

StanfordSOCIAL INNOVATION^{REVIEW}

Review

Bright Lights, No City

By Max Alexander

Review by Sam Goldman

Stanford Social Innovation Review
Winter 2013

Copyright © 2013 by Leland Stanford Jr. University
All Rights Reserved

When Life Imitates the Internet

Review by Lucy Bernholz

**Future Perfect:
The Case for Progress
in a Networked Age**

Steven Berlin Johnson
272 pages, Riverhead
Books, 2012

What happens when a metaphor comes to life? The Internet is no longer simply a tool that we use, argues Steven Berlin

Johnson is his new book, *Future Perfect: The Case for Progress in a Networked Age*. We are beginning to apply its core characteristics to our lives, jobs, and communities. Networks, equal access, and read-write (or editable and shareable) products are no longer just core design elements of the Internet; we are making them real.

Johnson describes the creators of institutions modeled after the Internet as “peer progressives.” Like their 20th-century forebears, these are doers intent on solving social, political, civic, and economic problems using readily available tools—in this case, the Internet, mobile phones, and mashable data. They value equity, participation, diversity, and choice. They believe in the power of innovation and are concerned by the dominance of big business and big government. They recognize the peer-to-peer networked structure of the Internet as a general force for good, and they acknowledge that these same structures, used by terrorists, can cause unthinkable harm. They believe most in the power of people to exert the control that’s needed.

This worldview doesn’t fit easily into existing corporate or political structures. The US two-party political system is a particularly tough squeeze for peer progressives, Johnson argues. It is here that he is most convincing. Johnson uses examples of a federal policy on pharmaceutical innovation that mixes elements of a prize contest with an open source approach to sharing solutions to demonstrate how markets, government, innovation, and equal access can all work together. His chapter on liquid democ-

racies, in which people can pool and share their knowledge and votes, fires the imagination about how cherished, established institutions could be revitalized. And his even-handed navigation between the treacherous shoals of techno-utopia/dystopia is a welcome relief. Johnson is focused on an admittedly small number of examples of peer progressive innovations, which gives his thesis a tone of possibility rather than promising more than he can deliver.

Johnson points to Kickstarter as the essence of peer progressive innovation. He refers to the ethos of crowd creation, funding, and distribution that Kickstarter brings to the creative arts as being evident in experiments in governance, corporate ownership, civic participation, and various media verticals such as technology and political news. The power of peer progressive innovations is not in replacing existing institutions, but in augmenting and complementing them.

Johnson’s argument, that the metaphor of the Internet is being replicated in institutional and behavioral form, will delight techies and activists alike. It pays due attention to the past, and it firmly centers the role of protagonist not on the bits and bytes of digital tools but on the values that were first embedded in the Internet and are now being re-released in “real world” form.

Whether the behaviors and beliefs of the peer progressives constitute an emerging political identity remains to be seen. Regardless, Johnson’s insights resonate powerfully when we consider the social sector. From his opening chapter on the long-term, multivariate nature of progress to his explanation about idea flow, Johnson is describing a set of norms and practices that I believe are the future of nonprofits, social enterprise, and social movements.

In an e-mail exchange Johnson called out one inherent advantage of the social sector when it comes to working in these ways. “Nonprofits have another key asset that allows them to rely on peer networks more naturally than the private sector does, which is that they don’t have a default need to have their ideas be proprietary,” writes Johnson. “So much of the power of peer networks comes from the fact that good ideas are free

to flow through the network and be improved upon by other minds.”

Johnson is right about this in principle, though it’s not so clear in practice. More and more of our social goods are produced in hybrid marketplaces with mixed incentives for sharing ideas. Rather than simply assume an easy fit between idea sharing, peer networks, and nonprofits, I’d propose thinking of *Future Perfect* as an aspirational view of future opportunities.

By wandering far and wide from voting experiments to municipal customer service lines, from crowdfunding platforms to employee-owned businesses, Johnson is seeking common principles in a variety of spheres. What he finds is a set of values that is internally consistent when seen against the shared, open, and collectively mediated nature of the Internet. And, Johnson argues, it is inconsistent with the hierarchical, representative, and closed nature of established corporate forms, business practices, and political parties. As Johnson concludes, this is analogous to the moment before many scientific breakthroughs when “anomalous data start to appear, behavior that doesn’t fit existing expectations.” If he is right, the implications of real-world institutions taking on the characteristics of the Internet will herald a 21st-century progressive age. ■

Tales of an Entrepreneur

Review by Sam Goldman

Bright Lights, No City
Max Alexander

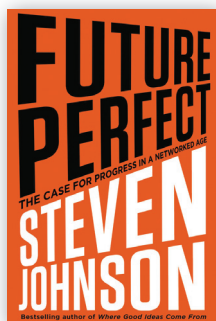
378 pages, Hyperion, 2012

Journalist Max Alexander chronicles the true story, with biting sarcasm and deep respect,

of his brother Whit’s determination to provide power to the billions of people living without electricity. To do so, Whit moves 7,000 miles from his family and comfortable life in Seattle, convinces his friend and former employee Jan to do the same, and invests more than \$250,000 of his own cash (which he earned by co-founding the Cranium board game) to build a Ghanaian social for-profit business called Burro.

If you can get past the frustrating gen-

SAM GOLDMAN is co-founder and chief customer officer of d.light, a for-profit social business that provides solar-powered LED lights in India, Tanzania, and other developing countries.



LUCY BERNHOLZ is a visiting scholar at Stanford University’s Center on Philanthropy and Civil Society and co-leader of the Project on Philanthropy, Policy, and Technology.

eralizations of Africa in the first few chapters by an author with admittedly no previous experience on the continent, *Bright Lights, No City* is a rollicking and detailed recounting of what it takes to build a business in a country with no retail infrastructure. Along the way, we learn about Ghana's history and vibrant cultures. More important to budding social entrepreneurs, the story illuminates the challenges many social enterprises face and the important trade-offs between *developing* products and *delivering* products affordably and sustainably to families living on a few dollars per day.

In particular, the book highlights how easy it is to come up with "solutions" to solve developing-world challenges that seem like no-brainers from afar. In Burro's case, it was replacing low-quality, short run-time, and environmentally hazardous Chinese throwaway batteries—ubiquitously used for flashlights and radios at great expense—with much higher quality, longer

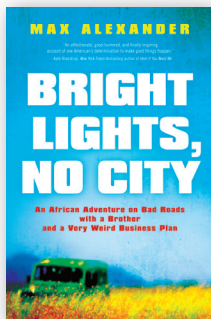
run-time, and rechargeable Burro NiMH batteries—eventually at a lower cost than the throwaway batteries. The plan was to reach breakeven while still operating out of the company's first branch office, before raising investment capital to go national. But it never works like the first business plan.

As Max and Whit share so humorously, it takes years to introduce brands, pioneer technologies, and build distribution channels to communities that live miles (and thousands of pot-holes) away from electricity, health care, car repair shops, and stores that carry Parmesan cheese. Technology is almost always the easy part. The difficult challenge, which the story intimately documents, is proving the market demand for your product or service, tweaking the business model to make it profitable, and then proving that you can scale up.

Sounds simple—except it's Ghana, and you aren't Ghanaian; it costs millions of dollars, and you have hundreds of thousands; it

requires a fleet of experienced sales and marketing professionals, and you've got some extremely smart Seattleites with no local language skills and many interns and college grads who have never done this before; and it would be nice to have a few chain stores, but you've got tens of thousands of mom-and-pop shops, each with their own needs and capabilities.

The book ends as Whit has expanded beyond just offering the Burro rechargeable battery service, to providing customers with a wide range of solutions, including mobile chargers and an LED light that run on his batteries. Whit has expanded the potential of his hard-earned distribution channel to sell products and services of all kinds. This is precisely the decision I think many social enterprises will have to grapple with in the coming years, as organizations like Burro and d.light (which I co-founded) realize that they cannot afford to do it all. Instead, we need to partner together to build country-specific, scalable, and sustainable channels that provide the goods and services consumers want. ■



ARE YOU DRIVING MEANINGFUL CHANGE IN YOUR NONPROFIT?



**HARVARD
BUSINESS
SCHOOL**

EXECUTIVE EDUCATION

SOCIAL ENTERPRISE PROGRAMS

From hunger relief to energy to healthcare, nonprofit organizations need confident leadership to tackle increasingly complex missions. Our programs are designed to help you develop the strategies that put you and your organization on a firm foundation for the future.

Email sep@hbs.edu or visit www.exed.hbs.edu/pgm/seissir/