

**Business for Social Responsibility Conference – “Innovate. Integrate. Inspire”**  
**Plenary Address**  
**New York, NY**  
**Thursday, November 4, 2010**

Thank you, Chad, for your warm welcome.

It’s a pleasure to be here to discuss this moment of incredible change.

And no, I’m not talking about Tuesday’s election...

It’s true that political news has certainly dominated the headlines recently.

But amid the nonstop election coverage, one recent news story caught my eye.

You may have seen it.

A couple weeks back, above the fold in the Times,

right next to the latest political revelation or scandal – I forget which –

was a truly remarkable report that Google and a private investment firm are working with federal regulators and environmental groups

to build a revolutionary 350-mile wind energy corridor off the mid-Atlantic coast.

I mention this story because it is a powerful example of what I would like to talk about today:

The unprecedented challenges we face in a rapidly shifting global landscape...

and the evaporation of the lines that have traditionally separated the work, goals, and tactics of business, government, and philanthropy.

In other words, as it relates to this critical gathering, the *integration* –

through *innovation* and *inspiration* – of our work to address the 21<sup>st</sup> century’s great, shared challenges.

Let’s quickly survey that shifting landscape.

Climate change, for instance, threatens increasingly volatile weather conditions, rising sea levels, and negative health effects.

But it will also have a significant and escalating impact on insurance markets,

commercial distribution networks, business resource allocation, and corporate preparedness.

Put differently, climate change – whether we like it or not –

must now be a factor of every business plan, in every sector, from fashion to finance to philanthropy.

Another shared challenge is the global recession and its continuing effects.

It would be easy in this time of economic uncertainty to be less bold, less willing to take risks,

less willing to expand beyond our borders and boundaries.

But it would not be smart.

As we know from countless examples from prior recessions,

innovation during moments of economic challenge is crucial to growth.

From the many corporations represented here today,

to philanthropies like Rockefeller, to governments at home and abroad,

all of us are struggling with the need to innovate during this time of scarce capital and risk aversion.

Other shared challenges include the rising costs...both economic and environmental...of energy, transportation, and therefore production;

growing inequality and volatility in the labor markets;

the list goes on...and on...and on.

But my point is simple: the issues that you face, we face.

Our solutions affect your work, and your solutions affect ours.

So let me tell you how we approach some of these challenges at Rockefeller...

how we think about them...how we attempt to tackle them...

and how our efforts are interrelated.

First, we believe that globalization's sweeping transformations and integrations provide an *unprecedented opportunity*

to help communities throughout the world connect with new ideas and innovations, technologies and techniques.

Used right, this can be turned into better solutions to survive, learn, adapt, and flourish.

At the same time, globalization presents *tremendous challenges*.

Global warming and environmental degradation...

the immense pressures of international trade on local communities...

the dire need for sustainable urbanization, affordable infrastructure, and accessible communication...

all these issues are deeply intertwined.

Our work is based on these dual facets of globalization.

It focuses on helping more people in more places tap into globalization's benefits while coping with its burdens.

We call this "smart globalization," and it informs our approach across many issue areas –

from global health to climate change, from food security to urbanization.

These issues, and the challenges inherent to them, have rapidly evolved

and they have become increasingly tangled in the 21<sup>st</sup> century.

In fact, some of these challenges are so deeply complex and interconnected that they require a new way of thinking, a new way of acting,

and a new vocabulary to make sense of them.

One of the foremost thinkers in this space is Dr. Jeffrey Conklin, director of the CogNexus Institute,

who drew on the earlier work of design theorist Horst Rittel

to describe this new brand of interconnected global challenges as "wicked problems."

In Conklin's formulation, it's easier to say what wicked problems *aren't* than what they *are*.

For one thing, as Conklin explains, wicked problems can't necessarily be understood in their entirety,

except through the process of solving them.

In fact, even then, every solution offered

peels another layer of the problem away,

revealing ever more complexity.

In that sense, there is no one solution, nor even one *problem*.

This means solutions are never right or wrong;

they are merely better or worse, good enough or not good enough.

It also means there can be no exact template from which to work to *achieve* a solution.

These wicked problems require wicked creativity, and wicked innovation.

Of course Conklin notes, solutions therefore aren't just one-shot operations.

You can't learn about the problem without trying solutions...

and every solution you try costs something and may have lasting, unintended consequences.

You might think, given the inherent difficulties of wicked problems,

that perhaps we should just focus on those problems that *aren't* wicked...

problems that are challenging but more straightforward and linear.

But, often, we no longer have that luxury.

This fact has drastically changed the nature of our work at the Rockefeller Foundation.

And to give you an appreciation for *how* our work has changed

(and how your own work is similarly changing),

allow me, for a minute, to take you back in time –

back to 1913, the year that John D. Rockefeller established his foundation.

The Foundation's genesis was a milestone in philanthropy's history, marked at a moment when industrialists like Rockefeller, in his own words, first systematized giving "to aim at human progress."

A century ago, the problems were certainly immense and solutions hard to come by. Diseases like yellow fever, hookworm, and malaria ran rampant. The basics of public health were, as yet, still unknown. These problems were unimaginably difficult. But they weren't necessarily wicked. Looking back at those early days, the genius of Rockefeller and his advisors was their visionary and dogged pursuit of *linear* innovation. They saw the conditions that needed to change. They did their homework. They invested in cutting-edge research. They called on experts and put many of them on the payroll. In fact, when a young Albert Einstein sent a request for \$500 to Rockefeller's top lieutenant, Rockefeller instructed his deputy, "Let's give him \$1,000. He may be onto something." They experimented, and adapted, and changed course when necessary. They didn't use the word innovation then; they called it "scientific philanthropy." And this first phase of Rockefeller's philanthropy achieved significant breakthroughs: a Nobel-prize-winning vaccine for yellow fever, public health's professionalization,

The spread of western medicine around the world.

And more than half the people on earth today

eat rice and wheat varieties containing genes introduced by Rockefeller scientists during the 1960s and 70s.

Talk about market penetration...

the Foundation created a business model for philanthropy that achieved unprecedented success.

But today, that business model has changed.

We know from both research...and experience...that globalization has changed everything.

Today's problems are often, wicked problems,

which are harder to solve using our old paradigm of philanthropic social innovation.

In the traditional model I described a moment ago, foundations served as social venture capitalists,

testing novel ideas in smaller doses,

and then handing the keys to successful innovations over to governments,

who scaled proven models to the benefit of large constituencies.

The private sector both generated the wealth,

which found its way over time, into the coffers of social sector innovators, and became more focused on corporate social responsibility.

But because we are interconnected, so global, today

we can no longer maintain that neat division of labor.

All of us need to rethink our models  
and adapt to our new and vastly changed circumstances.

The challenge, today, is to leverage the unique assets of each sector –

public, private, and philanthropic – in unison to get entire systems moving.

And each needs to become a stronger engine of social innovation.

At the Rockefeller Foundation, we reorganized the way we work to kick-start these collaborative engines.

By diagnosing the entire system influencing a wicked problem, we achieve a better understanding first of its component parts – the details, the big picture, and how they interrelate.

We then identify the critical players, the potential blockages and essential partners among private, public, and nonprofit sector entities required to find real solutions.

We have learned, in other words, that wicked problems demand *systems thinking* and brokering *critical partnerships* to achieve *sustainable solutions*.

We no longer innovate linearly...we innovate systemically.

This process has helped us to formulate a number of wicked solutions.

And even in this, the early stages of our recent philanthropic transformation, we have some models to share.

Let's look at India,

400 million people living without electricity.

There are obvious humanitarian, social, and political problems associated with such massive, entrenched poverty.

There are also the attendant environmental, health and financial costs of those living without power,

burning 2 billion gallons of kerosene for heat and light.

Of course, the lack of an electric grid serving poor communities is a drag on India's otherwise strong economic growth.

One often-cited measure of that growth is that country's skyrocketing mobile phone industry.

But then, consider that industry's quarter million cell towers, which are –

in those same impoverished communities that lack electricity –

being powered by dirty diesel fuel generators.

Problems don't get much more wicked than this.

The more you peel back the layers of this problem, the more layers you find.

That's why many linear innovations to provide sustainable rural electrification in India have failed.

Enter: SPEED: Smart Power for Environmentally-Sound Economic Development.

SPEED is the result of a "wicked problems solution" to this issue,

diagnosing the entire system first

and then recognizing that those cell towers I mentioned could be used as anchor tenants

for developing and sustaining new mini-utilities, based on alternative energy,

which also could serve the needs of poor villagers without electricity,

and reduce carbon emissions and poverty at the same time.

Rockefeller has helped to bring the multiple stakeholders together –

including mobile phone base station owners,

power companies, an environmentally-focused business association,

and host villages –

to launch new energy service companies that use the towers as anchor tenants.

These new micro-utilities, replace those diesel fuel generators I mentioned with renewable energy like solar, or biofuels.

But, in addition, and here is a critical part of the wicked problems solution,

the business model also focuses explicitly on providing village electrification from the grid

and training and jobs in the emerging companies for the locals.

Otherwise, Goldman Sachs predicts that 31 unemployed rural villagers will move

To underdeveloped cities every minute for the next 43 years.

So, we're empowering economically disadvantaged local communities, creating new employment for villagers

by deploying clean energy technology that combats climate change...

by engaging a cross-sectoral partnership of community organizations, the mobile phone industry and other technology providers,

commercial and development backers, government representatives and researchers.

This wicked problem solution has struck on a model that provides clean power, enhances sustainability, and fights rural poverty.

SPEED is a great example of how tackling wicked problems can lead to new, profitable partnerships for enterprise...

partnerships that make enduring contributions to communities...

communities that are benefiting from innovative, inspirational solutions to wicked problems.

This example underscores a critical and hopeful thought.

As these types of integrations proliferate,

as innovation and leverage in the social sector are more widely sought,

as this approach to today's most pressing challenges pays increasing dividends to all participants,

it might be that one day...what is now called "corporate social responsibility" in the private sector...

and what we call "wicked problem solving" in the philanthropic sector...

will be known, simply, as *"doing business."*

The lines that have long demarcated the realm of private innovation from the realm of social innovation have begun to blur.

Eventually, they just might vanish.

If you think that's far fetched, consider one final story about "doing business" today in sub-Saharan Africa.

Food security in that region is a wicked problem of the worst kind.

Not only has it proven it intractable...

it also has the potential to exponentially worsen.

In Sub-Saharan Africa, 500 million people depend on agriculture for their livelihoods.

Half of these smallholder farmers live in extreme poverty,

and a third of them are undernourished –

the highest proportion of undernourished people of any population in the world.

Some 70 percent of the desperately poor live in rural areas,

and these same areas lack adequate seeds, fertilizers, and access to markets.

An extreme weather event related to climate change has the potential to turn this crisis situation

into an epic humanitarian and economic disaster.

Linear attempts to address food insecurity in Africa have failed.

In fact, linear thinking has exacerbated the situation.

Sub-Saharan Africa suffers today from two decades of failed agricultural, development, and food aid policies.

Today, Africa imports 40 percent of its rice, at a cost of \$3.6 billion each year,

when rice production on the continent could readily be doubled

using newly developed rice varieties and modest fertilization.

Today, of the billions of dollars in produce that US

AID sends to developing countries each year,

not all of it reaches the people in greatest need.

And local and regional markets are often destroyed

as an unanticipated consequence of failed aid policies of the US and the EU.

The wicked problem, in sub-Saharan Africa, is this:

there is poor soil and water management

and no infrastructure to transport needed raw materials such as seeds and fertilizer to fields...

no established output markets to export increased production and generate profits for poor farmers...

no synthesis of partnerships or policies that create leverage instead of further destabilizing the problem...

no systemic or integrated approach to the multilayered crisis of food security in Africa.

We hope to peel back these layers.

Four years ago, the Rockefeller and Gates Foundations launched the Alliance for a Green Revolution in Africa, or AGRA.

It takes a system-wide approach to building capacity across sub-Saharan Africa's entire agricultural value chain:

improving inputs through better adapted seeds

and new, region-specific methods for soil fertility, water, and resource management;

training a new generation of breeders and linking-up a network of agro-dealers – mostly entrepreneurial women –

to ensure that seeds and sustainable fertilizers are available in even the most remote places;

helping agribusiness to flourish by extending access to credit and output markets;

and carving out new, pro-business and pro-poor agricultural policy,

both within African countries and regions, and globally.

And AGRA is linking – in its systemic approach –

to other partnerships that are building hard and soft infrastructure corridors within the African continent

and to large companies and investors doing business in Africa.

Indeed this effort requires integrating with dozens of partners in government, finance, agribusiness, and philanthropy.

Together, we envision a powerful transformation.

We hope to sow the seeds of increased and self-sustaining agricultural productivity.

We hope to strengthen communities, drive economic expansion,  
and help more people plug into the global grid of commercial and cultural exchange.

We hope to build breadbasket nations in sub-Saharan Africa  
creating new wealth, opportunity, and hope for half a billion people.

We hope to create a new network of roads and shipping corridors,  
taking new agricultural products from cities like Lilongwe, Dar es Salaam, and Mombasa,  
to markets around the world.

We hope to catalyze agricultural corridors along which small enterprise will flourish,  
housing will develop, and the roots of prosperity will take hold.

This is the future of philanthropy...

the future of corporate social responsibility...

the future of government policy...

the future of globalization.

This is the future, we hope, of doing business across issues areas, sectors, and societies in  
the 21<sup>st</sup> century.

We all have a part to play in realizing this future.

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