Stanford SOCIAL INNOVATION REVIEW

Review

Resilience

By Andrew Zolli & Ann Marie Healy

Review by Timothy Ogden

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A Market (Rather Than Civil) Society

Review by Rob Reich

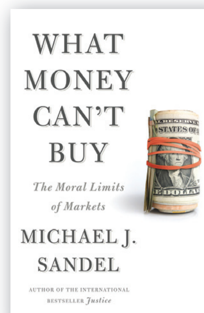
What Money Can't Buy: The Moral Limits of Markets
Michael J. Sandel
256 pages, Farrar, Straus and Giroux, 2012

Harvard University political philosopher Michael Sandel is one of our nation's preeminent public intellectuals. Author of many notable books, he is a masterful teacher of a legendary class called "Justice," also offered online and on television and seen by millions.

Sandel's mode of operation is straightforward: He tackles large and important questions in clear, engaging prose, examining a feature of contemporary life in which ethical boundaries have been transgressed or where an important ethical concern has been leached from debate. In previous work, Sandel has expressed anxiety about a diminishing capacity to talk about moral issues in American politics and civil society, and he has sounded an alarm about the quest for perfection in biomedical research and genetic engineering.

Sandel's new book takes up the undeniably important question: What are the moral limits of the marketplace? What shouldn't money buy? True to form, he worries that things have gone too far, that we have "drifted from *having* a market economy to *being* a market society." His aim is to show the moral cost of what happens when everything is for sale, when any good can be commodified.

Far from an academic treatise, the book consists mainly of short case studies of surprising new commodities and labor forms. The first chapter is about the line-jumping market—people who are paid to stand in line at airports, congressional hearings, or amusement parks, as well as those who work as ticket scalpers and so-called concierge doctors. The second chapter is about encouraging or limiting various behaviors through market incentives, such as tradable pollution permits, cash for good grades, payments for human organs, or a marketplace in accepting refugees. The third chapter examines how markets can crowd out desirable moral norms: hiring friends, purchasing wedding toasts, auctioning college admissions, and buying rather than donating blood. The fourth chapter takes up markets in life and death, covering Internet death pools, a terrorism futures market, and death bonds. The final chapter questions the proliferation of naming rights, such as the Falik Men's Room at Harvard, endowed by alumnus William Falik. Truth is indeed stranger than fiction!



Examples abound in Sandel's book, making for a good, even rollicking read. And as the examples accumulate, one begins to appreciate just how deeply markets and market behavior have rooted themselves in virtually all aspects of our lives. The claim that we are a market society, as opposed to having a market economy, seems not far-fetched.

Yet Sandel is not arguing against markets per se. Rather, he proposes that markets should have limits. He identifies two moral concerns. First, when markets exist everywhere, he argues, we need to worry more about inequality. If money can buy more and more, including political influence and better health care and education, then having money matters more and more. Second, making certain goods into commodities can corrupt the very value of these goods; market norms can crowd out valuable nonmarket behavior.

Sandel's first point is really an argument about fairness. If money is the necessary means to obtaining certain goods, or a certain quality of goods, then the poor will be systematically disadvantaged in the marketplace. The second argument about market norms displacing valuable nonmarket behavior, however, is Sandel's main preoccupation. For Sandel, markets not only allocate goods, they "express and promote certain attitudes toward the goods being exchanged." Paying cash for good grades, for example, may corrode an intrinsic desire to learn.

A famous example of this phenomenon, twice discussed by Sandel, is a study of childcare providers in Israel. The day care centers were having a problem with parents arriving past closing time. Several providers opted to introduce a fine for late pickups. The result was an *increase* in late pickups, because parents treated the fine as a fee they were willing to pay rather than construing on-time pickup as a norm they were expected to uphold. For Sandel, this demonstrates how attaching a price to certain moral or civic goods can diminish or corrupt those goods.

Like the worry about unfairness, corruption is a reasonable concern. But Sandel never delivers an argument about exactly how to determine whether or when market norms will displace nonmarket behavior. Or more important—because markets can promote efficiency and liberty and agency—Sandel offers no resource to referee whether the benefit from commodifying certain goods is worth the cost to nonmarket norms.

Sandel's talent is for identifying and asking important questions about the place of markets. But the book does not try to answer these questions. Even in the many examples Sandel describes, the reader is left unsure whether he believes that some moral limit has been transgressed. So although Sandel is expert at assembling worrisome examples and challenging readers to puzzle through their own intuitions and views about markets, he could have accomplished more.

First, Sandel could have conveyed a more sophisticated view about markets. Not all markets and marketplace exchanges are alike, or have the potential to corrupt valuable nonmarket norms. Take for instance the simple distinction between goods offered for sale by for-profits vs. nonprofits. Commodification looks different if the marketplace is populated by nonprofit organizations, but this distinction is lost in Sandel's undifferentiated treatment of markets.

Second, Sandel could have offered a more sophisticated framework for thinking about the limits of markets, a framework capable of delivering guidance about where

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the limits are. Sandel ignores a growing literature on this topic. Books by philosophers Debra Satz and Elizabeth Anderson, or by economists Kenneth Arrow and Amartya Sen, all provide a more sophisticated account of the limits of markets.

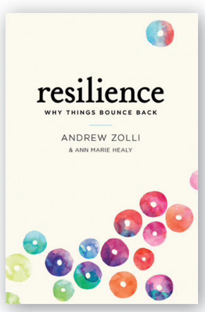
Sandel, however, is operating in public intellectual and provocateur mode—to raise important questions for public debate. *What Money Can't Buy* is neither original nor deep, but if it stimulates a wider public discussion about the emergence of a market society, it will have succeeded on its own terms. ■

Suggestive Evidence

Review by Timothy Ogden

Resilience: Why Things Bounce Back
Andrew Zolli & Ann Marie Healy
305 pages, Free Press, 2012

Anyone who attempts to popularize new research and emerging science runs a significant risk. That some reviewer will take you to task for oversimplifying, misinterpreting, or misleading isn't really a risk—it is a certainty. The risk is that in attempting to make the complex understandable, popularizers stray too far, simplify too much, and misrepresent the research and its implications—as well as mislead readers. Holding the line between accessibility and accuracy is difficult. The main reason it is difficult is not the fault of the writer—it is the collective credulity of readers.



If you approach *Resilience*, a new book from Andrew Zolli, curator of PopTech, a TED-like annual conference focused on technology and social entrepreneurship, and Anne Marie Healy, a writer and journalist, with proper skepticism, it is well worth reading. But if you suspend your critical thinking capabilities, you will be misled.

The book attempts to bring research from a variety of domains to bear on the question of why some people, systems, and societies bounce back from adversity and others don't. As Zolli and Healy define it, resilience is the increasingly critical ability to "anticipate change, heal when breached, and have the ability to reorganize ... to maintain [a] core purpose, even under radically changed circumstances."

Why is it so important to read this book with a skeptical eye? First, there are frequent disgressions that seem to have more to do with the authors' desired social policies or personal interests than with resilience. The conflating of resilience—unquestionably good—with policy prescriptions —deserving of careful consideration—can easily be manipulative.

Second, there are instances where, despite a lengthy discussion, the authors don't present disconfirming evidence. They present the example of Opower successfully reducing electricity usage via small nudges like putting smiley faces on power bills of efficient households. Zolli and Healy suggest that such programs are the key to solving various challenges. It's an encouraging story, but it is not the full story. Opower has allowed rigorous testing of its program in 14 communities, and economists Hunt Allcott and Sendhil Mullainathan found in an August 2011 working paper that impact varied by 240 percent. Depending on which test results you use, the estimate of the value of the program varies by billions of dollars. But *Resilience* cites only optimistic evidence.

In another example, Zolli and Healy describe the volunteer effort to provide help in Haiti after the earthquake. Thousands of people set up online "crisis maps" and crowdsourced information platforms at the spur of the moment. No doubt, understanding how to spur similar efforts may improve societal resilience to disasters—but only if such volunteer efforts actually make a difference. On that question, the book is strangely silent. The only claim of impact in the book is a single statement from a relief coordinator made during the heat of the response. Yet neither Disaster Relief 2.0, the 2011 study by the United Nations Foundation of the Haiti relief and crowdsourcing effort (which found little tangible effect, but future promise), nor the vigorous debate about the usefulness of crowdsourcing for disaster response (exemplified by Paul Currion's October 2010 posts on MobileActive.org) appear in the book.

Zolli and Healy frequently note when evidence is suggestive rather than conclusive, and they don't appear to bend research to the breaking point. But these errors of omission highlight the need to read skeptically.

I'm also concerned that there is precious little guidance on how to put into practice all of the interesting information the authors present. Most of the advice they give is rather vague. And many of the examples they cite of putting resilience thinking to work either are still being tested, haven't scaled up, or haven't faced changed circumstances. In other words, they don't meet the authors' own definition of resilience, and so they aren't good guides for those hoping to learn from them.

But let me return to my earlier point: This book is well worth reading, for resilience is the ultimate pathway to sustainability. And everything we touch would benefit from our ability to recognize resilience, cultivate it, and design for it. Learning more about resilience—and you will learn a great deal from this book, even if it is incomplete learning—will benefit you, your organization, and the world. ■

Timothy Ogden is executive partner of Sona Partners, managing director of the Financial Access Initiative, editor-in-chief of *Philanthropy Action*, and a regular blogger for the *Stanford Social Innovation Review.*

I, You, We

Review by Lucy Bernholz

Networked: The New Social Operating System
Lee Rainie & Barry Wellman
376 pages, MIT Press, 2012.

By the end of 2012 there will be more mobile devices than people on the planet. This data point from Cisco Systems about our changing world is not mentioned in Lee Rainie and Barry Wellman's excellent new book. There are two reasons for the omission: First, the statistic about cell phones is global, and Rainie and Wellman's research focuses on North America. Second, the stat doesn't come from either of their institutions, Pew Research Center's Internet & American Life Project (Rainie) and NetLab at the University of Toronto (Wellman).

Just about every other fact—both quantitative and qualitative—about how the Internet (particularly broadband), mobile phones, and social networking are changing our lives can be found in *Networked*. The book provides analysis of the mounds of data they have collected over the years and weaves an argument that should have a long tablet life.

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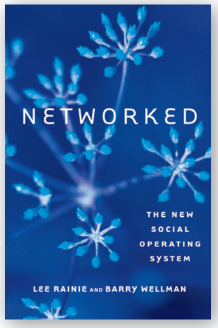
Rainie and Wellman do this by firmly anchoring the vast amount of survey data that Pew collects and the ethnographic research conducted by NetLab in a long view of institutional change. Social networking does not begin with Facebook, they argue. Facebook is merely this moment's representation of a much longer set of behaviors.



Now, Rainie and Wellman argue, we are experiencing a "triple revolution" wrought by the advent of broadband Internet access, social networks, and mobile technologies. The mutually reinforcing and accelerating nature of these technologies is shifting the center of gravity in how we organize as a society. Institutions—both formal, such as schools, and informal, such as families—were once at the center of our societies. Now we are. Each of us, with our mobile phones, is connecting across and within institutional boundaries. The result, which the authors call "networked individualism," is profound. Where we once organized our communities, work, family, educational, and governance systems around institutions, we are increasingly navigating the world as connected individuals. The authors support this assertion with data and ethnographic research on device usage, information navigation, workplace changes, and economic influence.

One change that Rainie and Wellman point to is the loss of the family telephone. Americans and Canadians increasingly rely on cell phones, and more of us are cutting our landlines. As we do, each member of the household becomes, in effect, her own number. With this comes an increasing flexibility. It also signals one more way in which these technologies can atomize our behavior.

I picked this example from the many presented in the book because it seems so insignificant, so tiny. But the cumulative impact of mobile broadband is being built on change at this minute level. Because of the ease of connecting, we are members of many more groups today, but our engagement lasts for shorter periods of time. We belong to many communities and shift our allegiances to institutions much faster and more often.

A society organized around individuals may need different rules from one organized around institutions. We can see signs of this in philanthropy and social enterprise. Crowdfunding platforms cater to individual projects and the networks of people they can motivate to support them—no intermediary organization is needed. Flash mobs of activists, whether taking on dictatorial governments or cleaning beaches, rely on connections across diverse networks of individuals, not on organizational databases.

The Canadian-American novelist William Gibson has said, "The future is already here—it's just not very evenly distributed." Rainie and Wellman's data clearly show the benefits from the triple revolution of broadband Internet, social networks, and mobile technologies. But the same factors that make networks powerful—their reach and diversity—make exclusion from them problematic. Pew and NetLab will continue to track the spread of these tools and postulate

the benefits of access to them. But who will analyze those left out of the networks? And will the disruptive nature of these networks on the workplace, education, health care, information, and governance make it harder for the non-networked to catch up? The growth of the networks is exponential. What needs to be done to make sure the effects of exclusion are not also exponential, creating a chasm that cannot be bridged? ■

Branding Social Change?

Review by Peter Manzo

Uprising: How to Build a Brand—and Change the World—by Sparking Cultural Movements
Scott Goodson
256 pages, McGraw-Hill, 2012

Scott Goodson is a cofounder of the global marketing firm StrawberryFrog, and he has worked with leading worldwide brands, including Ikea, Pfizer, Pepsi, Procter & Gamble, Mitsubishi, Smart, and Microsoft. In *Uprising*, he argues that "movement marketing" is the best—and perhaps only—way for companies to connect with consumers in the age of social media, and when done effectively the interaction between companies and consumers can lead to positive social change.

Goodson has written two books: one on how marketers can engage groups with shared passions, beliefs, and ideas to sell products and develop brands; and one on how marketers can help foster cultural and social movements "to build a better, fairer, more sustainable, and more interesting world." Goodson avoids the contradictions inherent in this argument—i.e., can corporate branding and consumption really lead to sustainability?—but he does provide strong, practical tips for how corporate and nonprofit brands can connect with people in an increasingly global, technologically connected age.

Goodson cites Clay Shirky, Seth Godin, and other marketing and communications experts in declaring that the old way of marketing—pitching a product to the largest possible audience through mass media—is dying. He argues that the best way to reach people is to look for topics and causes around which they are already gathering and align one's brand with those topics or causes. This inverts the old marketing process; companies need to start with what is going on in the culture, rather than focus on their product or service. Goodson lays out his thesis in the first and last chapters of the book and provides a persuasive and entertaining history of the shift from the old marketing model to the new one in Chapter 2. In Chapters 3 to 7 he details the changes driving this new model and how to put it into practice. Throughout, Goodson provides dozens of short case studies about for-profit and nonprofit campaigns he offers as examples of movement marketing.

Goodson distinguishes the new movement marketing model from the old model: "Instead of marketing and advertising being focused on the individual, marketers must learn to understand and relate to people in interconnected groups; instead of convinc-

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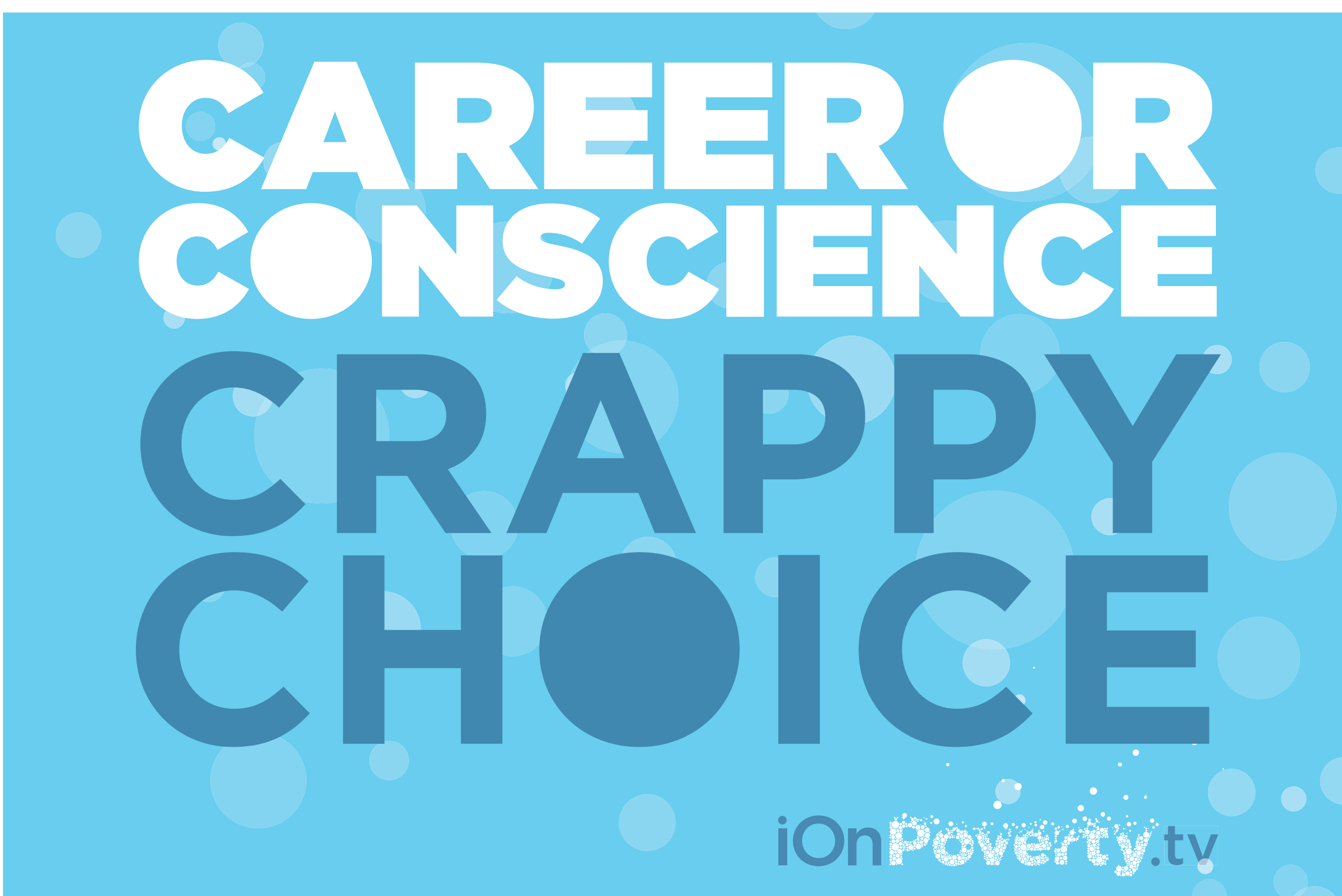

ing people to believe an ad message, marketers must try to tap into what it is that people already *believe* and care about; instead of being focused on *selling*, the way to connect with movements is to be dedicated to sharing; instead of controlling the message, marketers must learn to relinquish control and let the movement do what it will with that message; perhaps most radical of all, companies and brands must learn to stop talking about themselves and to join in a conversation that is about anything and everything *but* their product.”

Goodson's concept of “movement” could be tighter. He anchors his definition in people gathering around what Shirky calls “shared endeavors.” Goodson notes that not all movements are culturally or politically momentous, like the civil rights, women's, and environmental movements, but he often discusses cultural movements, social movements, and “purposeful” movements without clearly distinguishing among them.

Though Goodson's aim seems primarily to revolutionize corporate marketing, social sector enterprises may benefit the most from *Uprising*. Ironically, the most compelling examples of movement marketing Goodson offers are nonprofits and social enterprises, for which the cause, the movement itself, is the brand—for example, Charity: Water, Aging in Place, and DIY.

When Goodson turns to corporate marketing, he is not as persuasive that branding campaigns add up to movements. Pepsi's Refresh campaign, one of Goodson's most cited cases, attracted more than 76 million votes for community improvement ideas submitted by consumers, but the campaign seems more cause marketing and prize philanthropy than a movement. Jim Beam's Bold Choice campaign and Microsoft's IdeaWins campaign appeal to individual dreams of growing a small business or finding fulfillment in an encore career, but likewise lack a movement's shared endeavor. Toms Shoes is a more complicated case. The company's marketing strategy for selling its product is to tap people's interests in being, or feeling, philanthropic. (Every pair of shoes sold leads to a pair donated.) Toms' distribution of shoes and eyeglasses to people in need is a great contribution—but again, is it a movement?

Corporate engagement marketing of the kind shown in most of Goodson's examples is certainly an improvement over the old marketing model, and it may be valuable in itself. But I could not escape feeling that for something to be more than niche marketing, there must be an appeal to some shared goal as well as to social change.

Still, Goodson is undeniably right in observing the rise in the number of people seeking connection to shared passions through, and perhaps because of, technology. *Uprising* will help both corporate and social sector leaders seeking to connect their brand or cause to people who share a mutual passion, and we all will benefit if Goodson succeeds in persuading more companies to support movements for good. ■

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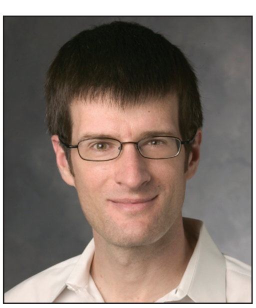
Chip Heath, Stanford Graduate School of Business


Heather McLeod Grant, Monitor Institute


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“Overall, this was one of the best professional development events I have ever attended. Many of the ideas presented at the Institute will probably be discussed by our senior staff or board. I am going to recommend our CEO or Chief Development Officer attend next year.” - 2011 Attendee

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