



Hack Society

Government has always decided where to allocate resources for the greatest social good, but it might be better done by “the crowd”.

On 1 July I asked my team if they knew what day it was, and they looked at me quizzically and said, ‘Julie, it’s July 1st’. ‘No, today is the first day that you work for yourself,’ I said. ‘The first half of the year you work to pay for government. Between your income tax, social security tax, VAT, you are working 50% of your life to pay for government, and it’s the first 50%.’ Now at age 25, you let that kind of statement from a 48 year old just kind of roll off of you; I’m not sure it sinks in. Give them 10 years however, possibly five, and with a mortgage, family and kids, the smartphone app generation will ask themselves: ‘who created this way of running society? Who created this system?’

It isn’t so far to jump from lives lived with every kind of app available to download for indulging your musical tastes, measuring your heart rate, finding new friends, to envisaging that we’ll be personally managing your home energy bills, voting, scheduling parking, receiving our child care benefit money and paying our tax through our smart phone.

There is an app or will be one for pretty much everything. And what’s more, it’s not a bad way to go.

I personally understand the allure of **Jeremy Corbyn**. The average woman on the street senses that society needs a makeover. One of Corbyn’s

Visit **INSEAD Knowledge**
<http://knowledge.insead.edu>

assumptions though is that collective action can only delivered through government which is a sign of his age. People have always aggregated themselves around causes but smartphone apps, crowdfunding sites, and social networks will now do the heavy lifting rather than government departments. It won’t be long before the widescale delivery of social benefits, medical alerts, education, all manner of urban scheduling and energy efficiency not to mention neighbourhood security will be tighter and more effectively delivered through personal technology: your phone, your email, your online accounts etc.

The hack on society is not front page news like the theft of Ashley Madison data, but it is just as profound. It will touch us all intimately, and challenge many of us to reconsider in what we trust.

When the Greek situation seemed at its most pessimistic over the summer, someone organised a crowdfunding campaign to raise €1.6 billion to help Greece. I knew they wouldn’t make that goal, but what surprised me was that 108,654 people raised a total of €1,930,577 for Greece. That’s nearly €15,000 per each donor! In 5 days.

Net net: not only do people care, but they will put their money where their heart is.

If we asked 50 people in different parties of the UK what the most urgent social problems are, we'd get many answers. The platforms and apps exist today to allow those 50 people to choose where to put their disposable income to solve those social problems. It's not too much of a leap of faith to imagine that if people paid considerably less tax that they might then substitute what they had paid in tax to government for the purposes of solving social problems to instead funding online campaigns to solve those same social challenges.

It's estimated that 29 million Britons of the 52 million adults living in the country pay income tax. Imagine that each paid €15,000 or £11,000 towards social problems that they perceived to be the most deserving. You would 'raise' £300 million, and I would wager more value would come from targeted money where the donor is committed to the outcome. She would hold the campaign accountable for that outcome, and probably get involved in helping deliver the benefit.

People are funny about their money: they really don't want to lose it. One of the biggest failings that collective action delivered by the government has is that people forget that it's their money, and they care less as a result.

So if we believe that society is being re-imagined by digital natives as well as the septuagenarians, and the current set up of political parties, status quo elections, international institutions doesn't seem to be eradicating inequality or creating social harmony, but rather it is reinforcing the tragedy of the commons, then what do we do?

Hack society. Build an app. Run a campaign. Reinvent government, but just don't call it that. In short, do something different.

There's nothing wrong with wanting to build on the good parts of what we have in our society by enabling and extending the involvement of the next generation with the tools and the technologies with which they are familiar. Why should we wait for the 20 somethings who work for me who didn't realize that they work until July for the government because of tax to have families and mortgages at age 32 before we listen to their voice, and take them seriously as to the design of how we live our lives?

This is a system level problem requiring deep thinking: a blood transfusion, an upgrade of the software running the factory.

Prof. Carlotta Perez, of the London School of Economics, states in her seminal work, *The Theory of Technological Disruptions*, that the same thing happens every 60 to 80 years: we move from a moment of disruptive technology to a new common

Visit **INSEAD Knowledge**
<http://knowledge.insead.edu>

sense. As a venture capitalist, I find this reassuring: I don't need to understand the cosmos, but I do need to read history. What changes though in different cycles and in various countries, she says, is the quality of conversation that society has about what's going on. If we wait late to embrace the new whether that's the input from the young, or new derivative technologies, the few who do understand what's going on become billionaires. For some, that's ok. If we give the future a bearhug, and say a collective, 'bring it on', then prosperity rips through society, and we get to the future faster. There should be no doubt that from 2,000 years ago to the present, albeit with zigs and zags, that society has become more democratic and the individual more empowered.

Getting to the future is good for society.

From where I sit nothing short of a complete redesign of society is upon us. We are building a country whether we consider ourselves activist, socialist, libertarian or something else. The tools and challenges are clear. The young will do it eventually anyway. The real question is whether we can do a pirouette in society which is more elegant than just handing over money to government with the expectation that they fix things.

Being a citizen today looks more like many figure eight moves in a skating rink. We join hands with some citizens for certain causes investing time, treasure, and intelligence into one project towards an outcome. Then another, followed by a third. As we get better at this locally and across our neighborhoods and the country, we'll gain a collective confidence even as we keep control of our own purse. The line between public and private will fade just as the line between work and private has disappeared for the millennials.

The social contract has been shattered, Corbyn and others are right. It's being rebuilt one app at a time. The future is rapidly coming to your doorstep.

Julie Meyer is the founder and CEO of Ariadne Capital and founder of EntrepreneurCountry Global.

Follow INSEAD Knowledge on Twitter and Facebook

Find article at
<https://knowledge.insead.edu/blog/insead-blog/hack-society-4233>

Download the Knowledge app for free



Visit INSEAD Knowledge
<http://knowledge.insead.edu>