



Chapter 1

Great Britain

*“In a world with less money, close personal
relationships are more important.”
(82.1% agree)*

Fixed to trees and streetlights, the handmade posters were decorated with arrows and the words “Sea of Rage This Way.” They pointed toward the student union building at the University of London. There, on the morning of November 9, 2011, a crowd grew larger by the minute beneath a sky of unbroken clouds. At noon, the scene resembled a street fair. An elderly man in an orange kilt danced a jig to music from a boom box that he had placed on the street. A few yards away, hip-hop beats poured out of a portable loudspeaker strapped to the back of a bicycle. These sounds echoed off the brick and stone walls of city buildings, mingling with chants of “No education cuts!”

At about 12:40 pm, more than two thousand men and women, a number equal to three brigades of the British Army, stepped off toward Trafalgar Square. They walked behind a banner—Occupy Everything, Take London—that stretched from sidewalk to sidewalk. They were accompanied by hundreds of London police officers dressed in florescent yellow jackets and helmets with clear

plastic face shields. Drummers pounded on instruments strapped around their necks. Overhead, a police helicopter pounded the air with its whirling blades and provided observers the best possible view of unfolding events.

Motivated by a sense that the economic system no longer works for them, the protesters vented their frustration with chants and by jeering at the helmeted riot police. Some covered their faces to avoid being identified by surveillance cameras. The scene illustrated the loss of trust between the younger generation and society's leaders, and it echoed similar protests occurring around the world. It seemed as if people everywhere were struggling to find hope and a sense of agency. In the personal realm, they sought new definitions of happiness and new ways to achieve it. As political actors, they voiced their dissatisfaction with gridlocked politics and stale policies. In 2011, no social development was more significant than the rise of this "Occupy" protest movement, which was a loosely organized effort that allowed people to express their thoughts and feelings in a time of great uncertainty.

Beginning with the "indignados" who marched in Spain, people in dozens of countries took to the streets to show their anger over banking scandals, unemployment, political stalemate, and the growing disparity between rich and poor. In America, the anger became focused on the wealthy and powerful—referred to as the "1 percent"—and on the plight of the "99 percent" who feared the decline of the middle class. Parks and city squares became encampments as thousands of people tried to show their distress by literally occupying public spaces. These demonstrations were the largest and most widespread since the antinuclear protests of the 1980s, but they targeted problems so complex that no simple No Nukes-type of slogan quite hit the target. Solving the global economic crisis couldn't be as simple as banning the bomb.

In London, the Occupy activists built tent cities in the districts of Islington and Hackney and at St. Paul's Cathedral. They intended to focus public attention on their opposition to bailouts for banks and cuts to government spending on education and social

programs. This austerity agenda, adopted by Britain and the Eurozone countries, differed from the American response to the Great Recession, which had included a large federal spending program to stimulate economic activity. In the United States, the mixed approach had been followed by improvements in employment and growth that were painfully slow but nevertheless real. In the United Kingdom and Europe, the pain of austerity had not brought consistent gain. Instead, unemployment bounced back up, and growth sputtered and then stalled.

With politicians failing to deliver progress, and austerity making daily life tougher, ordinary citizens became impatient and then angry. But while they forcefully declared the current system “unsustainable,” the London protesters did not offer a considered second step toward reform or improvements in “the system.” With no further outlet for the energy of the movement, it became mainly a matter of outcry, rather than action. Everyone in London knew what was upsetting the young occupiers—but structural solutions were no closer at hand.

However, at scattered locations around the city, inspired individuals and groups were quietly working on their own alternatives. Although we happened to arrive just in time for the noisy protest, we had come to London to meet a number of revolutionaries who were both quieter and more deliberate. Here we would find women and men who were practicing business, community activism, and crafts with a true Athena spirit. In every case, they stressed the power of connection—to individual customers, colleagues, and communities—to multiply the effect of their efforts and produce innovative solutions to common problems.

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A quarter mile from the route of the November 9 march, Vinay Gupta and Tom Wright sat in a small office and tapped away at computer keyboards. When they paused, the two young men heard the thwacking helicopter, but they felt no urge to go watch the

scene on the street, let alone join it. Not that they weren't sympathetic. Young enough to fit right in with the protesters, they understood that millions of their countrymen felt aggrieved by the Great Recession and the austerity program their government had adopted in response. Traditional pathways to work and security were disappearing, and it was easy to feel unsteady. Unless you were blazing a new path.

As they worked their computers, Tom and Vinay were in fact acting as pioneers of the new economy, turning an idea into an asset. Their small company, WhipCar, allowed anyone with a safe and reliable automobile to rent it by the hour, day, or week to a neighbor who needed one. In a flash, their service could turn a ton of metal at rest by the curb into handy transport for the renter and a clutch of cash for the owner. The car, and the transaction, would be secured by WhipCar and its insurers. The service would take a small slice of the transaction, but charge no membership fees.

When we caught up with the founders of WhipCar, they were adding more than a hundred vehicles to their listings every day, and each week saw an uptick in the number of rentals they had facilitated. Soon to exceed fifteen thousand vehicles, the fleet of cars available through WhipCar was worth in excess of \$20 million and would rank the service among the largest rental outfits in the market. This resource was marshaled not with a bank loan or stock offering but on the basis of a simple but courageous idea: people are essentially honest.

"The basic service we provide is building trust between the owners and the drivers," explained Vinay as he sipped tea in a quiet corner of the Hospital Club on Endell Street in Covent Garden.¹ (Occupying an old hospital building, the club caters to young entrepreneurs who use it as a social and business hub.) "We provide both the *insurance* for the car and the *assurance* that a driver has been vetted and the car is in good condition," said Vinay. "After that, the parties are in control of their own destiny."

A slimly built thirty-four year-old from New York, Vinay flashes a smile when he hears a question about the breakthrough thoughts

that made WhipCar work. Perhaps the most important, he recalls, was the realization that most private cars spend far more time resting at curbside than they do working at transporting people. All this idle time—roughly twenty-three hours *every day*—represents lost value for owners who spend, on average, \$10,000 per year per car on insurance, repairs, and lease or loan payments. “It’s the second most expensive thing most people ever buy, after a home, and it just sits there, losing value. We thought that if we could help people turn that value into cash, they would take the chance.”

Previous efforts at car-sharing projects had foundered because owners were wary of how renters might abuse their vehicles, and the services lacked the technology to quickly pair owners with renters. The spread of broadband Internet services and a well-engineered website solved the technology problems. WhipCar’s site is so powerful that it can track thousands of vehicles and provide renters with instant maps showing the locations of many cars that fit their needs. (Most will be within a ten-minute walk of the renter’s location.) The rules allow for drivers to bid for the car of their choice and require owners to accept or reject an offer within one hour.

With effective technology and rules in place, Vinay and Tom turned to the question of trust. According to one study, more than half the owners in the United Kingdom give names to their four-wheeled babies. How would they relate to perfect strangers arriving at their doorsteps and asking for the keys? More important, how would renters treat the vehicles they pick up on the street?

As it turned out, drivers who actually met the individuals who owned the cars they rented drove more carefully than Vinay or Tom expected. “We think that the human element actually reduced risk,” noted Tom. With WhipCar, “you are in someone’s car. It’s not a faceless car owned by some corporation. Everyone is acutely aware that they have to bring the car back to someone who owns it. It’s not like you say, ‘I’m renting a car and driving to Scotland, and I don’t care how I drive.’ This is a human marketplace, and that human aspect brings out the best in people.”²

Among car owners, the human aspect leads them to accept lower bids from frequent renters, who become like friends. Among renters, it leads to a sense of duty and even attachment. In almost two years of operation, WhipCar's founders had yet to see a serious dispute over the condition of a car that had been hired, and disputes over gasoline—drivers are expected to replace what they burn—could be counted on one hand. In the meantime, the service's most devoted car owners earned as much as \$800 per month letting other people use their vehicles. Some actually consulted Vinay and Tom for advice before replacing their cars because they wanted to get one that renters preferred.

Beyond the benefits to WhipCar members, the founders count the financial and ecological payoffs that come with the more efficient use of thousands of cars. By various estimates, the manufacture of a single, medium-size car results in the production of more carbon dioxide than it will emit in a lifetime of operation. A WhipCar regular who chooses not to buy a car actually saves the planet the burden of roughly fifteen tons of manufacturing emissions. Driver payments to owners also convert the wealth frozen inside parked cars into cash that circulates in the economy. This resource is especially valuable, noted Tom, to "retirees who are on a fixed budget and hardly drive their cars at all[. They] really benefit from the extra income."

By keeping costs low, Vinay and Tom managed to steer WhipCar toward profitability at a faster pace than their business plan predicted. They are being helped by a change in the way people relate to cars as status symbols. In the United States, "the percentage of sixteen-year-olds with a license declined from 44 percent in 1988 to 30 percent in 2008," explained Vinay. "A similar thing is happening all over Europe. And owning a car just doesn't represent the same status that it once had." In fact, in recent years the United States has seen a decline in car ownership for the first time ever. This trend, and a drop in the number of miles logged by

younger drivers, suggests that cars are losing their magic as a status symbol.

In a time of economic stress, owning a car when it's obviously cheaper to rent might be seen as a sign of bad judgment, if not a character flaw. Considering their peers—adults in their twenties and thirties—Tom and Vinay argue that flexibility, creativity, and independence are the new markers of a kind of success that is less ostentatious and more sustainable. “If you look at technology and the economy, you can see that we are going through a great disruption,” added Vinay, who worked in telecommunications before becoming an entrepreneur. “I didn’t own a mobile phone until I was twenty-two. Now five-year-olds carry them, and two-year-olds know how to use an iPad. It’s completely understandable that people are upset by all the changes.”

The shifts in employment and the popping of the real estate bubble have left many people with a sense of dislocation and anxiety, added Vinay. The antidote, he argues, can be found in new definitions of what makes a good life and in a creative response to the economy. He believes that the world holds endless possibilities for those who can improve a business or a service to give more people access to something of value.

“Houses are a good example,” he said. “Home ownership used to be the definition of success. It doesn’t mean the same thing anymore. Now we know that the housing boom was artificial and it’s far more economical not to own a property. I don’t own a house. I don’t have a car. And I’m not sure I ever will. But I can buy access to a place to live and a car to use, and I have loads of experiences that make life richer.”

A good example of this “access” approach to living is the Hospital Club, where we met. Set in a beautiful and expensive neighborhood, the club provides graceful spaces that many members could not otherwise afford to enjoy. Like WhipCar, the club allows those who need something expensive, but only on a short-term basis, to add it to their life. “Today, the thing people need is access to

an experience, not necessarily ownership,” observed Vinay. “And we can arrange that by relating to each other more personally.”

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The personal quality of the WhipCar formula prompts many people to add a little handwritten promise—“I’ll be careful”—to the more formal commitment they make as they sign a rental agreement. The words are stronger than ink on paper because they help bind the buyer and seller in a relationship. In this, the WhipCar model stands out against the global trend toward an impersonal marketplace. Commerce conducted online and at scan-it-yourself checkout counters may be efficient, but it comes without the sense of security and connection we get when we can see, hear, and come to know the person on the other side of the transaction.

Much studied and much lamented, the alienation of modern life flows, at least in part, from the feeling that we don’t know enough about how our world works. As technologies become more dazzling and our jobs become more specialized, we know less and less about how objects are imagined, designed, produced, and delivered. The feeling that we are isolated from the origins of things is relieved when we see a cook toss dough into the air at our local pizzeria or meet the owner of an orchard at the farmers market.

The basic human desire for connection inspired Katie Mowat to found a service that pairs consumers with knitters who make bespoke hats, scarves, and other winter woolens that they can design themselves online. The twist is that the knitters are actual grandmothers—and you get to pick your own granny! More than a dozen “grans” are featured on Katie’s website, and customers are encouraged to communicate directly with the knitter they pick, working through preferences on shape, colors, and stitching. The finished goods are shipped with labels, stitched inside, that are addressed to the buyer and signed by the granny.

On the night we met her for dinner on the South Bank of the Thames, twenty-eight-year-old Katie arrived wearing a long fuchsia scarf, happy to report that a cold front was finally bringing a chill to the season. Autumn was arriving late to London, not good for a business that depends on people shivering when the wind cuts through their clothes. Grannies Inc. might be a playfully creative enterprise, Katie noted, but it is also a real business that provides income for knitters and needs revenues to keep humming.

“In my first year I made a mistake by pricing everything too low,” recalls Katie. “I had to learn that for premium products you charge a premium price. Our knitters are really extraordinary, and the quality of what they make is so high you could wear it for years and years.”³

The emotional premium in a Grannies Inc. purchase is delivered first as a buyer reads biographies of the grannies. “I didn’t have grandparents on either side of my family when I was a child,” recalled Katie. “The grannies we have are surrogates for me, and I think it works that way for a lot of people who use the site. But then you get invested in the design of the item and the collaboration. Finally, when you get that package with something in it that has been handmade specifically for you, it’s a wonderful experience. A lot of people have never received a package like that in their lives.”

Of course the thrill of receiving a granny-made hat, vest, or scarf would fade quickly if it were poorly made. Here, Katie’s own experience as an avid knitter comes into play. As a college student studying in America during a knitting craze that began in 2001, Katie took up the craft and became extremely proficient. Knitting and the community of women who did it gave Katie both a creative outlet and a deep appreciation for social networks. Knitters, it turns out, are happy to share their secrets and encourage each other with great enthusiasm.

With Grannies Inc., Katie recreated her college knitting circle on a scale so grand that it reaches across the English countryside to include hundreds of highly skilled older women. The day after we

met Katie, we hopped a Chiltern Railways train to the Oxfordshire town of Banbury. There, Holly, a tall, straight-backed woman with gray hair piled on her head, met us at the end of a long gravel driveway and walked us to the door of her house. Inside, she kicked off her shoes and led us to a cozy room warmed by a potbellied stove. A basket filled with wool and knitting needles rested beside the chair she sank into. The view from her window included a few dozen sheep grazing on a grassy hillside. In the distance, the sun met the horizon.

"I had a very, very good marriage, but when my husband died in 2006, I learned that the world isn't going to come up your drive and say, 'Please, can Holly come out to play,'" said Holly. "I realized that I had to make life work for myself."⁴

As she made her life, Holly pursued sailing and wound up in the Mediterranean, the Caribbean, and the choppy waters off the Orkney Islands. She became a devoted volunteer at the hospice center that helped her husband. This work reinforced her Buddhist sensibilities. "I appreciate how transient and fragile life is," she explained. In the quiet hours, needlework and knitting aid her in meditation and reflection.

"I learned to knit a long, long time ago," recalled Holly. With the rationing of World War II, skill with a needle made it possible for sweaters and hats to be repaired and remain in service. Knitting and sewing circles brought women together when their husbands were at war. The craft also made a young girl proud that she could do her part.

When Holly read a newspaper article about Grannies Inc., she emailed Katie to wish her well. Katie answered with a question: "Would you like to knit a sample beanie?" After Holly said yes, she received a package containing the yarn, needles, and pattern she was to use. The beanie was almost perfect, and Holly became an official Grannies Inc. knitter. A faster and more ambitious knitter than most, Holly has accepted big jobs, including an order for dozens of beanies placed by a European TV network. "I was really chuffed,"

she recalled, “when my children were watching TV and they called me because the commentators were wearing beanies I had knitted.”

In a busy month, Holly might receive a check that will pay for an outing or two with her actual grandchildren or for some luxuries she might otherwise forgo. For other women who live on much more modest budgets, the payments make it possible for them to pay their monthly bills without the worry they once felt. The money and sense of accomplishment all flow from Katie Mowat’s desire to make a small business and do something positive for others out of the craft she loves. A practical woman, Holly recognized the financial benefit she received by joining Grannies Inc., but harbored some skepticism about any social rewards that might come from Katie’s idea.

In her lifetime, Holly had seen the coming together of the war years and then the loosening of social ties that occurred as women left the home to work, family size shrank, and the population shifted toward big cities. She appreciated the way Grannies Inc. established small connections between knitters and buyers, whose hearts were warmed by the notes she tucked into each item she completed and shipped. But she had trouble imagining how this little enterprise might do more for her—until she hit upon the notion of mixing the old and the new.

“Women have always done handicrafts in groups as a way of coming together and sharing,” she told us. These gatherings allowed participants not only to share what they knew about technique but also, more important, to exchange information and ideas about anything and everything that mattered to them, from child rearing to the great public issues of the day. With Grannies Inc. providing projects to complete and a small profit motive, Holly began to recruit participants for a knitting circle that would engage village women for a few hours per week.

Reviving a tradition that pays dividends in so many ways clearly delighted the woman who was challenged to remake her life after her husband died. “We grannies are full of wisdom,” she remarked.

Her wisdom is evident in her plan to expand on Katie's concept and make it pay more dividends to more people, echoing the community spirit of the England she knew as a girl.

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The energy behind Grannies Inc. came from two basic human drives: creativity and the need for connection. In times of financial crisis, the value people attach to these pursuits seems to increase as people who are troubled by financial insecurity seek ways to feel happy and successful. Creative outlets, such as the production of handmade crafts, can be seen as opportunities for sharing oneself with the wider world. But what about people who lack a specific, in-demand skill or talent like the ability to turn a skein of wool into a cap? They can still connect by sharing their time through volunteer work.

It is a fact that volunteering increases with unemployment and recessions. Although some research suggests that people turn to help others because they have idle time on their hands, the volunteering impulse also arises in the hearts of busy people who simply want to pitch in. The trouble, for most of these folks, is to find a workable outlet for their volunteering desires.

Enter Anna Pearson and Spots of Time.

In her years of working as an advocate for charities in Britain and abroad, Pearson recognized a pattern: many people want to volunteer, but cannot find ways to do it. In some cases, organizations that claimed to need help attached onerous conditions to service, requiring people to make long-term commitments, undergo extensive training, or perform work that didn't suit them. In other cases, volunteers were thrown into big projects with mighty ambitions—feeding the hungry, ending violence in a neighborhood—that could never be achieved. Frustration would lead to disillusionment, and projects would be abandoned.

To bridge the gap between what volunteers can give and what people need, Anna reimagined volunteering—on a very small scale. As she explained to us over tea, “I thought, ‘People need

things as basic as a little happiness or joy in their day,' and I realized that with a humble idea, we could make that happen."⁵

The humble idea was a service—Spots of Time—that connects people with organizations that can use volunteers who can commit an hour or more to do something for someone else, and often at a moment's notice. Nursing homes (known as care homes in the United Kingdom) were among the first to sign up for the network, and soon Spots of Time was sending volunteers to spend time with the elderly and disabled residents of facilities in London and Essex. As Anna discovered, an hour or two was usually more than enough time for a volunteer to do some good, and his or her service could be something as small as reading aloud or accompanying someone on a walk.

The notion that someone might volunteer sporadically fits with what thirty-one-year-old Anna called the "freelance culture" of her generation. Accustomed to projects that last for a limited time, many young adults look for service opportunities "that are more like a gig than a job." In some cases, the volunteers are actual performers who are happy to find an audience, even if they offer a show for free.

Early feedback on her program, just months old when we met her, showed that volunteers are so sincere about doing something positive that they worry that a spot of time is not enough. "We have to convince people to just trust in the fact that doing something good, even though it's really small, is worth it." She counsels volunteers to stop worrying and just go and sit for tea with someone who would appreciate the company. Anna offers similar counsel to leaders of organizations who are accustomed to old ways of accepting help, which too often meant they received no help at all.

"I understand if people are worried that we are all fur coat and no knickers," said Anna, using a British expression for someone who is all flash and no substance. "I'm keenly aware of what we haven't done yet, but I also know there's a big resource here and a big need, and I think it should be possible to break down the barriers that keep them apart."

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The obstacles that separate the financial center called the City of London and the nearby neighborhood of Hackney are scaled, every day, by the honeybees that occupy a hive atop the Nomura Bank building. The bees produce honey for a small outfit called Golden Company, which partners with the young people of Hackney to teach bankers and other high-flying Londoners about the environment, sustainability, and the delicate balance of nature.

Vital to food supplies, the work that bees accomplish as pollinators of British crops is estimated to be worth more than \$700 million per year, according to the United Kingdom's National Ecosystem Assessment.⁶ Bees help produce one out of three mouthfuls of food in the British diet.⁷ However, in the United Kingdom, as elsewhere, bee populations began to decline in the 1990s.⁸ As the bee problem became evident, the British government funded several investigations into solutions. In the meantime, bee enthusiasts across the country went about the practical business of starting new hives. In 2007, a pair of entrepreneurs started Golden Company to raise bees, produce honey, employ local youth, and bring attention to the crisis in the garden. They located it in the poor neighborhood of Hackney, where staff at a community center called Hackney City Farm help manage the work.

Golden Company is a distinctly British type of organization—called a social enterprise—that blends business with a social agenda to accomplish several goals. The bees that live in the many hives it maintains pollinate plants and produce honey that sells briskly at public markets. At the Nomura building, Golden's young employees outfit their elders in bee-proof gear and then teach them to work with the hives unafraid. In this role, the youth discover confidence and competence. The professionals at Nomura Bank learn about bees and the capabilities of young people they would otherwise never encounter.

The connection between bankers and Hackney youth is the most important product of Golden Company. "The young people we work with are most at risk of being excluded from the economic

system and from society,” explains Zoe Palmer, one of the founders of the honey company.⁹ Born and raised in Hackney, Zoe attended University College London with the idea that she would return to her community to do something to make it better. “I studied human ecology, and it teaches you to balance the head, the heart, and the hands,” she recalled for us. “I started thinking about a business that would use all three in a self-sustaining way.”

Zoe obtained seed money for the business, acquired bees from Shropshire, and found sites for the hives with corporate partners at places like Nomura Bank, the London Stock Exchange, and at the big Chancery Lane law firm Lewis Silkin, LLP, where a queen bee named Lucy arrived in September 2011. Young beekeepers (called guardians by Golden) assumed responsibility at each hive and became mentors for employees of their host corporations. Other hives were installed in various parks and at Hackney City Farm. There, enterprise manager Gustavo Montes de Oca saw Golden as a perfect way to establish ties with the professionals in the city’s banking sector and get local youth involved. “Beekeeping has everything that might attract kids,” he said. “Honey, danger, funny outfits.”¹⁰

Moreover, as Gustavo explained to us when we visited him at Hackney Farms, London’s powerful financial district “has always been on our doorstep, but we never had a way to connect with the people there—it was like there were two different worlds that never connected, and both were losing out because of it.”

Indeed, as the income gap between the wealthy of the City and places like Hackney grew, people in both communities began to worry about the effects of their mutual isolation. Gustavo imagined that Hackney City Farm could be a place where that isolation might be broken and mutual empathy might be encouraged.

Golden Company’s values, posted on its website, include discipline, self-reliance, and a commitment to learning—and all of its activities revolve around building respect for nature and humanity’s role in the environment. As founder Zoe Palmer envisioned, the bees teach their keepers something about the “wildness of

nature.” In a radio documentary about the program, a bee guardian named Devente said, “Once you understand the bee, once you know what it’s doing, your perspective changes from swatting to staying still.”¹¹ Another beekeeper named King marveled at the industry of the insects. With a kind of awe in his voice, he explained, “They love work.”¹²

Experience with bees helped King and Devente develop patience and recognize the parts of an extremely complex system. In the bee colonies, they saw finely tuned teams without leaders survive and thrive on the basis of communication, cooperation, responsibility, and selflessness. These talents and traits, which people in our global surveys consider traditionally feminine, can be applied directly to school, work, and family life. They also match many of the values promoted at Hackney City Farm. Set on a former industrial property where manufacturers have made everything from beer to buttons, the farm was established by Hackney residents who used public and private funds to renovate buildings and clear land. The property now supports a demonstration farm, small businesses, social programs, and hybrids like Golden.

On the morning when we visited Hackney City Farm, half a dozen people lingered over breakfast in the farm’s Frizzante (Italian for “fizzy”) Café while workers at an outbuilding devoted to a shop called Bike Yard East took wrenches to a lineup of bicycles left for repair. At about ten, women began arriving for a yoga class taught inside a building made of straw bales where the floor had been cleared to make space available for mats. Referred by the Red Cross and other agencies, the women were all refugees and asylum seekers. Besides the practice of yoga, participants share a meal and receive English language instruction.

All the activity we saw at Hackney City Farm was sustained by a combination of grants and earned income designed to generate enough cash flow to meet its social service goals. Golden’s workers are educated in business management as well as beekeeping, and they have been responsible for managing payroll and inventory as well as for developing new products. Required to present detailed

proposals to support their ideas, the young workers are often surprised to discover that questions raised by their colleagues force them to improve their concepts. The most successful ancillary product to come out of this process, a honey-based lip balm, was so well formulated and marketed that it sells out whenever it is offered.

The creativity and persistence of the people who participate in Hackney programs match the kind of effort that might be seen at an exciting business start-up. When the farm opened a public garden in a nearby park, Gustavo was startled to discover that the only people who violated the rules of the garden were the ones who sought to install extra trees and plants.

One evening, Gustavo was startled to see a man using a screwdriver to loosen hard-packed earth and create a hole for a seedling of an apricot tree that his daughter had sprouted on a windowsill. The man returned to tend the tree and also pitched in to care for trees that others had planted.

“We had no expert horticulturalist, and as far as I know, this fellow, who was an immigrant, taught himself everything he tried,” Gustavo told us. The trees grew to bear fruit, which is shared by the entire community.

For Gustavo, the fruit tree experience revealed that much expertise and wisdom lie hidden in the community. He has learned a great deal from talking with locals who lived through the hard times of World War II and its aftermath, when rationing and a tough employment market forced great numbers of people to economize. “People would find many uses for something as basic as a jam jar, which became a sugar bowl or a container for pence. They remembered selling rags to be recycled and growing their own vegetables and herbs for cooking.”

The example set by the older generation inspired Hackney managers to open resale markets for children’s clothing and toys and to maximize use of the space at the farm by renting it to groups and corporations that are planning events. Farm officials are also working on a large-scale program to collect, separate, and sell waste and cast-off items that retain significant value. Each week,

area homes and businesses produce tons of recyclables, from used cooking oils to paper, which could yield more than \$600,000 per year in revenues. Gustavo describes this activity as “harvesting the city” and imagines it growing to employ dozens of locals in an activity that is profitable, self-sustaining, and good for the environment.

In harvesting the city, Gustavo intends to advance a complex mix of ideals: masculine and feminine, profit driven and socially aware, generous and conservationist. He explores the issues his generation faces in a new and changing world on a blog titled “GoldenGus,” where he admonishes his fellow “greens” with a warning—“thou shalt not moralise”—but also considers Britain’s chief rabbi’s call for “remoralising” the world with new organizations to push for happier communities and a healthier planet. He quotes Rabbi Jonathan Sacks recalling how people in the United States and the United Kingdom organized themselves to confront the disruption of the Industrial Revolution of the nineteenth century: “People did not leave it to government or the market. They did it themselves in communities, congregations, groups of every shape and size. They understood the connection between morality and morale.”¹³

In the midst of the current technological and economic revolution, when workers are displaced and insecurity seems rampant, solutions may come from modern formulations of nineteenth-century associations like the YMCA, temperance unions, orphans societies, guilds, and community trusts. The new versions will undoubtedly be based, at least in part, in the online world. But in localities, they may also look much like Hackney City Farm and Golden Company, where hard work and imagination support innovation on a human-to-human (or human-to-bee) scale.

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The local efforts made by Gustavo, Zoe, and others yield results that Londoners can see and even taste, but their efforts also

motivate others to pursue solutions that can be seen nationally and even internationally. Because it deals in products that are readily transferred over the Internet, finance is an attractive corner of the economy for those seeking modern versions of mutual aid. Operating out of a second-floor suite of offices in a Victorian commercial building on Newman Street, Giles Andrews offers this kind of help to borrowers and lenders with a start-up finance company called Zopa, named for the concept known as Zone of Possible Agreement.

Zopa pulls together information on large numbers of individuals who want personal loans on better terms than they would get from a traditional lender. Together, these borrowers present less risk than a single applicant; protected by the strength in the collective credit history of the borrowers, investors provide the cash that Zopa lends. For all its trouble, the firm takes fees from lenders and borrowers that amount to less than 2.5 percent of a loan.

The modest fees are explained in plain English on the Zopa website, where both sides of the lending business can also learn the basics of its peer-to-peer process. As the site explains, Zopa evaluates borrowers and assigns them to groups labeled A*, A, B, C, or “Young Market.” The best borrowing rates are available to the A* borrowers. The highest return for lenders comes when they offer money to the lower-grade pools, such as C and Young Market. They are protected from big losses by a system that restricts the amount any one investor can commit to any one borrower to roughly \$15. A default by someone who has taken \$15 from a hundred lenders causes much less pain than a default by a borrower who fails to repay \$1,500 put up by a single person.

“The idea is to treat everyone fairly—lenders and borrowers—and be very open about how we do business,” Andrews told us on the day we arrived at Zopa’s offices just off the Goodge Street tube.¹⁴ The big, open, white-walled space was quiet, save for the clicking of people working at computers and muffled phone conversations taking place on the other side of the room. Before Zopa, Giles was a consultant for big companies like

the Tesco supermarkets and Internet start-ups. He and a partner named Richard Duvall began Zopa in 2005 with about \$10 million from venture capitalists who agreed that banks served consumers poorly, leaving a huge opening for a start-up alternative.

Richard, who had founded one of the first and most successful online banks—Egg.com—hosted the brainstorming for Zopa at the barn on his country estate, where some of the best ideas emerged at the Ping-Pong table. Regarded by Microsoft founder Bill Gates as “one of the most dynamic people I have ever met,”¹⁵ Duvall preached the value of businesses based on trusting relationships with a growing population of consumers who feel comfortable with online transactions. He dubbed these potential customers “freeformers” and estimated that more than six million British citizens fit into the category. Sadly, Duvall was diagnosed with pancreatic cancer and died the year after Zopa’s launch. He wasn’t around for the start of the global bank crisis in 2007. Zopa, however, was poised to profit.

Because nations support banks with guarantees, the collapse of banks around the world, including Britain’s Northern Rock Bank, saddled taxpayers with the responsibility to make depositors whole. But even as they rescued these huge financial institutions, everyday citizens found that banks would no longer lend to them, and interest rates paid for savings dropped well below the rate of inflation. “The public got this feeling that whenever they were dealing with these big institutions, the bankers were telling them, ‘We’re going to get you in the end,’” recalled Giles. Zopa presented an alternative “that says, ‘We’re going to talk to you respectfully, and you are going to know exactly how we do business. There will be no surprises in the end.’”

With other lenders turning off the flow of loans, Zopa’s portfolio exploded. The raw numbers—from \$10 million to more than \$250 million—are small when compared with banks that carry billions of dollars in outstanding loans. However, by the end of 2011, more than half a million people had signed up as investors or borrowers.

The average return paid to investors was just over 7 percent, and defaults across Zopa's range of loans were less than 2 percent. Meanwhile, the rates charged to borrowers averaged 20 percent below the average for banks.

Playing off the Zopa model, peer-to-peer lenders have cropped up around the world. All operate as information managers, using the data about their pool of borrowers to estimate risk and assign rates. The numbers are made public, which reduces the mystery around lending and gives peer-to-peer finance a trustworthy image. Members, who know that traditional banks are regulated and backstopped by the government, prefer the higher returns they earn to the security of state-issued guarantees. Similar to old-fashioned credit unions, Zopa and its imitators "are a way for people participate in building their own institutions," said Giles.

Zopa itself is a new kind of financial center where an extremely lean staff of twenty-three manage an ever-growing army of lenders and borrowers. The pace is hectic, but employees work with the intensity of people on a mission. Determined that the company serve its employees as well as it serves its customers, Giles experiments with ways to track how his team is faring. On the day we visited, he had set out a bin full of colored balls and two wastebaskets labeled Good and Bad. Staffers were advised to toss a ball into the basket that indicated how they felt about things in the office. In a testament to the spirit of trust that is the hallmark of Zopa's business model, the bins were almost at the same level.

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By aggregating borrowers and lenders, Zopa creates efficiencies in the Zone of Possible Agreement. The operators of Made.com exploit a similar process, using the power of community to disrupt the furniture business.

Two entrepreneurs in their thirties, Ning Li and Julien Callede, targeted the furniture business after studying the cost of retail space

and warehousing built into the price of every sofa or ottoman sold the old-fashioned way. Even giant companies like IKEA, which revolutionized the business with build-it-yourself kits, spend enormous amounts of money constructing, maintaining, and running facilities that are mainly way stations between the manufacturer and your living room. The real value in the product rests in great design and solid construction, Ning and Julien reasoned. Why not find a way to deliver that value without all the markups required to pay for all that storage?

Breaking the business down to its essence, Julien and Ning looked for ways to connect consumers who needed furnishings to the source. They settled on a system that allows people to “vote” with orders for a small number of designs that are offered on Made.com’s website every Thursday. When the number of orders reaches a point where an item can be manufactured efficiently and shipped at a reasonable cost, the design “wins,” and a factory swings into production. “It’s the opposite of the very masculine way, which is to buy a lot of stuff, put it on display, and say take it or leave it,” explained Julien when we met him. “We take the relationship with customers seriously, ask them what they want, and respond in real time.”¹⁶

On the day that Made.com debuted, the site offered one table and two chairs. The company’s first big hit was a playful desk by Stuart Padwick, one of London’s most successful designers. At roughly \$500, the sleek desk was sold by Made.com at roughly one-third the price it would fetch in a shop window. As visitors voted for more items, the offerings swelled to include plush chairs, sofa beds, and leather club chairs for the same price. A dozen more designers were gradually added to the team, and the site was upgraded to give customers daily reports on the path their purchases followed from door to delivery, including maps that chart the progress of ships loaded with Made.com’s wares.

Ning, who travels to China to scout suppliers, delights in the shared interests of every participant in the Made.com equation.

“The factories are looking for new export markets and to use their excess capacity. The consumers are happy because they get a \$1,500 item from High Street for \$500, and the designers are happy because instead of selling one item per month, they may sell hundreds.”¹⁷ They also get the reward of knowing that their work is finding its way into the lives of thousands of people.

At the Made.com office in Notting Hill Gate, a few dozen people can manage thousands of relationships that produce millions of dollars’ worth of sales each quarter. Remarkably, none of the workers are employed as salespeople. Instead they work as listeners who try to tune in to the desires of their community of customers. “How do you sell?” asked Julien, rhetorically. “You sell by listening to people. If you listen, they will tell you exactly what they want. If you listen, you can change the system and do it better.”

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Most of the innovators we met in Britain had established new business models that engaged consumers and citizens directly and made things better, one person at a time. Borrowers who turned to Zopa were able to buy cars or renovate kitchens (the two most common reasons for people to apply), and Golden Company bee guardians earned paychecks as they acquired skills. But these kinds of direct efforts were not the only signs of innovation we discovered. Though no longer the seat of an empire, London remains a place where people with a broad vision for changing the world cultivate new ideas.

A few blocks from Regent’s Park, in the center of London, we met two of the directors of Social Finance, an organization that has found a way to tap private wealth to solve public problems. Turning an old paradigm on its head, the firm is working on deals with different levels of government, promising social programs that produce measurably better results than existing agencies. Investors are being courted to supply the up-front cash, while government is

being asked to repay them, with interest, and give them a return if the projects are deemed a success after a certain period of years.

Called social impact bonds, the experimental funding scheme is being used in the small city of Peterborough, which is east of Birmingham, to pay for services to help inmates make the transition from prison to life in society. Investors who front the money for mentoring, housing support, mental health interventions, and more stand to make a profit of as much as 13 percent. Their net will be determined by the rate at which former inmates reoffend and return to the criminal justice system. The risk for those who put up the money is that the project might fall short of the goal of a 7.5 percent reduction in recidivism. For the government, it's a no-lose proposition because the premium it might pay will come from the savings realized as fewer men return to lockup.

"The idea is to use money as an incentive for creativity and improved outcomes," explained Emily Bolton, a director at Social Finance. "Money tends to make people focus."¹⁸

By adding investors to the process of delivering social services to prisoners, Emily and her colleagues are establishing a new layer of accountability. The outcome of the efforts made by advisers, community members, counselors, and others who work with clients will be monitored by people who want the program to succeed because they want their money back, plus interest.

In the United Kingdom, where transition services were all but nonexistent, 60 percent of those released are convicted of an offense within a year. The new program, which includes counselors who literally greet prisoners at the gate when they are released, will be offered to three thousand men over six years. These counselors serve as a point of contact for every kind of help a released prisoner might need. This early intervention and streamlined access to services are expected to produce the reduction in recidivism that would meet the 7.5 percent threshold. Early reports from Peterborough police suggested that they had seen a positive change in the behavior of

well-known local offenders, but as of 2011, the project was still too new to assess.

The social impact bond scheme has been supported by all the major political parties in Britain and has received wide publicity, which does put a bit of pressure on the directors at Social Finance. “We are hoping for a good outcome and that the investors will get their return,” said Emily. The first wave of funders came from the ranks of people who see their investment as both a play for profit and a way to do some good in the world. But if the idea works, said Emily, mainstream investors could conceivably make social impact bonds just another component of their portfolios. “The concept isn’t a silver bullet for solving social problems,” she concluded, “but it can be one answer among many.” Next on the investment agenda, if the prison project works, will be bonds to fund services for the homeless, the unemployed, and drug and alcohol rehabilitation centers.

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Emily Bolton was optimistic about the future of what she called “impact investment” and sees it as a way for people of all political stripes to work together for the common good. She also regarded the nascent field of social finance as the ultimate expression of the Athena Doctrine. In her work, she can use all her masculine and feminine values as well as the skills that she acquired working at both KPMG (one of the world’s “big four” auditing companies) and a settlement camp for Tibetan refugees. “We’re at the early stages,” she says of the effort to combine hardheaded business practices with compassion, “but I can see a world where these things all connect.”

Cherie Blair can imagine a future like the one Emily Bolton pursues, but in her effort to promote women entrepreneurs in the less-developed world, she has learned to beware the persistence of prejudice and the obstacles women still face. We met her at

the Cherie Blair Foundation, which is less than a block from the famous Marble Arch of Hyde Park. Outside, the street bustled with tourists and shoppers. Inside, a small team of staffers quietly tended to the work of overseeing roughly \$1.5 million in annual investments in small businesses led by women around the world. The foundation had just issued its annual report for 2011, which highlighted enterprise development projects in India, Lebanon, Israel, the Palestinian territories, and several African nations.

“To survive and thrive, everyone needs the wherewithal to be productive,” says Cherie, a barrister and part-time judge who is also married to former prime minister Tony Blair. “You need the feeling of belonging and of being entitled to support.”¹⁹ Cherie began the foundation to provide women in developing and emerging markets support and a sense of belonging by training them in business practices and financing start-ups. In Kenya and Malawi, for example, the foundation helps entrepreneurs sell solar lighting products. In India, it teaches craftswomen how to turn their goods into profits.

In visiting projects around the world, Cherie has seen that “both the economic and social spheres have been dislocated” by the financial crisis. “People are struggling to find the work and family balance in their lives.” She has felt personally challenged in this regard, first when she was a younger working mother and later, after she left 10 Downing Street for private life. “I was in the position many women find themselves in at key moments of their lives,” she recalled. “I had to find my way again, find the right balance. It isn’t a women’s issue; it’s a human issue, but women are in the lead.”

Cherie said that she has found, in women entrepreneurs, affirmation of the strength and values she saw in her own mother and grandmother, reflective of a traditionally feminine style of leadership. “Mothers think long term,” she noted to us. “That kind of thinking is a very good balance for the risk-taking and assertiveness” that is required to make a new enterprise succeed.

Remarkably, Cherie noted, some corners of the developing world are friendlier to strong women than certain precincts of the West. “Look at boards of directors at major corporations,” she explained. “It’s disheartening that there’s been so little progress in bringing women on to them.” The presence of more women, she speculated, “might have led to more cautious risk assessments” at the big banks that faltered in the past decade. “Look at those boards that are all male and ask yourself, ‘Who’s providing the countervailing views to keep things balanced?’”

