PREDICTABLE AND VISIBLE: HUMAN PROSPERITY FOR THE FUTURE

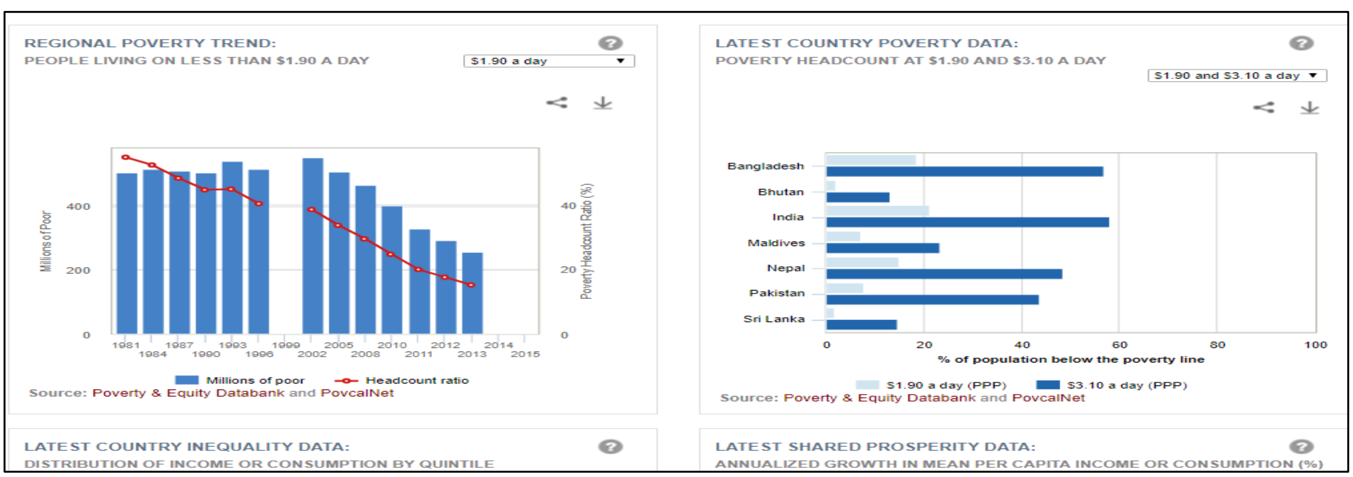
In 2015, a distinguished French Economist—an expert on South Asia—visited Pakistan. During a session, he raised a question to his audience:

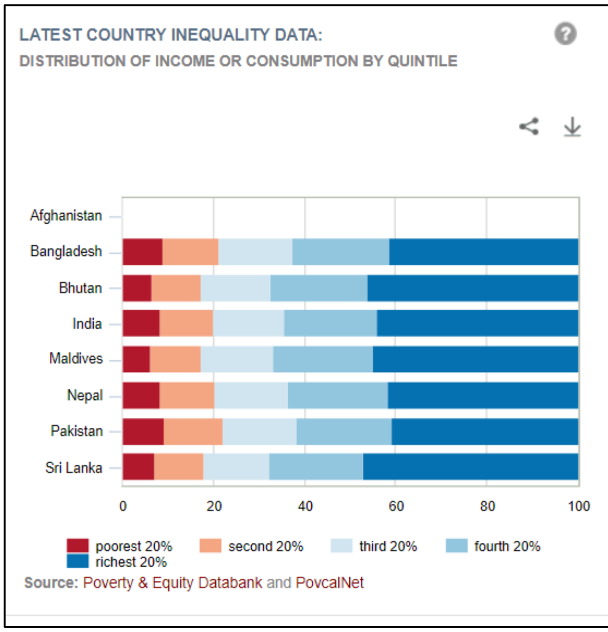
"When I visit India, I learn about people born on the streets who became millionaires. When I go to Bangladesh, I see men born in poverty who became very wealthy in life. Why don't I see any rags-to-riches stories in Pakistan?"

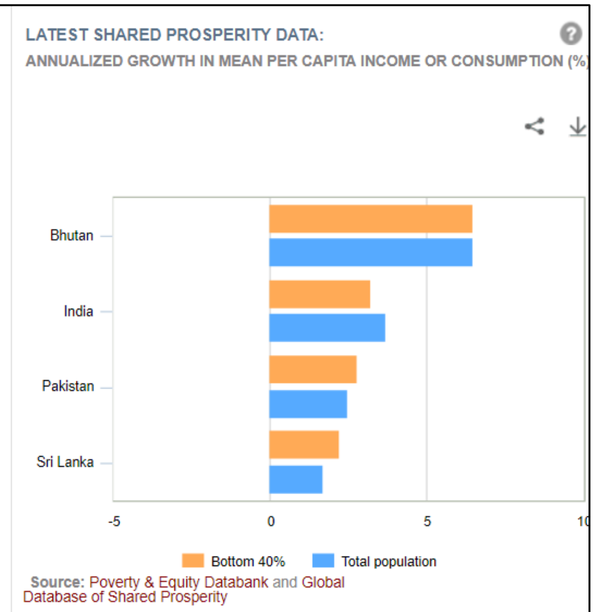
I struggled to think of any self-made millionaires in Pakistan. Then I tried to think of reasons for this. Again, none. In each of the three countries cited by the French economist, corruption, poverty, political cronyism and poor development indicators exist at comparable levels[1].

South Asia | Select Rankings by Income

Economy	Ease of Doing Business Rank	Filtered Rank	Starting a Business	Dealing with Construction Permits	Getting Electricity
Bhutan	73	1	4	3	
Nepal	107	2	5	4	
Sri Lanka	110	3	3	2	
India	130	4	8	7	
Maldives	135	5	2	1	
Pakistan	144	6	7	6	
Bangladesh	176	7	6	5	
Afghanistan	183	8	1	8	







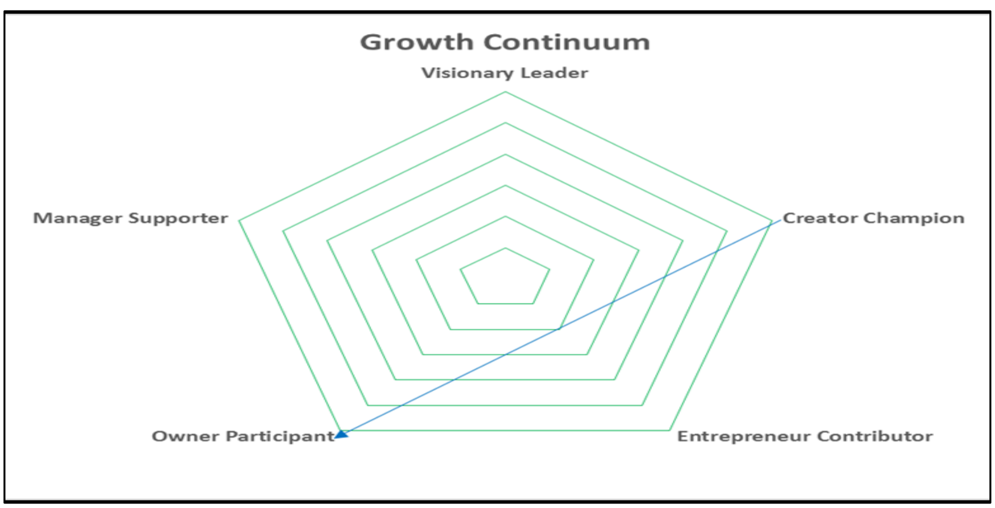
They have a shared history, and whatever makes them three distinct nations is less than a century old. Unlike India and Bangladesh, Pakistan even ranked in the World Bank's top ten 'Most Improved' economies (Business Reforms) for 2015-2016[2]. It performed better on some indicators than others. Why then does it have such a dearth of individual success stories, when its counterparts manage to nurture heroic achievement against all odds?

The answer, lies in Drucker's rationale for free enterprise:

"Free enterprise cannot be justified as being good for business. It can only be justified as being good for society.[3]"

Two significant insights emerge here:

- Drucker widened the definition of **prosperity beyond material gain.**
- For sustainable prosperity, **enterprise must shift on the prosperity continuum** from a "Creator/Owner" to a "Participant/Contributor."



Revisiting Drucker's Definition

Looking beyond wealth as a measure of prosperity provides a partial answer to the French scholar's question.

ACHIEVEMENT	INDIA	PAKISTAN	BANGLADESH
Nobel Prize Winners (1947-date)	12	2 (1-cowinner with India)	1 (since 1971)
Average Number Of Years Between Each Nobel Prize	6 (5.833)	35	46
Thought Innovation/ Social Revolution	Gandhi; Mother Teresa	N/A	Muhammad Yunus/Grameen Bank

What this teaches us is that we gain---and become-- much more if we start seeing positive externalities not as happy accidents of profitable business, nor as dull responsibilities, but as achievements in themselves. Achievements which are challenging, necessary and rewarding.

STOP seeing positive externalities as...

1. Happy accidents of profitable business
2. Dull responsibilities

START seeing positive externalities as....

1. Achievements in themselves
2. Challenging
3. Necessary
4. Rewarding
5. Universally-owned

We fail when we overlook their need for the 'biggest natural resource on the planet.' i.e. human energy, engagement and creativity. Or rather, the need for all three resources to work together. Resuming the three-country-example, something I found myself envying about both India and Bangladesh during my visits there is how deeply the arts are entrenched in their national identity. Nobody makes excuses about low funding; it is not an elitist past time (as one may arguably say it is, in Pakistan!)[4], and it is certainly not seen as a waste of time, or something for the idle or unambitious. In India and Bangladesh, the Arts are meaningful and they are for everybody[4].

This is important because it affects both curves of the creativity/innovation market.

In an age, when:

- Growth and learning resources are freely available, or at least cost a lot less than they used to
- Access to growth opportunities (of every kind) is easier than it has ever been in the history of mankind
- Growth collaborators can be found and engaged, at all levels across the globe

So if it's so easy to tap into our own inner genius (es) today, or to gainfully promote someone else's, why is humanity collectively not doing as well as it should?[3]

All That Potential. What Stands In The Way?

If I were to draw from my own experience in some of the largest and powerful MNCs in the world, as well as smaller, leaner companies, I would say the problem lies in 'micro' mistakes organizations make, that are then internalized by 'macro' culture.

No Room For Trust (You're Not Amongst Friends)

As fresh recruits in a large global bank, my fellow management trainees and I were consistently told how we were just 'cogs' in the larger machinery of the bank; constantly told how 'replaceable' we were, and how our job was to 'survive, not thrive.'

This may have been standard 'corporate talk' meant to toughen up inexperienced graduates. But it came at a cost. Instead of embracing an efficient, forward-looking attitude of collaboration, we competed, ruthlessly. Our seniors encouraged, or rather, made inevitable a kill-or-be-killed attitude, tying it in with bonuses and performance appraisals, and (fatally!) synonymizing it with 'passion' and 'dynamism.'

In the end, the value did not justify the cost. Had the trainees been engaged in a cooperative, supportive culture, we may have at least reduced cost, and who knows, with our unjaded perspective, may even have contributed more directly to profitability?

Ultimately we succeeded. We 'survived.' But the bank?

Three years after our bond-period ended, the bank left Pakistan after more than 30 years in the country. Today, almost all of us are employed elsewhere. But few (if any) of the 24-strong batch of management trainees are friends today. While many of us stayed in financial services, none collaborated to come up with FinTech solutions[5], despite the presence of cross-functional skillset, access to capital and resources.

The biggest obstacle organizations place in the path to inclusive prosperity is when they play a short-sighted ‘divide-and-rule’ game. Leaders in such organizations might believe they maintain control, and get the best of employees with this tactic. But the joke’s on them.

The psychological impact of a loss of one’s autonomy and security strikes directly at the heart of creative thinking. Helplessness, and a loss of control---knowing that others---and not oneself—is steering the course of one’s growth, forces one to focus on risk-minimization rather than utility maximization.

Such people think—and live--in violation of Drucker’s “*I don’t predict. I just look out the window and see what’s visible but not yet seen.”* They don’t see, they do not wish to see. Instead they do what they can to discourage reality from becoming visible.

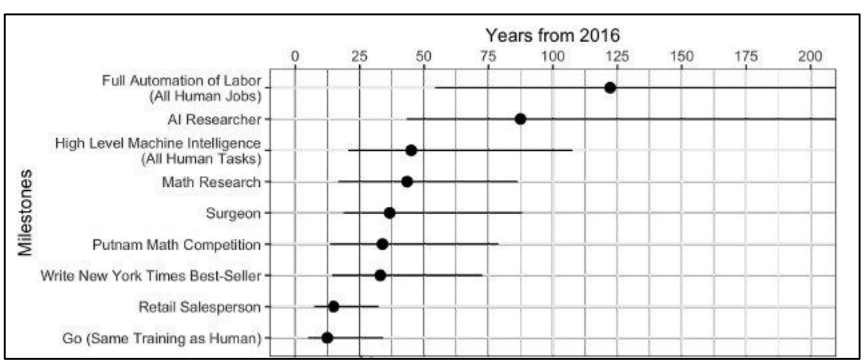
Everyone For Him/Herself Because The CEO Said So

When people are switched from ‘Be-your-best’ mode to ‘Do-what-it-takes-to-survive’ mode, unhealthier, unprofitable apathy sets in. The consequences of indifference translating into apathy is something I have often witnessed when leaders take no ownership: A new MD fired two competent, experienced employees to appoint his friend in a leadership role; friend being a high-school dropout.

When those on top care less (or do not care at all), about the organization’s well-being and more about what they gain in the short-term, it enforces a rats-on-a-sinking-ship culture in the company. What happens next is not ‘Innovation’ but ‘Bazaar-thief-mentality’ where the best mental resources are employed towards dishonest behavior for personal, short-term gain, and always at the expense of long-term gain for everyone.

Horizon? What Horizon?

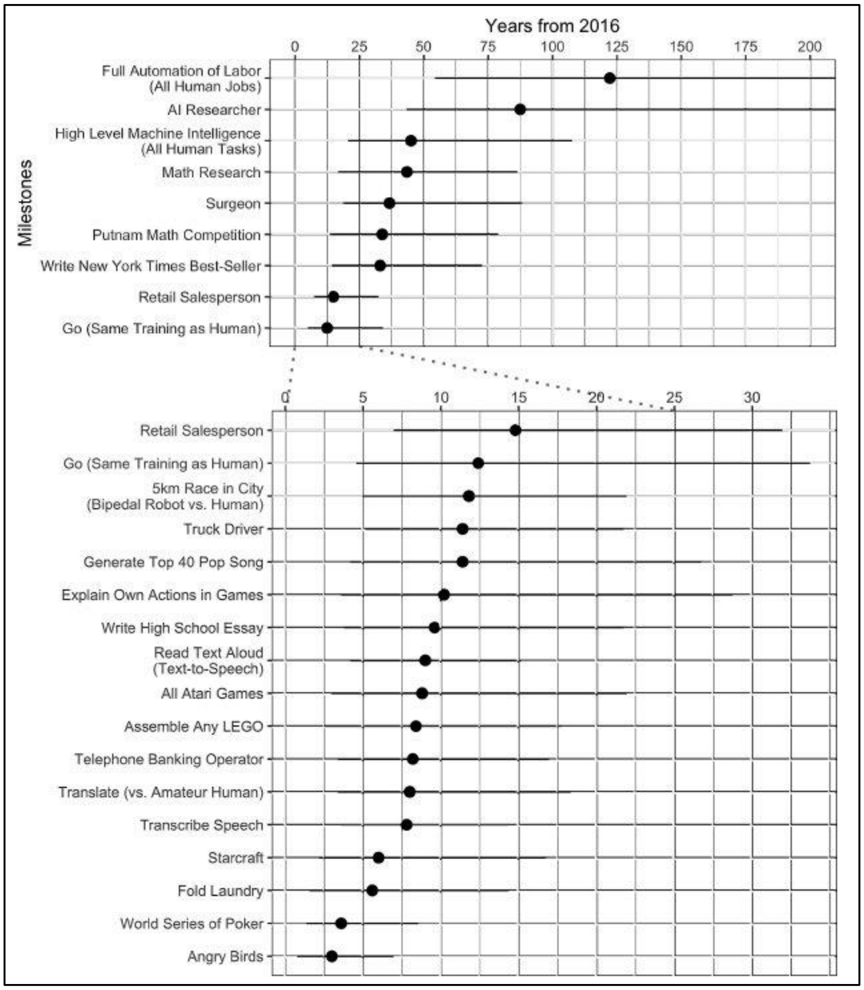
“In the technology industry, there’s no such thing as the long-term.”



My boss said this to me, and the more I come news of AI taking over human jobs, the more I am inclined to disagree.

While *it is true* that we cannot predict machine capability in its entirety, it is comparatively easy to see *where* automation and AI will bridge a gap. The problem is we only see the gap in terms of what will be gained, never in terms of the loss it will help check.

Inclusive prosperity---and that should mean bringing dignity, meaning socio-economic safety to the 767 million people living in poverty (2013) shouldn't always be about going from 1 to 100. It should be about helping the disenfranchised out of -100 and into 1.



Engineering Change: Managers As Enzymes, Not Catalysts

Being truly comfortable with 'knowledge workers' is the first thing management can do to free up human potential.

In my own career, two managers demonstrated their expertise in getting the most out of their knowledge workers.

The first, a scientist-turned Regional Business Director of our global manufacturing firm, had an unusually high degree of humility and approachability despite his own accelerated growth path. This helped us (his team) speak openly about the business challenges in our respective countries, and to come up with innovative solutions.

This might seem like an unimportant 'soft-skill', but I must say, the Business Director transformed my view of what bosses are like, and what management should be.

Thanks to his patience and courageous I lost the fear I associated with taking initiative. Together we worked on a campaign to protect one of our business lines (a surfactant), threatened by the emergence of a local manufacturer. It was a roundabout solution, involving our clients' buying houses in Europe—it would result in short-term disruption, but in the long-term, it ensured that clients would get a world-class product at good prices. If I were to formulate the solution, it would look like this:

INPUT AND PROCESS				OUTPUT
Resource (Me)		**Manager**		
Technology skills		Market knowledge		
Business Planning skills	+	Foresight	=	**REGIONAL WIN-WIN SOLUTION**
Out-of-market idea (buying house)		Appetite for unfamiliar solution		
		Focus on win-win		
		Support and trust for team		

My local supervisor, on the other hand, demonstrated what the old-and-unproductive approach would have been: A fifty-something manager who had risen slowly up the ranks, he resented having an energetic, tech-savvy youngster come up with unusual ideas every week. His would have preferred to pressure/dupe customers into making long-term purchases at unfavorable prices, failing which, to work with local authorities to impede distribution of the emerging local competitor. Both approaches would work in my local market, but they would be unethical, short-term with long term penalties that would endanger our reputation indefinitely.

The Business Director also made work a win-win mentorship experience. I received challenging assignments---better suited to the local supervisor's experience. I approached these assignments with enthusiasm, and also a little trepidation. What I didn't realize is that the Scientist/Business Director **expected me to make mistakes**. And instead of punishing me for them, he was making my assignments a win-win mentorship experience. In a highly-competitive environment, it takes both courage and magnanimity to do that. For secular, inclusive prosperity, managers need to transition from 'herders of the sheep' to the strong, 'invisible hand' behind growth.

The second manager was a Partner/Director in a management/technology consultancy firm. As one of the leaders of a young firm that in many ways, was still finding its feet, this Partner/Director had the vision and humility to realize two things:

- Employees do not deliver diminishing returns. They are assets that appreciate over time.
- To quote Peter Drucker, *"The best way to predict the future is to create it*."

His manner of investing in his resources remains amongst the best things about the firm. As presents, managers would receive books. Managers accompanied him, often at his personal expense, to knowledge events. When I proposed setting up a Reading Club in the company, not only did he instantly approve the budget but also persuaded his children to contribute. This may not be an investment that shows up in balance sheets. But it did make an immediate and strategic contribution to the bottom line:

- Expanding skillset for enhanced critical thinking and problem-solving
- Equipping employees with the experience of other entrepreneurs

Thanks to the discursive ‘Learning’ mindset prevalent in the organization, employees at all levels came up with novel ideas. I have never worked with a team where **every** member was this open to ideas, new ways of doing things, and was so happily prepared to share the pressure and stress that inevitably accompany a new venture. In this consultancy, that was the norm. Unsurprisingly, many of the new initiatives undertaken in Q4 2016 have crossed breakeven and are now profitable, a record our competitors can only envy.

Another outcrop of his approach was that it encouraged me (like other team-members) to **create fearlessly.**

Dealing with office politicking is something I have struggled with throughout my career. Thanks to the ‘Learning First’ culture insisted on by this Partner, in this firm, I never had to mince words, nor be ‘tactful’ when highlighting issues.

Giving young, junior employees, an opportunity to be heard, and to be prominent contributors will define the **dignity** we foresee in a prosperous future. It adds meaning and ownership to what would otherwise be a transactional role. I never had to worry about resentful coworkers or fearful bosses clamping down on prize projects—a very real concern with my former employers. In almost two years there, I was responsible for several long-term initiatives, and only one of my business proposals was ever refused.

A buoyant and forward-looking attitude is necessary for inclusive prosperity. This approach equips people (and organizations) with the mindset and resources needed to plan, *truly plan*, for the long-term. From being victims/survivors of market forces, they emerge as drivers/creators of their market space.

Both managers were a departure from the traditional, static role managers give themselves. I.e. typically managers expect the knowledge-and-skills exchange experience to be strictly top-down. They expect themselves to fit into a role where they will coach, mentor and guide a team that they assume is less knowledgeable, less experienced and less competent than they are. Change, they expect, must come strictly within their team. These two managers unlocked potential by realizing the converse is also true.

MANAGERS ROLE (OLD)	LED TO		MANAGERS ROLE (NEW)	LEADS TO
Sheep Herder	**Short-termism**		**Invisible Hand**	**Long term Innovation**
Top down	Each one for himself/herself		Buoyant, future-first	Win-win
Static	Traditional thinking		Learning First	Perpetually creative organization
Non-planning orientation	High-pressure, unethical tactics		Dynamic	Higher, quicker ROI
Power distance	Fear		Approachability; Humility	Openness, Honesty
Transfer of knowledge (one way)	Slow growth		Two way transfer of knowledge, skills experience	High growth

Digital Technology: Pariah or Messiah?

Recently, I heard an entrepreneur speak on "**What's Our Future in the Age of Disruption?"** The thrust of his presentation was on changing political dynamics in a multi-polar world and the growing role of Impact Investment.

Citing examples of two significant game-changers (Careem and Tameer Microfinance) in Pakistan, I asked the speaker how he saw Impact Investment making inroads when:

- Helpful solutions are being **created**, **not co-created**
- Creators/profiteers are typically already well-resourced in terms of funding, skills, education and market knowledge.
- Customers are not participants in the creative process, but merely consumers, and they remain at the mercy of the creator for product development, price shifts and consistent supply.

How can Impact Investment grow in a ***pro-poverty*** rather than ***pro-poor*** environment? His response was that my examples were purely commercial ventures who didn’t have a social responsibility. Ergo, yes, these companies were making a vulnerable socio-economic group more vulnerable. With short-term incentives, they were literally driving them to de-skill themselves in a future where they would be even more vulnerable, without the resources to retrain for better, more dignified jobs.

That is the root of the whole Technology vs. Prosperity debate.

Yes, technology should cut costs, remove human error, and it should add speed and quality at a rate that is not humanly possible.

But when looking towards costs, why do human jobs emerge as our favorite starting point?

Technology can be profitably addressed towards cutting costs for win-win gains too. **What's necessary is to seek out implicit costs.** For instance, a larger proportion of a poor household's budget goes towards meeting healthcare than it does for someone in a higher income bracket. I.e. After spending on **an identical need,** a poor household emerges poorer, and more vulnerable than its wealthier counterpart. Healthcare needs, left undetected or untreated, can impose even larger, long-term costs and socio-economic insecurity. By scaling healthcare, AI can reduce the overall costs associated, and in turn, widen the market and make the cost universally affordable.

I will cite the real-life case of a Computer Science student team who developed an 'arrhythmia detection app' in 2016. To scale their project, (and to bring down costs), they needed funding for a wearable device. The funding is out there, but it is being diverted to beauty apps. What this team needs is management assistance in translating their product into a business venture. The users (i.e. heart patients and hospitals) will be the free distributors of such a product by simple Word of Mouth. Hence a win-win, dignified co-creation opportunity is waiting to happen. What is needed is a shift in perspective in *who* creates *what.*

Instead Of Eliminating Cardiolgists' Jobs, This App Will:		
1. Make healthcare affordable and accessible 2. Reduce pressure on hospitals	3.Make the skills market more competitive—this app will attract competition from other developers who will enhance or build on its offering; not to mention medical professionals keen to move on to more specialized aspects of their jobs	4. Open ways for co-creation, as competitors seek innovation and product improvement ideas from users . 5. Reduce established hegemony; and make landed, established individuals (in this case, profiteering cardiologists), less complacent; thereby giving dignity to those who would depend on donations for treatment.

Other externalities of this virtual cycle are:

Agility and empowerment of the middle class: The arrhythmia app team needs a business manager, a role that is in surplus in Pakistan currently. Undertaking a freelance assignment like this will give some financial fluidity to unemployed business graduates, and keep them more agile. They will need to expand their skillset to learn more about the cardiovascular market, and in doing so, uncover more implicit costs and needs.	Bear true Peter Drucker's prediction of an individual having 'several careers over a lifetime'. This is a good thing, because it uncovers disguised unemployment, underemployment, and gives people the academic and economic freedom to explore their potential in fields—free from the pressure of 'hot job markets'.

Similarly, in education, plagiarism-detection software like Turnitin has not eliminated teachers' jobs. But it has made teaching a more transparent job. With BI enhancements, like scoring metrics and correlating students' historical/cross-subject performance, education software can:

- Identify students with special learning needs, and help develop customized learning programs
- Protect students at risk of dropping out by developing patterns of correlated behavior (e.g. absences, disruptive behavior etc)

If institutions are paying for this, they will gain value with greater ROI on fixed assets (e.g. classrooms, study aids etc), as dropout and failure (class repeat) rates decrease. Teachers will also spend less time on low-value, routine work (e.g. checking identical homework assignments), and will be free to either teach more, and/or develop innovative, expansive teaching methods.

Conclusion

To make technology the driver of inclusive prosperity, we need to shift our perspective in ***who*** creates ***what**,* and to ensure that co-creation translates to **co-ownership.**

In the past decade, BPOs have resulted in a mass exodus of low-tech jobs from developed economies to emergent economies, mostly in the East. This has created wealth, some technology infrastructure and gainful employment for a largely youth-led demographic in the latter. It has resulted in lower resource constraints for millennials, who now have access to easy financing and can afford moveable assets and gadgets their parents could not.

But these gains are mostly based on the **weaknesses** of poorer, developing economies, rather than **strengths**:

- Corruption and weak legal systems facilitate infringement of labor laws, HSE rules', saving costs.
- Poor adherence to quality standards, and low Voice of Customer attracts low-quality (even hazardous) imports
- Poor education standards leaves a surplus of young, un/semi-skilled workers prepared to work for un-sustained salaries. Short-termism prevalent in developing economies means that today's low-skilled workers will be the disenfranchised tomorrow.

Regardless, the BPO exodus has unlocked transformational short-term gains. For technology to be a positive change agent, it cannot afford to ignore the short-term. Co-ownership will mean that this short-term optimization be accompanied by long-term institution building.

Laws and standards need to be built and **enforced** to place technology buyers and sellers on an equal footing. Transparency will be the staple need of an increasingly virtual future, and standardization will be its starting point.

Investment in education is another area technology-driven co-ownership will require. Pakistanis are one of the highest consumers (by volume) of cosmetic products worldwide. But nationally, we have neither a cosmetology institute, nor certification. There is no regulatory body overseeing the safety of chemicals going into cosmetics. Instead of cashing in on the vulnerabilities of an uninformed population, biochemical technology of the future, I hope, will prioritize these responsibilities.

A prosperous future will follow an inclusive and virtuous cycle. It is our job to make it that.

References:

[1] http://www.doingbusiness.org/rankings

[2] http://www.doingbusiness.org/reforms

[3] http://globalfocusmagazine.com/inclusive-growth-prosperity/

[4] https://hbr.org/2017/04/meaningful-work-should-not-be-a-privilege-of-the-elite

[5] https://www.techjuice.pk/fintech-in-pakistan-challenges-opportunities-and-recommendations/ (*Pakistan is one of the top 10 markets for remittances, but currently, these can only be collected from bank branches.)*

Sources For Figures:

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