He ended up building he ended up actually building a relatively large movement, but also getting a supreme law court ruling done. Huge campaign - actually to protect citizens who actually helped help people in need. Did that, that was quite effective - once he done that, what he realised was actually people weren't still being taken to hospital cause there's no ambulance service. So who was taking people to hospital? Well actually it was the police men and women.

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What did he do? He turned round and built a reward scheme. Recognising police men and women saving lives. When once getting to hospital, unfortunately still weren't being treated. Much of the hospital infrastructure is actually privatised. There were no incentives even though there is a legal requirement. So he then lobbied government to effectively put put a put on all toll roads in India, your automatically health insured now. Many of the tolls being built in India have got automatic health insurance on them. Now after that, he's built a tech app which allows you to call the equivalent of a 999. Why am I telling you this story? The reason why I am telling you this story - is this story is a perfect example of why in a system you cannot intervene with one product.

3:34

There is no illusion of a single product solving the problem. Actually there are multiple intervention points which have to be coordinated to drive change. Many of the societal challenges we face are actually driven in the same way. Yet - when I talked to many social entrepreneurs and social change makers, we've become indoctrinated with the myth of the entrepreneur. The myth of the venture capital, the myth of the single product, the myth of the single service, the myth of the silver bullet. To follow on from the myth of the superhero. It isn't that, that isn't how change occurs. Also, most most of the changes are bleak. It's not straight forward. It's not cause and effect.

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This is a perfect example from edible Todd Morden, two really amazing women, leaders of the council, ex leaders of the council decided decided to effectively plant every spare land that was visible in the city. Every spare land, literally. Seven years later, crime is down, number of abandoned shops is down, number of new jobs being creating is high is increased - why, as Margaret rightly said, they've invested in building the bridging social - bridging social capital. They haven't invested in a start-up fund, they haven't gone around marketing the land - what they've invested in is bridging social capital. They got everyone out talking. Working with each other.

5:18

Now, when I talk to policy makers - I say, how are you going to improve the economic performance of your town - what do people do? They set up a social investment fund. The point is solutions are a bleak - they're not direct. Yet in our industrial models of thinking we think only cause and effect. Yet actually we have to think a little bleak a little deeper. So when you look at at social innovation actually it slightly more oblique. You have to look at non not in and industrial mind-set. And then, actually increasingly you have to start to think through the system. In a way most of the last kind of 400-500 of enlightenment thinking have encouraged us to to think in silos. We split art from science, science, maths, physics - we've atomised everything.

6:15

Yet actually what's becoming interesting is of the last few years, the interdependency between things is becoming the thing that is killing us. Climate is not a single of problem - it's a multi act of problem. Global financial crisis was not a single act of problem, it was a multi act of problem. It is the thing between things. Following on, quite eloquently, and what you start to see is effectively the interdependency is more complex. So, in fishing rights and actually decline of fishing stocks, there were relationships between gang violence and the social capital destructing that was going on in gang to the decline in fishing stock and overfishing. How do you intervene in a system like that as opposed to always just imagining the fish? What is entrepreneurship look like in this world? What does change look like in this world. That is the question we are facing.

7:12

The illusion of a single product is actually a convenient lie of the last 400 years that worked beautifully for the infinite idea of the infinite world. As the interdependency of our world becomes material, that lie no longer is helpful. There are other lies and other myths. And one of the big ones is welfare. How is welfare perceived? This is a sort of a very quick diagram that we put together for a conversation, which was actually you can perceive welfare in many different layers. Welfare is public good.

7:56

You can see welfare from the idea of the mitigation of sort of the issue of homelessness. Let's move someone off the street. Right - let's just move them off the street that reduces our welfare problem. Actually it doesn't. Somebody who is homeless costs the state and public goods somewhere about £35-45,000 per year in emergency care. In other non-direct related issues. So when you look at it, when you don't look at it from the problem of the individual but actually the system, actually there are real costs that are attributed to the us. That's only the real accountant first order of game.

8:34

Then the real opportunity is well actually hold it, how much are we how much are they not contributing to society. And then the third and final layer which is super important. Which is actually how much of all of us how many of us can take a risk because actually we have the insurance of the welfare state? So how do we how does the welfare support us all to take risk? I will give you a parallel example; the NHS is not just good for health. It's also good for corruption. When does corruption occur? In crisis moments in people's lives. That is when corruptive behaviours become endemic.

9:15

So when we look at healthcare from purely a health perspective - we lose all the system values that it provides. Why am I talking about this? Because actually we've been stuck at a product level problem. Homelessness is a single issue. But actually when you look at it from a systems level, you start to see the business models, the value models, the financial models are different. Yet our financial models are based on single point transactions. What happens when you invest into a social housing lock - because out of energy poverty, the saving are made by the NHS because the number of pneumonias going down. Yet our financial models are no longer able to compute this. Unless we can, we cannot deal with the challenges we have in the 21st century.

10:03

The challenge for us is not only building corporate business models, but system business models. Which expand multiple actors. The challenge we face is there is many many innovations going on. Beautiful examples [Inaudible] is many many many of them. But actually what's becoming more and more fundamental - this is Brixton village which is down by [inaudible], again a beautiful priceless example. Really practical on the ground examples. But actually what's becoming more and more problematic is that all of these innovations are largely black swans. They're happening regardless of the institutional system.

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Actually how we account, how we structure is all still organised in industrial sets. And in a way, my thesis I want to present here is that the social innovation challenge is actually a dark matter problem. It is the institutional infrastructure problem right now we face. It is no longer a problem of us knowing that healthy sort of walkable roads are a good thing - we know that already. We know [Edible Tod Morden] works. The problem is not knowing that it works, the problem is that we don't have institutional infrastructure to scale it out. So when I ask policy people why don't you do this, they say well I don't know how to fund it. How am I going to fund, how, I said cant we develop offset I'm going to fund somebody to plant carrots. You see, right. And let's not imagine that nothings been done - actually there's a lot of interesting moves in institutional infrastructure that are being developed, CIC's and sort of lots of players being added. But actually the real questions are still open. And I'm going to list quickly some real challenge.

11:55

One; welfare is increasingly perceived as a cost, as opposed to an investment. Try that trick in your mind, it's a very interesting trick. And the reason why it's perceived as a cost is because of national accounting rules. What if it's perceived as an investment? How would you perceive the ROI of actually investing in someone who's homeless? It's a completely different story. It's a completely different narrative. It's a completely different discourse.

12:33

Two, actually it's not enough to just talk about the impact capital, we've seen big society capital put together 600million which lets put it also in frank frank terms; we buy one billion pounds worth of ice-cream, so we have 600 million a year sorry. One billion pounds of ice cream, we have 600 million of impact capital being allocated. It's not enough. Only when we start to account for future social costs and liabilities what happens. Let's imagine the next ten years' worth of liabilities of stock bought. We start to understand that actually the role of capital is allocated in that market. Until we start to understand those liabilities and account for them, we cannot open up this conversation. Most of our discourse as I was rightly as I was saying earlier - was that actually we talk about all our languages come from venture capital. All our languages borrowed from the idea that one company will give 100 extra turn, 10 companies will give 10 x and everything else will be wiped out. It isn't going to change. That's not how we can finance this change. That isn't how this works - yet all of social investment has borrowed head long into this world. So what does system financing look like and how do you finance systems is going to be one of the key issues.

13:57

Another one. The whole public private discourse. Maybe an illusion. When you draw the system out actually what you realise is actually the public private discourse is increasingly, the local authority in that diagram was a very small actor at the top right hand. Actually it's about interdependency. Maybe the way we've started to conceive this industrial idea of tax and redistribute is actually an old fashioned idea. Because actually there isn't the private actors even have to acknowledge the shared wealth and the shared liabilities they hold. The way we procure - we procure singularly. One actor to one actor. What does many too many procurement look like? That's going to be possible when we start to think about computable contracts. Massive, how about all of us were in a contract together. What would happen?

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We can start to imagine this world with actually a computable contracting. This starts to change the nature of the relationships we build and how we organise. The chains of relationship become mesh works of relationships. What does that mean? What does leadership look like when you actually have to talk about leadership across multiple organisations? Working collaboratively to an end. Incredibly difficult. What does this collaborative leadership look like? Margaret said more than eloquent - spoke more than eloquently. But the challenge is not just ion organisations it's between multiple organisations. And that I think is another order of challenge. And if you want to invest in this, well actually you have to invest in shared languages Mark was saying.

15:40

You have have to invest in shared senses, how do you see the world together. Now the senses could be dead, it doesn't really matter. Intelligence, how do you have shared intelligence, then you have to talk about smart policy, policy which is inter-optable between organisations. Again this is not a myth anymore, this is again possible. And then you have to talk about the politics of change. Often in strategy and discussion, politics has become a dirty word. But the reality is if you want to even change a kitchen in an office, you end up talking to the right people. So why don't we talk about the politics of change. Why don't we talk about the politics and make them transparent and make them a key part of the process. Here's and open one for you guys, I don't know, but I recognise that governance at a systems level is going to be a key issue. And I don't know how to do it. In fact most corporate governance is struggling to deal with today's reality. But actually how do we talk about governance at a systems level.

16:49

Multi actor governance - what is that going to look like. And in a sense we're seeing these realities play out. So these conversations that's I was talking about, they're being played out an actually the future of regeneration. The future of actually rural development, systems investment into rural villages. Into kind of ecological systems again some fantastic work happening. And also corporate supply chains. So what we are starting to see is that system based thinking is starting to deploy itself in new ways across it. These are probably the early mover landscapes. This is not a myth, it's actually quite practical on that ground. An there's some open questions, massive multi-stakeholder contracts - how do you design them, how do you put them together. What does governance look like? What do what does is effectively design at a systems level look like, what is authorship, what does liability look like.

17:43

All these things are going to get questioned and opened up. In a way that we've just not become used to yet. What does professionalism look like? And professionalism where you have to take account of your actual public responsibility. I'm going to come to an end, and in a sense, the thesis I want to say is the futures not complex. Actually complexity is actually a mind of view problem. It only looks complex when you look from the top down. That diagram of of the fish, was entirely done by actually citizens. Entirely done on post it notes and fishermen's, and [inaudible]. It looks complex and intricate to use because we look at it from a god like perspective. When you're in it actually your part of the process. And in a way the future is going to be built by us having to be able to build massive multi-stakeholder feedback and inter-optability. What does that look like, what is the process of doing that, what is the company of the future that does that - is I think going to be the biggest and most interesting challenge? I think that's how we're going to redefine democracy. It's not going to be the vote - it's about how we actually drive that. High frequency feedback and inter-optability.

19:12

To create a new democratic power, to create our society. Democracy is not the vote - it's the agency, democratised agency, to create society. I'm having these conversations in Dubai. Which I find fascinating because they start to think about it in a different way. It's maybe time for us to think about this in a different way. And I'm honoured to be here - and honoured to be speaking after Marc and Margaret because I think they genuinely have led us to a different conversation.

19:46

But it requires us to recall start to think through the institutional infrastructure and the paradigms that we've been talking about. Institutional [inaudible], system financing, system governance, system ethics - these are going to be very real everyday day issues for us to reinvent. And remember the corporate form as an idea was built, it was an idea born in the 17th century. It's not been here forever and nor will it be here forever. Our role is to reinvent it.

20:16

Thank you

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[END]