

Liberating the Entrepreneurial Spirit for Good

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co-founders of FLOW

Section II Vision: The Direction of FLOW



www.flowidealism.org

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Table of Contents

I. Introductions: The Source of FLOW

FLOW: Liberating the Entrepreneurial Spirit for Good
FLOW Story: Mohammad Yunus and Grameen Bank
John Mackey, Autobiographical Introduction
FLOW Story: John Mackey and Whole Foods
Michael Strong, Autobiographical Introduction
FLOW Story: Michael Strong and Conscious Education

II. Vision: The Direction of FLOW

FLOW Principles - Michael Strong
Winning the Battle for Freedom and Prosperity - John Mackey
The FLOW Vision - Michael Strong
The Creative Powers of a Free Civilization - Michael Strong

III. Ideals: Focusing FLOW

The Upward FLOW of Human Development - John Mackey
Creating Conscious Cultures in Support of Human Flourishing - Michael Strong
Side bar: Jeff Klein, FLOW Ethos of Interaction
Side bars: Pathways to the Upward FLOW

IV. Conscious Capitalism: Changing the Course of the Mainstream

Social Business - Mohammad Yunus
Conscious Capitalism - John Mackey
Conscious Business - Fred Kofman
The Rise of Conscious Capitalism - Patricia Aburdene

V. Making the World a Better Place through Entrepreneurship and Markets

Overview – Flowing upwards to transcend existing political categories
Side bar: Tom Atlee – A Personally Transformational Encounter of Left and Right
Sustainability in a Bright Green Future - Michael Strong
Side bar: Peter Barnes, Capitalism, The Commons, and Divine Right
Side bar: Alan Durning and Yoran Bauman, Green Tax Shift
Sustainability in a Bright Green Future - Michael Strong
Peace and Prosperity for All
Side bar: Erik Gartzke, The Future Depends on Capitalizing the Capitalist Peace
Side bar: Karol Boudreax, The Business of Reconciliation
Side bar: Hernando De Soto, Is Economic Freedom for Everyone?
Peace and Prosperity for All - Michael Strong
The Marginalized in the Developed World
Side bar: Jeffery Smith, Citizen's Dividends
Side bar: Mark Satin, Just Give Them the Money!
A New Conception of Social Justice - Michael Strong
Happiness and Well-Being for All
Side bar: John Taylor Gatto, Ten Lesson School Teacher
Side bar: Clayton Christensen, Disruptive Innovation for Social Change
Liberating Entrepreneurs of Happiness and Well-Being - Michael Strong
Total Corporate Responsibility and Free Markets - Michael Strong
Making the FLOW Vision a Reality By Creating a World in Which All Problems May Be Solved Entrepreneurially

VI. Action: Finding Your Place in FLOW

What FLOW Does & How You Can Participate - Jeff Klein
Resources

The FLOW Vision for the 21st Century

By Michael Strong, CEO & Chief Visionary Officer, FLOW

I present a vision in three stages:

1. A Tale of Two Activists, a concrete vision that is taking place in the here and now.
2. The Global Consequences of FLOW Activism from today through 2040.
3. A concrete vision of a school in 2060 as a result of the FLOW activism through 2040.

The vision is a very specific road map for those who believe that the future desired herein is worth creating.

1. A Tale of Two Activists: A Vision for the Here and Now

Consider Julian, Activist A: Angered by social injustice and environmentally unsustainable commerce, and inspired by earlier generations of activists, Julian graduated from college determined to make a difference in the world. He got a job as a canvasser for a social justice organization at below minimum wage (indeed, the organization pleaded with the government for an exemption to pay its employees below minimum wage). After eighteen months at this job he obtained a better job, working for a non-profit, as a community organizer in a poor Hispanic community.

This was a far more satisfying job than going door-to-door; the women of the community often brought him burritos for lunch and he felt valued by the community as he fought city hall to ensure that they got their fair share of parks and recreations dollars and quality water and sewage services. He was still paid just slightly more than minimum wage, but the satisfactions of the job made it all worthwhile. After five frustrating years in this position, constantly battling the government, Julian fell in love with a woman he met at a protest march, and they married and decided to raise a family.

He went back to school for a couple more years to get a teaching credential while still working as a community organizer, then went into public school teaching, finally earning a modest but comfortable salary. He started out idealistically as a young teacher, and was supported by his principal as he tried out innovative methods that developed critical and creative thinking and emotional intelligence in his students. That principal was then transferred, and his new principal, concerned with the low test score gains at the school, required all faculty to be trained in a form of direct instruction, in which the teacher's entire day was scripted. Instead of teaching creatively, Julian was now forced to read out loud from an instruction book, which told him what to say and specified how the students were to respond.

His autonomy as an educator was non-existent. He quickly came to hate his job but conscientiously tried not to expose his frustrations to his students. He looked into taking a job at a nearby private Montessori school where he could teach in a way that had integrity and rewarded his creative intelligence, but it would have required a 40% pay cut and the loss of his retirement. By this time he and his wife had a child and a mortgage, and he couldn't afford to leave the public schools.

liberating the entrepreneurial spirit for good

NOTES

Julian vacillated between rage and depression day after day, year after year. In his quietest, most honest moments, he wondered if he had wasted his life: although he and his wife contributed \$50 they couldn't afford to Greenpeace each month, and they only bought ecologically conscious products, he knew he just wasn't making much of a difference in the world. But he also knew that he couldn't stomach selling out to corporate America even if it meant that he could give more money to activist causes. Was there no alternative between dying a slow death of the spirit and selling out?

Consider Patrice, Activist B: Patrice, who was a freshman the year Julian graduated, was likewise angered by social injustice and environmentally unsustainable commerce. For a time, she attended the same activist meetings as Julian and went to the same protest marches. Then one day she attended a FLOW speech on campus that mostly just confused her. The speakers seemed to have an honest commitment to making the world a better place, and introduced her to many new concepts she had never heard before, but they also were unabashedly enthusiastic about free markets. It was weird stuff, but she couldn't quite reject it out of hand.

For the next several months she read FLOW materials and argued with members of the campus FLOW group about free markets and sustainability and innovation and entrepreneurship and advertising and consumer sovereignty and personal responsibility and personal growth and just about everything else it seemed like. Gradually, as the FLOW world-view came into focus and she came to understand the potential for global change provided by FLOW, she became excited. She saw how she could have an enormous positive impact on the world, be a much happier person, and, indeed, have a blast and live a prosperous life, while making the world a better place. Although Julian and her other activist friends mostly cut her off in anger when she quit attending their meetings (she had gotten to the point at which she found the anger and righteousness at those meetings tedious), she didn't care anymore. She was busy making things happen.

Patrice became a leader in the FLOW movement. She organized a FLOW Happiness and Well-being chapter that supervised internships at various local new private and charter schools that were creating happier, better places for kids to learn. Although occasionally a placement or a school didn't work out, for the most part she constantly heard stories of how happy the schools were to have extra help, how meaningful the interns found the experiences, and most of all how young people's lives were being changed. The students who worked at these schools became school choice activists, working vigorously on behalf of educational vouchers, tax credits, and more liberated charter schools. She later found that many of the interns she set up went on to create their own chains of schools based on the new educational approaches learned in these cool laboratory schools.

She also organized FLOW Open World groups that coordinated campus entrepreneur clubs with do-gooders eager to address social, economic, and environmental issues in developing communities throughout the world. There were already several dozen bright, ambitious young men who were busy creating web-based businesses in their dorm rooms. In her former life she would have despised these geeky guys for not joining her at anti-globalization protests. But now she was organizing many of her former protester friends to create on-line education and training for people around the world. Through Open World they were working with teen-agers in Sri Lanka, micro-entrepreneurs in Bolivia, and a tech park in Kyrgyzstan, to develop a wide range of skills and establish positive relationships beyond their local communities. Her goal was to develop the teenagers' skills to the point at which the campus geeks would hire them to work on their web

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businesses.

She encountered significant challenges in addressing cross-cultural communication issues, and sometimes it seemed as if her team had to learn how to explain the entire modern world to people in other countries so that they could be effective employees and collaborators. But when the first poor people in Sri Lanka, Bolivia, and Kyrgyzstan received their first \$5 PayPal payments invariably they would send her Open World team the most effusively grateful thank you notes.

More impressively, a remarkable number of them, once they started earning \$50 per month or so, began donating money back to the project. They felt both grateful and rich, and wanted to give back.

Both the geek entrepreneurs and the former anti-globalization protestors were so overwhelmed by this display of generosity, by those so much poorer than themselves, that they began holding a weekly “Upwing” party at which each person was required to bring someone of the opposite political persuasion as a date. Each “Right-Left” couple paid \$20 to get into the party, \$10 of which went directly to scholarships for students at private schools in the developing world (where a year’s private school tuition was \$20-40 per year). These parties, and this movement, began spreading to campuses across the U.S., and within a few years were producing millions of dollars for scholarships around the world.

Initially the campus environmentalists were hostile to the Open World project because they thought that it just meant more economic growth that would be destructive to the environment. A low point was when one of the Upwing parties was disrupted by a protest with signs proclaiming “Don’t Sleep with the Enemy,” “Beware: Capitalism is a communicable disease,” and far more vulgar slogans. This became awkward after Oxfam officially supported the Open World project, but there were still very negative attitudes towards Open World among some of the environmental groups.

Patrice realized that she needed to do some outreach, so she held FLOW sustainability workshops and one-by-one twisted the arms of key players in the campus environmental movement to attend. The workshops first clarified the distinction between those resources, which were in serious danger of depletion due to tragedy of the commons problems, and those, which were not due to the fact that they were owned. They then presented ways to address tragedy of the commons problems and how to persuade business people that property rights solutions to such problems were good business.

They had panel discussions between FLOW leaders, environmentalists, economists and business people that revealed openness to practical environmental solutions on the part of all parties. Patrice then created a campus sustainability chapter that supported property rights solutions, a green tax shift, and environmental entrepreneurship without the rage and exaggeration that too often undermined the credibility of some of the traditional campus environmental groups. Patrick Moore, the founder of Greenpeace who had quite publicly given up the destructive approach many years ago, became a campus hero among the FLOW Sustainability group. Greenspirit, Moore’s newer, more positive organization grew rapidly, and students joined Moore in supporting a growing forest products industry to reduce atmospheric carbon.

One of the implications of the FLOW sustainability approach was price rationing to ensure that resources were not depleted. Although price rationing did eliminate

liberating the entrepreneurial spirit for good

NOTES

sustainability fears, it created a new concern: The poor would not be able to afford basic resources. Patrice adroitly led those new recruits who were most concerned about this issue to create the Affordability Group. This group worked on creating a campaign to reduce unnecessary building and zoning regulation that caused housing to be so unaffordable. Once the members of this group understood that they had an effective strategy for reducing housing costs for the poor by 50% or more, and that housing took up 60% or more of the housing budgets for poor people, they were more willing to support price rationing policies that could result in higher gasoline prices, higher energy prices, and higher water prices.

Their big victory was to re-write the housing regulations for New Orleans and then to get Wal-Mart to partner with a manufactured housing firm and several innovative architects. The day Wal-Mart signed the contract to purchase 500,000 elegant modular homes to retail for \$4999 each the entire Affordability movement around the country celebrated. The next day the world was dumbfounded when Wal-Mart announced that they would give away the first 50,000 units to New Orleans families who wanted to return if the Affordability group could legalize affordable housing in ten other urban areas. Remarkably, with efforts going on in fifty cities, within six weeks ten new cities had legalized affordable housing and by the end of the year thirty-five of the fifty cities had legalized such housing – and Wal-Mart stock went up 10%.

Patrice had previously thought of graduate school after graduation, but by the time she graduated she found herself on the board of directors of eleven organizations, six non-profits and five for-profits. She had received significant shares of stock from each of the for-profits. She also found herself to be in high demand as a speaker and consultant and found that she could earn a good living showing other groups how to apply FLOW principles. A couple of years later one of the Open World for-profit companies went public and she found herself a multi-millionaire before she was thirty. But she was far too busy to even notice.

When she married a fellow FLOW entrepreneur they raised their children in both the U.S. and Tanzania, where she was setting up an Open World project to save the chimpanzees. One of her best FLOW friends, whom she had placed at a school as an intern, had become one of the greatest educators on earth, leading a chain of fifty for-profit schools that were havens of creativity and well-being. When Patrice was not traveling she would simply go and spend time at her daughter's school because it was such a beautiful environment. And, logically enough, she helped her friend to open up a franchise of the school at the Open World zone in Tanzania. She was gently envious at her daughter's opportunities to learn a local Tanzanian dialect while learning to speak to the chimpanzees as well.

Life was such a spectacular experience she usually forgot her role in transforming the world for the better – until she happened to have lunch with her old friend Julian.

Of course, Julian quit his public school job the next day. But that is another story.

2. The Global Consequences of FLOW Activism from today through 2040.

This section consists of three parts:

- I. The Growth of Peace and Prosperity Around the World.
- II. Focus on the Growth of the Well-Being Industry in the U.S.
- III. Progress Towards Global Sustainability

We start with the first section because we need global peace and prosperity for all, but the vision is ultimately not satisfying if it is based merely on mindless materialism. Thus we also need to envision a growing well-being industry; the U.S. is used as an example, though other nations might move first on this. And, finally, global peace and prosperity would not be sustainable if we destroyed the environmental conditions needed for life in the process; thus a parallel process describing progress towards global sustainability is also included.

I. The Growth of Peace and Prosperity Around the World:

Campus activists target specific regions in which to develop their peace and prosperity initiatives: There are activist groups devoted to Asia, Europe, Oceania, Africa, and the Americas.

Asia:

2010: The Asia group begins an aggressive campaign to reduce trade barriers and to increase trade across national boundaries throughout Asia in the name of peace and prosperity. Student groups protest trade barriers and government control of the economy in Japan and Thailand. Idealistic young entrepreneurs from the West pour into China and, in the midst of the old regime, help to create thriving enterprise zones throughout China. While creating wealth for hundreds of millions of Chinese, they also deliberately transmit an understanding of the FLOW vision of peace and prosperity. The entrepreneur movement in India is becoming politically credible and powerful as people recognize how much wealth is being brought into India. FLOW chapters develop on campuses throughout India in support of the Special Economic Zones (SEZ) there.

2020: As the Chinese realize that, with the right legal environment, they will quickly become the wealthiest nation on earth, the entire Chinese mainland becomes the most dynamic free market region on earth: there are thriving markets in education, in health, in insurance, in community design, construction, policing, and management. Meanwhile, India's SEZ movement has hit its stride, and India's rate of economic growth approaches that of China while also creating some of the most striking innovations in education, health care, and technology anywhere on earth.

2030: As the Chinese juggernaut takes off, with Hong Kong, Singapore, Japan, South Korea, Vietnam, and Thailand all deeply integrated, the issue of Taiwan gradually disappears as Taiwan becomes another important gear in the powerful Chinese wealth machine. Indian leaders, seeing China leap from behind to become wealthier than they are so quickly, are finally beginning to act more assertively to support markets at a national level. As the FLOW ideology spreads, there are some forward-thinkers who are even discussing trade as a means of building more peaceful relations with Pakistan. A shocking paper is published on the possibility of "economic government" in the disputed

liberating the entrepreneurial spirit for good

NOTES

Kashmir region, which would allow people to choose by means of private enterprises which “government” controlled them.

2040: A leader in North Korea appears who realizes how easy it would be to move from a place of poverty, weakness, and embarrassment to one of wealth and dynamism. Without losing face, he follows “the Chinese model” of “deep market” activity. As a latecomer to the game, he chooses to out-do even the Chinese, and North Korea starts to make startling gains in wealth as the most perfectly-designed deliberate market economy ever begins to take off. India finally adopts a substantially market approach. Because trade with India has become so profitable, Pakistani businessmen protest ongoing government restrictions and hostilities towards India. The FLOW student movement reaches Pakistan as well, and student groups are demonstrating for peace and free trade with India. The Pakistani government pretends to remain hostile, while giving on all essential issues, thus setting the foundation for a lasting peace with India.

Europe:

2010: The Europe groups starts by trying to transmit the FLOW vision to European student groups. There are a few bright stars: Lomberg and Norberg are among the leaders of a brilliant new student movement in Europe. But the backlash is tremendous and powerful. Most student groups remain virulently Leftist. Estonia and Ireland are becoming the wealthiest, most vibrant, and exciting centers of culture and innovation in Europe.

2020: The core FLOW group in Europe is steadily developing. Despite the substantial welfare states in Scandinavia, the most powerful FLOW leaders are based there. Several state-sponsored universities have dynamic FLOW research centers. The FLOW energy in Scandinavia has spread to Britain, where Irish thinkers both in Ireland and Britain are the intellectual leaders of the British FLOW movement. The Czech Republic and Hungary are centers of first-class FLOW intellectual work as well. Throughout Eastern Europe, idealistic young entrepreneurs are working together with government leaders to create super-economies. The greatest resistance continues to come from France and Germany. Russia is still autocratic and state-driven. People refer to France and Russia as “Third-world countries.”

2030: The standard of living in Japan, Taiwan, Singapore and Hong Kong have long surpassed that of Europe. As the newer Asian miracles make it clear that the standard of living in China, Thailand, and Vietnam are rapidly surpassing Europe, more Europeans begin to take note. Moreover, as the United States, Canada, and Australia are now recognized as the leaders of the FLOW “social justice” movement due to their incredible receptivity to immigrants, European countries are becoming increasingly ashamed of their “chauvinistic socialism” and realize that opening their borders and their labor markets would produce more social justice than did the “gated community” socialism of the 20th centuries. Most of Europe is now developing a quite obvious market momentum. Although the Left still controls France, it is becoming embarrassing. There are FLOW student protests against the aging Leftist leaders and intellectuals in Paris.

2040: Europe is changing as it opens its markets. Young people are now openly ridiculing the Leftist history of Europe in the 20th century. Europe is becoming radically multi-cultural as large numbers of Arab and African peoples enter the European market. European intellectual life begins a dramatic ascent, as the brightest young people have become brilliant FLOW theorists; people wonder if the FLOW intellectual leadership

liberating the entrepreneurial spirit for good

NOTES

has definitively passed to Europe. Russia is starting to come to life because of trade with its highly successful neighbors. In Germany, the Netherlands, and Scandinavia, radical community experiments are taking place. Americans living east of California are shocked by the exotic combinations of lifestyles that are developing. German intellectuals write long treatises defending the most innovative (and bizarre) “lifestyle corporations” that create new ways of living that shock the old. Music and art suddenly become explosively new and exciting in Europe. Ireland is producing poetry and literature and film and virtual reality experiences that delight the world. France is obviously trying to play catch-up while pretending to save face.

Oceana:

2010: Australia and New Zealand are leaders from the start. Both nations continue to receive large influxes of immigrants and to experience large increases in their standards of living. Because the FLOW consciousness is so well developed there, immigrants from Indonesia are constantly returning home with new understandings of how government can work and how businesses can be created so that peace and prosperity will be available to all. Thousands of young people from Australia and New Zealand are setting up their own businesses with partners in Indonesia.

2020: As Australia and New Zealand develop distinctive cultures which combine Anglo, Aboriginal, Asian, and south Pacific traditions, people from all over the globe visit the region to experience the food, the ambiance, the culture, the communities. One hasn't really lived until one has visited the “Oceana potpourri.” Australia is becoming a global economic heavy-weight due to the massive increase in population and wealth.

2030: The Indonesian government is steadily becoming less corrupt because of the ongoing influence of FLOW entrepreneurs. Islamic radicalism is increasingly marginalized. The world's largest Islamic population is becoming a global model for Islamic integration into modernity. Indonesians become proud of the regional brilliance for culturally-evolved tourism, and contributes an Islamic experience that is bringing in increasing numbers of tourists and intellectuals.

2040: Oceana has become a peaceful, happy, dynamic place in which to live, to visit, and to do business. Australia has a reputation as one of the most effective economies on the planet. Indonesia is the first large nation in the Islamic world to become committed to entrepreneurs and markets, and Islamic leaders regularly visit the country to see how it is being done.

Africa:

2010: The African experience remains largely grim. Botswana has become ever more free market, and people are beginning to call it “the Estonia of Africa.” There are bright spots in South Africa, where an open repudiation of socialistic measures has begun, and in Libya, where Quaddafi's son has decided to create the first successful Islamic market society.

2020: South Africa has begun to become a serious market force and South African students, leaders, and intellectuals are trying to persuade other African nations to implement the market reforms that have given them so much success. Libya and Egypt are gradually integrating into the global economy. Throughout North Africa young Islamic entrepreneurs who have returned from Europe are starting to promote FLOW

liberating the entrepreneurial spirit for good

NOTES

ideas. Open World experiments in Tanzania are starting to produce remarkable growth there within the small Open World zones.

2030: A surprise break for Africa: an American FLOW billionaire has made an arrangement with the leader of Kenya to purchase several million acres for a FLOW “model state” in exchange for a large cash price plus consulting and educational services for the Kenyan government. Idealistic young people from all over the world move to help start “the Kenyan experiment.” As businessmen begin to take the Kenyan government seriously, businesses start to locate in Kenya, both within the FLOW experiment and throughout the country. South Africa has become a strong, modern economy and its neighbors are starting to imitate it as well as to benefit from the strong trade ties.

2040: The Kenyan experiment has excited the world. Although North Korea is a close second, the Kenyan experiment is showing more dramatic levels of economic growth than have ever been seen anywhere. Kenya as a whole is starting to show a healthy economy. With north Africa becoming economically successful, Kenya being a global model, and South Africa having become a major global economy, most of the rest of the continent is experiencing strong pressure internally and externally, from businessmen, political leaders, and student groups, to begin developing a just society.

The Middle East:

2010: Other kingdoms within the United Arab Emirates (UAE) have followed the lead of Dubai in creating free zones and attracting billions in oil money in the process. Oman is developing market-based eco-tourism and flourishing as well. Little progress elsewhere.

2020: Kuwait and Qatar have followed the model set by UAE and Oman; they are both receiving billion in investment dollars. Egypt is moving in this direction as well. There are rumors that the young professionals in Iran, Iraq, and Saudi Arabia are looking enviously at their wealthy and dynamic counterparts in UAE and Oman.

2030: The Dubai model has conquered much of the Middle East. Syria, Lebanon, and Jordan remain committed to hostility toward Israel rather than modernization, but even here the growing influence of commercial peace throughout the region is becoming increasingly compelling. Business ambition, rather than religious fanaticism, has conquered the region, despite occasional ongoing violence.

2040: Although anti-Israel rhetoric still exists, and an occasional act of violence, the general push is towards progress and commerce. The rest of the world, outside Africa, Russia, Venezuela, and France, has become so wealthy and successful that Islamic pride has now shifted to outdoing the Chinese in terms of a commitment to market progress. They have a long ways to go, but now that their extraordinary oil revenues (due now to very high oil prices) are devoted to real investment, they do have some advantage in the race.

The Americas:

2010: Mexico, Chile, Costa Rica, and many of the Caribbean economies have all become substantially integrated into the U.S. economy due to free trade agreements. All are visibly developing. FLOW student activists have fought to stop the “drug wars” that have destroyed Columbia and Peru; it appears as if a drug de-criminalization movement is about to pull the plug on drug cartel profits. U.S. campus activism still includes many

liberating the entrepreneurial spirit for good

NOTES

Leftist groups due to the ongoing presence of the “tenured radicals,” but there are strong FLOW groups at most campuses. It is increasingly recognized that tariffs, subsidies, and border controls are shameful evidence of social injustice. There are student protests whenever illegal aliens are arrested or when employers are sanctioned for employing them. It is widely recognized that border controls on human beings contribute more to slavery and human degradation than does any other practice.

2020: The U.S. has become a largely bilingual nation. After significant resentment, the FLOW idealists have helped turn the attitude around to one of celebration of the Hispanic influence. The obvious increase in wealth in Mexico helps: anyone who refuses to celebrate the increased standard of living comes across as a cruel bigot. Mexico, Chile, Costa Rica, and the Caribbean are all approaching a U.S. standard of living. Other nations throughout Latin America are eliminating corruption and instituting solid market reforms. FLOW intellectuals, activists, and entrepreneurs are pouring across borders throughout Latin America. FLOW idealism has finally penetrated the campuses and opinion leaders; there is pressure on the government to liberate education and health care. The teachers’ unions and AMA are putting on aggressive campaigns, but everyone knows that they are fighting a losing battle.

2030: The entire Americas are becoming wealthy and integrated, now that Chavez’ son has left Venezuela. Although spots of profound poverty remain, optimism pervades the hemisphere as people see the progress that is being made. The United States itself is becoming a miracle of education and well-being as free markets in health and education are starting to come to life. Bright young people are swarming into the fields and large, idealistic, entrepreneurial corporations are offering “lifestyle” contracts that integrate education, health, insurance, and residential options in interesting and appealing packages.

2040: The Americas enjoy a decent standard of living throughout. Large American lifestyle corporations have enormous research and development budgets devoted to designing better ways to make human beings happy and well. American corporations are contracted throughout the world to improve well-being. Their only serious competitor is “The Kenya Corporation,” whose lifestyle product is even more original than is that produced in the U.S.; the average income of a Kenya Corporation adult is 50% greater than is the average income of members of its nearest competitor and life expectancy is 10 years longer. An Australian/Indonesian conglomerate is developing a “South Pacific Delight” package that looks formidable even to the producers of “Hawaiian Blend” and “Marin Medley” among the hedonists. “Mormon Glory” is a best-seller throughout Latin America and has made in-roads into Africa. It has been banned in the Arab nations. Most of Latin America is still loyal to “The Catholic Church,” which has become far more effective at creating well-being than it ever was in its first 2000 years of existence due to the pressure of a competitive market. “Confucian Discipline” is a best-seller in American inner-cities as well as maintaining continuing domination in Chinese markets around the world. “Bubba’s Good Times” dominates the market throughout the southeast U.S., but does not sell well internationally except for a few odd cult followers in Italy and the Ukraine. “Tibetan Buddhism” has colonies throughout the Americas. “Life is God,” based on Sufi Mysticism, has attracted a devoted following among educated Americans, Europeans, and Iranian Muslims.

The leading lifestyle corporations periodically attempt to ban additional experimentation, but the FLOW ethic has become so firmly rooted that people are outraged when the existing corporations attempt to limit access to newcomers. “The

liberating the entrepreneurial spirit for good

NOTES

Innovators” is a large organization, known for the intellectual brilliance of its members and for producing diverse and experimental lifestyle options that push the boundaries in every direction. Although the more traditional companies hate to admit it, many of their best new ideas regarding art, education, the wellness industry, and community structure come from The Innovators.

II. Focus on the Growth of the Well-Being Industry in the U.S.:

2010: Campus activists focus on fighting for changes in law and attitude that will allow the entrepreneurs to market well-being. Priorities include school choice and the complete elimination of government-mandated licensure in all fields. Government restrictions on the health and insurance industries are coming under attack. Campus groups work with inner-city communities to create innovative solutions to housing and safety while activists fight those zoning and building code obstacles to better housing and legal rules that reduce public safety.

The role of universities themselves are questioned; some students protest harmful and idiotic courses, others simply desert harmful courses. A league of FLOW professors, very small at first, promotes coursework that will make the world a better place. Student groups rate the value of courses that undermine well-being. As some courses consistently receive negative ratings, those professors are gradually left with small cadres of angry Leftist loyalists that no one takes seriously anymore.

After the final political battles over No Child Left Behind have disillusioned everyone over government control of education, a serious “educational freedom” movement has begun. Young people, students and young parents alike, are aggressively pushing for a radically open school voucher program. It looks as if it may pass.

2020: Finally, in 2015, substantial educational freedom was granted to Americans. Thousands of the brightest young people in America began to flood into education, billions of dollars worth of capital began to support their projects, and interesting, effective, exciting ways of schooling children began to be developed. University education departments are so obviously obsolete that most of them are either closing down or being taken over by the education corporations. Because of the revolution in education, more and more pressure is being focused on the medical field. The AMA is frightened. Meanwhile, there are interesting small experiments in which innovative entities take over the management of cities and residential areas. Legislators in Nevada are proposing that state government be managed by these “legislative innovators.”

2030: American education is becoming a global force to be reckoned with. Although Chinese diligence and innovative education in China may leave us behind for some time to come, most observers consider the U.S. to be driving the future in terms of K-12 education. As educational institutions cultivate healthier habits, graduates from many institutions receive discounted health insurance. The health industry has been partially de-regulated, and as a consequence specialists in “healthy living” have joined forces with K-12 educational organizations and insurance companies to create “lifestyle plans” that often include discounted food options, massage, bodywork, meditation, exercise, vacations, entertainment, etc. that, in combination, result in significantly reduced rates of heart disease, cancer, obesity, and other “lifestyle diseases” of the 20th century. Residential corporations work closely with lifestyle suppliers. Nevada state government has been contracted out to a legislative innovator; this corporation has various contracts with several different lifestyle providers and residential corporations to create custom

legal environments appropriate to different customer groups throughout Nevada.

2040: The average American currently earns \$100,000 per year in 2004 dollars and average life expectancy at birth is up to 120 years. More importantly, most people thoroughly enjoy life. Private corporations manage most towns and cities. Women and children can walk through the streets of any city in America day or night alone and be perfectly safe. People look and feel healthy and trim. Learning and culture are alive and vibrant. Most people work when they want to, for as long as they want, where they want. Physical and emotional stress is rare except when deliberately chosen. People devote an increasing percentage of their time and incomes to developing their mind, body, and spirit. Suicide and depression, violent crime, spousal and child abuse, are all almost non-existent. Because these trends are even more dramatic in Nevada, New Hampshire and Arizona have also contracted out government management to innovative corporations: the sense is widespread that we have only begun to learn how to live well.

III. Progress Towards Global Sustainability:

2010: The scientific community is beginning to learn the economic principles that form the basis for FLOW. Several universities around the world have developed joint programs between science, engineering, economics, and law in order to begin to develop intelligent solutions to environmental problems. Environmental trusts, based on Peter Barnes' Capitalism 3.0, are beginning to be created around the world to protect diverse commons. Widespread support develops for a green tax shift using geonomic principles and for innovative property rights solutions and Ostrom solutions to commons problems.

2020: Groundwork is being developed for flexible, intelligent legal frameworks that protect the environment while providing incentives for technological innovation. Global frameworks addressing issues relating to air, water, and biological diversity are being developed by international teams of scholars.

2030: Combinations of governments, NGOs, universities, private corporations, and individuals are creating contracts that allocate resources in ways designed to improve the environment. Participation is voluntary, and levels of participation in the agreements vary widely based on the quality and intelligence of the contract design. As this trend becomes more obvious, consortia of scientists, engineers, lawyers, and economists band together to produce better contracts and monitoring provisions. Chinese private communities are leading the way in purchasing their services.

2040: "Sustainability Contracting" has become a global business. Several different companies offer environmental design and enforcement contracts. Most nations, cities, and other political units, as well as most major corporations, are signatories to one or several of these contracts. International underwriters provide substantial discounts to entities that sign credible environmental contracts. Those few nations and corporations that have not signed typically face large insurance costs and are vulnerable to larger liability suits when they violate another nation or corporation's environmental well-being. While this field is highly complex, combining many different types of technical expertise, an innovation dynamic has developed which is producing concretely better results. Most people experience a natural environment that is healthy, aesthetically satisfying, and filled with vibrant, diverse eco-systems.

3. A concrete vision of a school in 2060 as a result of the FLOW activism through 2040.

I have a feeling we're not in Kansas anymore.

L. Frank Baum

By 2060 “schools” have become almost unrecognizable to beings from the early 21st century. Indeed, most young people learn academic content by means of software or by means of brain implants and develop their other human characteristics in deliberate, chosen communities.

On my 100th birthday I apply to visit “The Wellness Community.” This community is known for growing the best organic computers, for its eco-habitats, and for its healing resources. The community sells custom evolved computers to major clients around the world to manage complex organizational systems. Its own communities are managed by their evolved organic computers to ensure constant improvements: the system automatically monitors brain waves, gene activation, hormonal levels, immune system functioning, and hundreds of specific biochemical markers in order to optimize well-being. The inhabitants’ immune systems are such that they almost never become ill; the communities spend almost nothing on health care. They have developed habits that prevent the onset of chronic diseases; combined with new techniques to slow aging processes, the expected life expectancy of people from this community is 160 years and growing. Because of their profound expertise in human well-being, sick people from the mainstream culture pay for limited recuperation periods in the community. There is a long waiting list to have one’s children accepted by the communities, despite the fact that the communities are replicating themselves as fast as they can while maintaining the integrity of the community structure.

There are 10 levels of this type of community. After a comprehensive physical and emotional examination, it is determined that I am capable of visiting the 6th level. Prior to entry, I must undergo a 6 day preparation period in which I live in a special chamber in which my diet, activity, and sensory input are carefully managed. The preparation includes exercises, meditation, bodywork, a soundtrack that combines music and mythical experience, special baths, and mineral and vitamin treatments. Apparently, prior to preparing outsiders to visit these communities, some people would have heart attacks, or experience mental breakdowns, or become incontinent, or otherwise lose control over basic functions. It is explained to me that visitors from regular life are not prepared for the intensity of experience available in the community.

I awaken. As I transition from dream-state to consciousness, I am first aware of warm lights and fragrant tropical smells, then waves of distant sounds, waterfalls, surf, voices, and singing in the distance. I then feel female fingertips almost, but not quite, touching my temples and my ankles. Gradually a warm energy begins to flow back and forth from my head to feet and back again, initially small and gentle, and gradually with greater and greater warmth and intensity. Finally I open my eyes and am helped to sit up. I am given a flask of cool, silky liquid, which I drink slowly. And I look around. I am in a semi-enclosed space with a waterfall crashing over a bright-green, moss-covered cliff. At the base of the waterfall is a small, deep pond, and then a short river flows through a sandy beach and into the ocean. There are transparent sheets of a clear substance that partially enclose the space; I’ve been told that climate control is achieved by means of a combination of changes in the air flow through the crystal sheets combined with the

liberating the entrepreneurial spirit for good

NOTES

activation and de-activation of heat-producing or absorbing micro-organisms that live in the moss on the waterfall. The level 6 community in which I have been permitted entry is devoted to young people between the ages of 13 to 25; I am told about 300 live in this community, visiting their families whenever they please. They are scattered around the space, some alone, some in small groups. Some are reading, some are using a technical device, some are engaged in some type of martial art, some are preparing a meal, and some are diving through the waterfall into the pond. There are caves off to the side that apparently contain study quarters for those who want isolation or technical equipment.

What is most striking is the constant singing and music. It varies and undulates constantly. Sometimes there are high-pitched solos, then group a cappella, then a flute. Sometimes drums would start, and then chanting. Sometimes the music would all emanate from one corner of the enclosure; at other points voices and instruments would appear from all different places. The patterns were strange and unfamiliar; every moment flowed seamlessly into the next, there were no sharp changes, and yet the whole set of sounds was constantly changing. Somehow the group as a whole seemed to know what should come next.

The sound was accompanied by waves of emotion that were felt throughout my whole being. Sometimes, for no apparent reason, I would feel deliriously joyful, and then apprehensive, and then I would start to laugh, realizing that laughter was bouncing all around the enclosure. At one point I felt a burst of bright orange anger; my guide pointed to a group of young people swinging across the cliff. She said that the anger was from one of the students taking an irresponsible risk, and her mentor had corrected her sharply. I asked why I felt the emotions of the community so directly and intensely, and she explained that they had been working on an experiment in radical emotional openness; my preparatory period had been designed to allow me to open me up so that I could sense, at least partially, the community's current project.

The various biochemical sensors and organic computers were then determining the ways in which this particular phase of emotional openness improved or diminished both individual and communal functioning and well-being. I then felt a wave of happiness that literally knocked me down onto the ground; I had to be helped back up. My guide explained that people from the outside world, whose limbic systems had been so thoroughly contaminated by our upbringing in the still chaotic world, were not fully capable of experiencing life in the community. She laughed and said that perhaps a level 6 community was a stretch for me. She then said that she had visited a level 7 community and almost been knocked over herself.

I looked enviously at these young people bursting with health and well-being and became dizzy from the music and the smells. I knew that many of them would eventually leave this community in order to create more level 1 communities that would allow more and more people to begin a path of deeper happiness and well-being. And I knew that this was but one of thousands of experiments going on around the world, and that I would never know a fraction of the well-being projects that were being developed everywhere.

FLOW Principles

Michael Strong

“My thesis, in simplest terms, is: Let anyone do anything he pleases, so long as it is peaceful; the role of government, then, is to keep the peace.”

Leonard Read

FLOW Principles are embodied in commitments to:

1. Cultivate human flourishing
2. Practice non-violence and radical tolerance
3. Embrace freely-chosen, mutually beneficial solutions
4. Criticize by creating

Although we expect and intend for these principles to be intuitively compelling to a broad audience, the interpretation of these principles is subject to considerable controversy. We do not intend to resolve the controversy around these appealing principles but rather to create a broad alliance of individuals who are willing to work together in good will to create sustainable peace, prosperity, happiness, and well-being for all based on these principles.

The Commitment to Cultivate Human Flourishing

“Happiness is the meaning and purpose of life, the whole aim and end of human existence.”

Aristotle

At a naïve level, a commitment to human flourishing is a commitment to ensuring that each of us is doing what we can to ensure that we and others are flourishing. Ultimately this implies that we are committed to the flourishing of all human beings on the planet. While there are many definitions of “human flourishing,” to a first approximation we might say that people are flourishing when they are happy and well. At a deeper level, human flourishing implies living up to our full potential, an issue that is addressed in John’s writing in the next section.

The primary challenge with respect to creating an alliance of peoples who share a commitment to human flourishing is that different people have very different understandings of what types of behaviors are consistent with human flourishing. As Aristotle says,

“Different men seek after happiness in different ways and by different means, and so make for themselves different modes of life and forms of government.”

Human cultures, both traditional and contemporary, vary considerably.

Many cultures are polygamous and within many traditional cultures, the age of consent was closer to thirteen than eighteen. Are we to say that human flourishing was not possible in those indigenous cultures? And what of traditional or contemporary cultures with similar features? How do we ensure female flourishing in a world in which so

liberating the entrepreneurial spirit for good

NOTES

many traditional cultures did not make female well-being a priority? With respect to health care, beliefs vary widely; should parents be forced to provide specific health care measures for their children, regardless of what the parents or children want? What of adults who choose what seem to us to be bizarre and self-destructive lifestyles for themselves – should we force them to adopt to a life style that we believe is more consistent with human flourishing?

On a more banal level, it is sometimes believed that education and health care are essential to human flourishing, and consumer goods are often believed to be “trivial materialism” and unrelated to human flourishing. To which Zoe Valdes, a Cuban émigré writer, replies, “In Cuba there is no dignity – how can you have dignity without deodorant?” As it turns out, a majority of the people on the planet living on less than \$2 per day now have access to either a radio or television. Most of us would not have regarded radio and television as among the goods that the poor need, and yet their choices reveal that this access is indeed a priority. In Chile I met a micro-entrepreneur whose husband had a heart condition, and yet she spent all of the money she could spare from her sewing business to print and distribute Pentacostal religious pamphlets. Can we know what the poor regard as important to their own flourishing?

We won't answer these questions here, nor do we believe that it is our responsibility to do so. It is appropriate that each society come to terms with its own answers to these questions. That said, we believe strongly that each individual should have a commitment to human flourishing of some kind, and that it is entirely appropriate and necessary for every society to have an ongoing, civil, serious conversation concerning what behaviors are fundamental to human flourishing.

The Commitment to Practice Non-Violence and Radical Tolerance

“Be kind whenever possible. It is always possible.”

Dalai Lama

The foregoing section on the differences of opinion concerning diverse understandings of “human flourishing” lead directly into the challenges involved in coming to agreement on practicing non-violence and radical tolerance. It is easy for most of us most of the time to practice non-violence and radical tolerance – until someone does something that we regard intolerable and deserving of violence.

Before introducing these more challenging cases, let's be clear about the foundations: The world will be a better place when we all commit to, and support a commitment to, not initiating violence. We distinguish non-initiation of violence in recognition of the right to self-defense, though caution should be exercised there insofar as some individuals, groups, and nation-states use the right of self-defense as an excuse to escalate violence, intentionally or unintentionally. And yet there will be occasions on which self-defense is fully justified. Again, rather than attempt a resolution at such a long-standing quandary, we are simply organizing a community that shares a commitment to practicing non-violence, however they understand it.

Our commitment to “radical tolerance,” as opposed to mere tolerance, is in recognition of the extraordinary diversity in ways of living, and the challenge most of us face in being tolerant of “the other.” Indeed, for many of us, the deeper our commitment to a particular path of human flourishing, the more likelier we are to be intolerant to a way of

liberating the entrepreneurial spirit for good

NOTES

life that strikes us undermining human flourishing. If eating healthy food is good, why should we allow others to eat harmful food? If monogamy is good, why should we allow others to follow different lifestyles? If explicit sexual education is good for children, why should we allow some parents to keep their children ignorant of the facts of life? If physical health is good, why should we allow some people to engage in activities and consume substances that harm their health?

The point of a commitment to radical tolerance is that no matter how firmly and zealously we are committed to our vision of human flourishing, the depth of our own convictions do not provide a ground for forcing other human beings to follow our path. We can certainly persuade and evangelize for our paths, and we completely support all voluntary efforts to encourage others to live lives of happiness and well-being. But we should be reluctant to support forcible interventions in the lives of others.

Children are a special case, and an especially difficult case. It may well be that it is appropriate to forcibly take children away from parents who abuse those children. But given our commitment to practicing non-violence and our commitment to radical tolerance, we are apt to be reluctant to forcibly take children away from their parents.

And the commitment to non-violence and radical tolerance implies that mutually consenting adults should be allowed to do pretty much whatever they please, including create voluntary communities with significantly different norms from those of the rest of us.

The Commitment to Embrace Freely-Chosen, Mutually Beneficial Solutions

“One of the most important principles of economics is the Fundamental Theorem of Exchange . . . trade is mutually beneficial. Voluntary exchange increases [net benefits] for all parties involved.”

Jack Hirshleifer

Indeed, as much as possible we want to focus on promoting freely-chosen, mutually beneficial solutions. The commitment to avoid the initiation of violence leads directly to a commitment to support freely-chosen, mutually beneficial solutions. The commitment to radical tolerance leads directly to an understanding that most people are their own best judges of what is beneficial to them, so that we expect the vast majority of freely chosen solutions to be ipso facto mutually beneficial solutions.

By contrast, many people are attracted to “solutions” that involve forcing some people to change their behavior. Most of these “solutions” involve government force. For instance, in Zimbabwe recently 1,300 shopkeepers were arrested by Robert Mugabe’s government for selling goods at prices that were higher than those specified by the government. In each case, the buyer and seller were engaged in a freely-chosen, mutually-beneficial exchange – but the government did not want them engaged in such activities and thus forcibly arrested the sellers.

In the United States, in the 1942 Supreme Court Case *Wickard vs. Filburn*, the court concluded that a farmer growing wheat for his own consumption was engaged in “interstate commerce” because by growing his own wheat he would cause a slightly lower demand for wheat. As a consequence of this decision, in 1955 and 1956 more than 1500

liberating the entrepreneurial spirit for good

NOTES

farmers were sued or arrested for growing more wheat than was permitted. In 2005, the Supreme Court relied on *Wickard vs. Filburn* in its decision to overturn California's medical marijuana law: Due to *Wickard vs. Filburn* even if California passed a law permitting the medical use of marijuana, and even if a cancer patient grew her own marijuana for her own use and had a doctor's prescription to do so, federal agents could forcibly take her property and forcibly imprison her.

In traditional cultures, customs and norms evolved that specified what property belonged to whom and under what conditions that property had been traded. English common law may be understood as a codification of the indigenous norms of the Anglo-Saxon tribes that occupied England as the English nation-state came into being. There are some writers who believe that rather than impose alien laws, the post-colonial nation-states should have gone back as much as possible to indigenous customs and built up legal structures on top of long-recognized customs. In any case, every society does need some system of property rights for recognizing what belongs to whom and some system analogous to contract law to codify when and how property rights have been transferred from one person or organization to another.

With some such system of property rights and contract in place, then anyone who violates that system may be regarded as initiating violence, and a right of self-defense gives the aggrieved party a right to re-gain his or her rightful property. Rather than enforcing property rights by oneself, sometimes individuals living in a community may choose to contract with one or more particular entities to play the role of enforcing the common law of a community. Something like this is commonly regarded as a justification for government law enforcement and national defense, two different manifestations of protecting life, liberty, and the pursuit of happiness. There is thus a plausible case that the fundamental peace-keeping functions of government qualify as freely-chosen, mutually beneficial solutions, at least in theory. Local government, in particular, may be regarded as voluntarily chosen insofar as those who dissent from government policies may realistically move to a different jurisdiction.

But at some point the claim that one has consented to all the policies of a large nation-state begin to appear more tenuous. Perhaps it is when the homeschooling parent is arrested for teaching her child at home, or the chiropractor or midwife is arrested for providing their services, or the father who is arrested for refusing to administer Ritalin to his child, or the wheat farmer who is arrested for growing too much wheat for his own family. At some point government-initiation of violence no longer qualifies as part of a freely-chosen, mutually beneficial solution.

Again, our task is not to specify where you draw this line for yourselves – some of you may believe that all government without explicit consent is illegitimate; others may regard all of our existing laws as legitimate. But we do believe that the world will be a happier and more peaceful place when force is used less rather than more, and therefore the more of us who can get behind purely peaceful, freely-chosen, mutually beneficial solutions, the better.

The Commitment to Criticize by Creating

“Criticize by creating”

Michelangelo

liberating the entrepreneurial spirit for good

NOTES

The vast majority of people who support the use of force and aggression in human affairs are not mean, cruel, or evil. While there are certainly some individuals who are mean, cruel, or evil, and who impose forcible “solutions” on others, the vast majority of those who impose force on others are well-intentioned idealists. Often good people believe that they can make the world a better place by means of initiating force.

Communism was the most idealistic movement in history, and also the most deadly. More than 100 million people were killed, and countless lives destroyed in other ways, by means of tens of thousands of sincerely altruistic individuals. While it is less frequently remembered as idealism, the Nazis were idealists as well, dreamers who believed that they were creating a better world, and they were also world-class murderers. European imperialism was often justified on idealistic grounds and supported by idealists who believed in the “white man’s burden,” even as greedy and aggressive individuals gave it energy. More recently, both Robert McNamara in Viet Nam and Paul Wolfowitz in Iraq sincerely believed that they were doing the right thing in directing U.S. military interventions.

What if we idealists, who have a history of being so very dangerous to the world, collectively committed ourselves only to supporting freely-chosen, mutually beneficial solutions? What if, more deeply, we committed ourselves to “criticize by creating,” that is, rather than simply attacking harms in the world, we committed ourselves to creating solutions to those harms?

We believe that the track record of “criticizing by creating” is truly extraordinary, extraordinarily positive in the ways in which this commitment has made the world a better place, and that it is the perfect “action” stance to complement our other principles.

We expect that each of you will find much that needs improvement in the world, and that you will develop the personal integrity, focus, and persistence needed to sublimate your frustration and moral passion into the creation of an enterprise that makes the world a better place. The world needs far, far more individuals with the stamina and integrity needed to create new and better means of living and ways of living.

One can criticize by creating within an existing organization, or by means of starting a new organization, or by supporting a new initiative started by someone else. By means of a commitment to criticizing by creation, one thereby accepts personal responsibility for shifting the majority of one’s moral passion and critical intellect away from attacks on others and towards the creation of something so wonderful that it will spontaneously attract others to that which one has created. And if one has not yet succeeded in one’s act of creation, one continues to improve and refine, charm and evangelize, collaborate and support, and work in every way to manifest one’s unique genius in such a way that the world finally recognizes the value that one is adding to the world.

FLOW Principles and Libertarianism

“The more laws that are written, the more criminals are produced.”

Lao-tse

The world is a rich and complex place and attitudes change slowly. We don’t expect people to adopt FLOW principles quickly. And, indeed, there are many implications of these principles that frighten many people. We don’t want to frighten anyone.

liberating the entrepreneurial spirit for good

NOTES

Many people are frightened of libertarianism because they are concerned that free markets will harm the environment and harm the poor. Both of these concerns may be completely addressed while adhering to FLOW principles.

As we will clarify later on, FLOW principles are completely consistent with any degree of environmental protection. Our chapter “Sustainability in a Bright Green Future” will build on the work of Peter Barnes’ Capitalism 3.0 to show how one can protect the environment, by means of independent environmental trusts, far more rigorously without direct government management of the commons than with ongoing government involvement.

Likewise, FLOW principles are completely consistent with a significant degree of funding to the poor; we will recommend a variety of means through which the poor may receive large Citizen’s Dividends to supplement their incomes.

Once one has ensured that the environment is protected, and ensured that the poor have a modicum of financial security, then we believe that the case for allowing people to be free becomes very compelling. While freedom will allow many people to do things that other people don’t like, it is also the only means of allowing innovative people to create new and better ways of doing things.

FLOW often faces a choice: There is a hip, cool, rapidly expanding do-gooder entrepreneurial movement with whom we are naturally identified by most of those who are attracted by us. The vast majority of these people are accustomed to identifying themselves as left-liberal politically. The path of least resistance would be to collaborate with this dynamic social trend.

But we believe there are reasons to consider expanding the realm of hip, cool entrepreneurial activity far beyond the politically correct boundaries that have been established through the current gate-keepers of politically correct left-liberal orthodoxies. Indeed, we believe that the most profound gains for humanity, in terms of creating world peace, prosperity for all, and ever-deeper levels of happiness and well-being for all, will be achieved by means of questioning existing orthodoxies of left-liberal political correctness.

Winning the Battle for Freedom and Prosperity

John Mackey

I identify myself as a Libertarian. I am one of those people who actually votes Libertarian, and have done so since 1980. People often argue, “Why do you vote Libertarian? You’re just throwing your vote away.” I always say, “Gosh, if everybody in the country had that attitude toward their vote, the Libertarian candidate would get elected.” What I love most about the freedom movement are the ideas of voluntary cooperation and spontaneous order when channeled through free markets, leading to the continuous evolution and progress of humanity. I believe that individual freedom in free markets, when combined with property rights through rule of law and ethical democratic government, results in societies that maximize prosperity and establish conditions that promote human happiness and well-being.

Unfortunately, despite all my enthusiasm and formidable debating skills, I have had little success converting people to the freedom movement. Has that been your experience as well? The freedom movement currently remains a small, relatively unimportant movement in the United States. Why is that? I want the freedom movement to sweep the world. How can we make the freedom movement a more vital and dominant intellectual and cultural movement in the United States?

I hope to do two things with this essay. First, I will critique the freedom movement and highlight mistakes that have greatly lessened its impact and influence in the world. Second, I will challenge the movement to re-think its purpose and values. We need to evolve our paradigm along with the brand that we offer the world. As a businessman who knows something about marketing and branding, I can tell you the freedom movement is branding itself very poorly.

Let’s start with the critique. How many of you have read Ayn Rand? How many of you have been influenced by her? Atlas Shrugged maintains its place on my list of the five greatest novels I’ve read. Who can ever forget characters like Dagny Taggart, Hank Rearden, Francisco d’Anconia, from Atlas Shrugged, as well as Howard Roark in The Fountainhead? These characters all demonstrated tremendous passion and drive, backed by high self-esteem. Each one inspired me as a young entrepreneur; I wanted to be just like those heroic characters in Atlas Shrugged.

However, despite her literary greatness and many positive contributions to the freedom movement, I believe that Rand also harmed the movement. She was overly provocative. The “virtue of selfishness” is an oxymoron. Selfishness is not a virtue. Now I understand all her arguments—I know that self-interest channeled to the social good, as expressed through Adam Smith’s “invisible hand,” is the single most brilliant insight about social organization ever made in history. That being said, selfishness (as opposed to self-interest) is still not a virtue. It is something to be discouraged—not something to be supported. Similarly, I find insupportable the idea Ivan Boesky and Gordon Gekko made infamous: Greed is Good. Well, greed is not good and I don’t view it as a virtue. Excepting a few people on Wall Street and some people in the freedom movement, almost no one else in our society will support selfishness and greed as a common good when they see it. Why, then, doesn’t the freedom movement condemn selfishness and greed? If we don’t take this stand, we are inappropriately seen as supporters of selfishness and greed. In my opinion, this is a major branding mistake that continues to undermine our movement.

liberating the entrepreneurial spirit for good

NOTES

Do you believe that the only social responsibility business has is to maximize profits? Before I make my next point, let me boast about Whole Foods Market for a moment. In 2005, we had \$4.7 billion in sales and realized \$136 million in net profits. With our current growth rates, by 2010 we should realize over \$12 billion in sales. On a percentage basis Whole Foods Market is the most profitable public food retailing business in the United States, with the highest net profit percentage, sales growth, and sales per square foot. I make this boast to prove that (a) I believe in profit and (b) I am quite competent in producing it.

I love profit and view it as good and socially necessary. However, some people in the freedom movement argue that the only social responsibility business has is to maximize profits. I believe that profits are an essential purpose of business, but argue that they are not the sole, or even most important, purpose of business. Profit may be the most important purpose to business owners, however they do not exist in a vacuum. I like to think of business as an interdependent system of constituencies connected together in a “harmony of interests.”

Let's take this profits idea further. Is maximizing business profits a goal that customers have when they patronize a business? Are customers coming to our stores thinking, “I'm so glad I'm in Whole Foods today because I want to help you maximize your profits?” What about the people who work for a business, are they saying, “I took a job at Whole Foods because I was seeking to maximize the profits of the company?” Is the community declaring, “We're so glad you came to our community and we want you to maximize your profits.”? This line of reasoning is ludicrous, right?

In their legitimate defense of the value of business profits, free-market economists have often harmed the value of the larger brand of business. These economists have supported a paradigm of business that will never be fully accepted by society as “good.” Instead, business continues to play the role of the bad guy in our society. Selfishness, greed, worker exploitation, consumer ripoffs, and environmental destruction, all in the name of maximizing profits—this is the reality of the brand that business is burdened with today. I believe that business has a much greater purpose. Business, working through free markets, may currently be the greatest force for good on the planet. When executed well, businesses increase prosperity, end poverty, improve the quality of life, and promote the health and longevity of the global population at an unprecedented rate. As a reader of *Liberating the Entrepreneurial Spirit for Good*, you may understand these truths, but how many people in our greater society comprehend it? The freedom movement has also poorly defended the social legitimacy of both business and free markets. A new paradigm for business and the free market is necessary — one that accepts the importance of profits, of course, but also one that recognizes that business has legitimate social responsibilities that go far beyond merely maximizing profits.

How many people believe drugs should be legalized? What about pornography? How many of you believe that prostitution should be legal? I believe all three should be legalized—within certain parameters that protect children. Who among you believes that private ownership of guns should be made illegal? I certainly don't. The Second Amendment of the Constitution, an important Constitutional right, protects gun ownership.

I believe, however, that all four of these issues are far less critical for improving our society than creating educational choice, privatizing Social Security, deregulating health care, and enacting meaningful tort reform. The legalization of drugs, pornography,

liberating the entrepreneurial spirit for good

NOTES

prostitution, and guns, as issues, are all too closely associated with the freedom movement. Aligning ourselves with these issues has hurt our brand tremendously by associating the freedom movement with cultural decadence. Parents don't want their children's lives ruined by drug experimentation, or their innocence prematurely lost to pornography and prostitution, or their lives ended with a bullet.

These four freedom issues need to be de-emphasized by the freedom movement if we hope to create a mass movement and continue to evolve our society in positive directions. How many of you believe that lessening the power of government over our lives is the most important goal of the freedom movement? I believe that the freedom movement's biggest mistake today is focusing primarily on freedom "from" government coercion as its primary goal. Obviously this is a very important goal, but I strongly believe it must be accompanied by an equally important goal: the freedom "to" take responsibility for our own lives; the freedom "to" take responsibility for our own communities and our planet.

Freedom from government coercion is clearly a very, very important goal. But unless you live in a country like China, North Korea, Cuba, or Iran that lacks many personal liberties that we Westerners take largely for granted, freedom is not usually an important goal. American citizens mostly take their liberties for granted, and often forget that vigilance is the eternal price we have to pay for protecting liberties.

Once we are free, or relatively free, to live our lives in the manner we choose, we must answer the question, "How, then, shall we actually live our lives?" Will we live our lives as hedonists, indulging ourselves with various amusements, diversions, and pleasures? Or will we choose the more difficult path of personal development and acceptance of social responsibility?

The freedom movement needs to reposition itself and re-brand itself. Personal freedom may be the first goal we work toward—but we can't stop there; it isn't enough. There is so much more to life. Using our freedom to take on greater social responsibility, as well as striving to reach our fullest potential as humans, need to be goals we support just as much as freedom from government coercion.

When I was a naive and idealistic young man, I migrated to the Left for my value system. Why did I do that? Because the Left provided an idealistic vision of the way the world could be. However, the reality of the Left's vision proved to be terribly flawed. Its socialist economic system not only didn't work very well, but its Communist manifestation supported monstrous governments directly responsible for the murders of over 100 million people in the 20th century. Despite the horrible track record of leftist ideology, millions of young Americans continue to migrate to an intellectually bankrupt Left because the Left still seems to be idealistic, and idealism is magnetic to the young. Idealism will always be magnetic to intelligent and sensitive young people.

How sad that the freedom movement often refuses to be idealistic. We usually don't even attempt to compete. We simply forfeit the field to the Left because we pride ourselves on our "realism" and "tough-mindedness." We talk about freedom and prosperity—and leave it at that. We have no real theory of either the good life or the good society except the fundamental belief that if people have sufficient personal and economic liberties (as in Friedrich Hayek's spontaneous order) we will create a prosperous society.

Freedom and prosperity are important goals, but they must be only the beginning goals

liberating the entrepreneurial spirit for good

NOTES

for us. If we are to win the allegiance of the young people of America and the Western world, we must dare to be more idealistic. We must create a vision of the good life and the good society that is irresistible to the young.

How many of you are familiar with Abraham Maslow's "Hierarchy of Needs"? For those of you who aren't, Maslow was a psychologist who did most of his work in 1950s and '60s. His theory suggests that we can understand human motivations with a simple model in which various "need" levels align in a hierarchy. At the bottom of the hierarchy are the physical needs, such as food, water, and sex. Once those needs are relatively well met, an individual moves up to the next level in the hierarchy wherein they try to meet their needs for security and physiological safety. Once those needs are met, a person will try to meet needs for love and community. When those needs are satisfied, a person seeks to fulfill self-esteem needs, such as feeling competent, gaining approval and recognition from others, and garnering a sense of worth as a human being. The next level would be the attainment of aesthetic and cognitive needs which can be summarized as the pursuit of the good, the true, and the beautiful.

Finally at the top of this hierarchy is self-actualization, which the Army's excellent advertising firm summarized into the unforgettable "Be all you can be." Self actualization can be summarized as reaching your fullest potential as a human being. I believe that one of life's fundamental purposes is to learn and grow. If we move up Maslow's hierarchy and don't stagnate at lower levels, life becomes an adventure of learning, growing, loving, and rejoicing. If we are not growing as human beings, then we are diminishing.

The freedom movement, in my opinion, needs to embrace the ideal, not just of economic growth, but also of personal growth. If we use Maslow's hierarchy of needs as our criterion for evaluating the freedom movement, we see that it is primarily focused on the lower need levels: meeting the physical needs and safety needs through increased prosperity. To be perfectly blunt about it, the freedom movement is largely materialistic in its approach to life, and therefore stuck in the lower levels of Maslow's hierarchy. The higher need levels—love, self-esteem, the good, the true and the beautiful, and self-actualization—are either taken for granted or simply ignored.

Study after study shows that material prosperity, by itself, does not create happiness. We have higher needs, as expressed in Maslow's hierarchy, and the freedom movement needs to stop ignoring them. The freedom movement needs to consciously create a vision that addresses meeting the higher needs of Americans, beyond basic physical and safety needs. This is the Left's secret of the success, despite its bankrupt economic philosophy.

The Left entices the young with promises of community, love, purpose, peace, health, compassion, caring, and environmental sustainability. The Left's vision of how to meet these higher needs in people is fundamentally flawed. But the idealism and the call to the higher need levels is magnetic and seductive nonetheless. The irony of the situation, as I see it, is that the Left has idealistic visions of higher human potential and social responsibility but has no effective strategies to realize its vision. The freedom movement has strategies that could meet higher human potential and social responsibility but lacks the idealism and vision to implement these strategies. I assert that the freedom movement can become a successful mass movement in the near future if only it will consciously adopt a more idealistic approach to its marketing, branding, and overall vision, and specifically embrace a vision of meeting higher human potentials and greater social responsibility.

liberating the entrepreneurial spirit for good

NOTES

Now let us discuss some of the ideals and goals that I think we should embrace as a movement. Who among you believes that socialized medicine is the answer to the health care crisis in America? The Left proposes this is the answer. They call for equal access to the health care system for all Americans, with no one denied for financial reasons, in a single-payer system. Socialized health care seems very idealistic, and as such, appeals to many people. However, as Milton Friedman taught us, there is no such thing as a free lunch—in health care or anywhere else. In actual practice the single-payer system likely means health care rationing through queuing up in long lines for expensive treatments and denial of some services to many of the elderly as too expensive. Based on past experience, it is highly probable that uncaring government bureaucrats will run a single-payer system and, without the discipline of competitive markets, won't provide quality customer and patient service. Health care innovation and progress will undoubtedly slow down since such research is long-term by nature and easily sacrificed to current budget limitations, and it follows that much less money will be dedicated to medical research.

The United States continues its steady movement toward socialized health care partly because the freedom movement has not articulated an idealistic vision of what would be possible if we deregulated health care. We have fought a strictly defensive battle on this issue, and that strategy needs to change, as does our thinking about health.

First of all, health is not merely the absence of disease. Health involves vitality and a sense of well-being. Health is partly about eating a healthy diet, as well as incorporating regular daily exercise and minimizing the poisons we take into our bodies, such as sugar, alcohol, nicotine, and caffeine. Maintaining good health means getting adequate sleep, and developing a sense of personal life purpose, as well as an optimistic and positive attitude. Most importantly, health and well-being are personal responsibilities. Our doctors cannot assume these responsibilities, nor can the bureaucratic “experts” controlling a health care system.

The freedom movement must first advocate the ideal of self-responsibility for health. We own our own bodies, don't we? This is no minor thing, because the Left, by supporting socialized medicine, demonstrates a belief that common citizens are too stupid to take responsibility for their own health and therefore need the “experts” to step in and control things for their own good.

Next, we must advocate the ideal of free markets and competition in health care. The monopoly that medical doctors largely have in medical treatment must be broken. They should have to compete fully with other practitioners, such as chiropractors, acupuncturists, naturopaths—and yes, my skeptical friends—even homeopaths.

Competition is beneficial in every market and it will be so in the health and wellness market as well. Doctors and other health practitioners don't compete on quality or price right now. They don't post their prices, and it is almost impossible to get any real idea of the quality of their services except through trial and error. We don't currently have an efficient, competitive market in health care.

The final thing we must do in health care is to change the tax structure. Eliminating tax incentives for health care would change everything. Most companies (like Whole Foods Market) would stop offering free or subsidized health insurance if the benefit wasn't tax-deductible. Individuals would no longer receive “free” health care and would start spending their own money. The power of the markets would increase both the efficiency and effectiveness of our health care system enormously.

liberating the entrepreneurial spirit for good

NOTES

Try to imagine, for just a minute, how much we could improve the health of Americans if we embraced the ideals that I have outlined here: self-responsibility, competition, deregulation, and tax incentives. Let markets truly work in health care and I have little doubt that the health of Americans would improve immensely. I predict that we would see an increase in longevity to nearly 100 years within just a few decades—true freedom and innovation. Are good health and increased longevity worthy ideals for our movement to embrace? I think they are!

Let us now consider peace. Why should the Left own the peace ideal? Why should the idealistic young turn to the Left to find peace? Global peace is within our reach for the first time in history. The following is from Johan Norberg's wonderful book, *In Defense of Global Capitalism*:

The number of wars has diminished by half during the last decade. Today, less than 1% of the world's population is directly affected by military conflicts. One reason is that democracies simply do not make war on each other. Another is that international exchange makes conflict less interesting. Cross ownership, multi-national corporations, and investment in privately owned resources make it hard to tell where one country really ends and another one begins.

Despite the war in Iraq, which looms large in our minds, wars throughout the world are actually in decline. The majority of the world's nations are now committed to democratic governments and market economies. As this global network strengthens, peace will increasingly become the world norm.

The freedom movement should own the peace ideal; we do not own it now. Let us retrieve the peace ideal, because we believe this truth: democracy + free markets = peace between nations who share these social, economic, and governmental structures.

Do you still believe that United States has an excellent kindergarten through 12th grade educational system? Can we improve education in the United States by increasing bureaucratic control by the government? I think not. socialism doesn't work. This was proven beyond a doubt in the 20th century. Nation after nation tried to replace capitalism with socialism and without exception their efforts to improve the quality of life for their citizens failed. Most Americans know that socialism doesn't work as an economic system. We allow competitive markets to produce our food, our housing, our clothing, our transportation, and most of the goods and services that we consume. Why then do so many people embrace socialism in health care and education?

I'm convinced that we have not created an idealistic vision of the way things could be if they were grounded in freedom instead of governmental control. What is the alternative to socialism in education? The free-market alternative is competition, innovation, and choice. The monopoly of the government over education needs to end. The domination of our children's education by the teachers' unions needs to stop.

What other reforms are needed? The following reforms are old news to people in the freedom movement: school choice through vouchers and tax credits, along with privatizing public schools and selling off their assets to the private sector. What would happen with true competition in school choice, with students and parents becoming truly empowered consumers instead of virtual prisoners and slaves, as they are in the socialized system that exists today? We would have an explosion in educational innovation and unprecedented improvements as competition and choice systematically eliminated poor teachers and poor schools. Supported by the marketplace, a series of successful

liberating the entrepreneurial spirit for good

NOTES

educational organizations would grow and spread throughout the nation. We would see incredible diversity in types of schools and styles of education meeting the diverse needs and desires of students and parents, instead of the current limitations imposed by the governmental educational bureaucracy and teachers' unions.

Educational empowerment is a noble ideal and one that I believe mainstream Americans will embrace, once parents understand how their own children will be the true beneficiaries of these reforms. The freedom movement has failed to create and articulate a vision to promote this ideal. We're too afraid to be seen as utopian or near-utopian in our thinking. There is so much cynicism in response. You have all heard "It's not realistic," and "It's a fantasy, you've got to be realistic." But for people to give up ideals like socialized education and medicine—equal access to schools and health care for everyone regardless of income—they need to believe the replacements are going to be substantial improvements.

I believe that the most effective way to lead Americans to support change is to create an idealistic vision of what is possible. Next, supporters of the ideals need to evangelize this vision to create a sense of excitement. Then Americans will agree to travel down that uncertain road to create the necessary changes. Without an exciting, idealistic vision of what is possible, most citizens won't bother to join the struggle. Life is simply too short and most people have better things to do.

I highly recommend Bjørn Lomborg's book *The Skeptical Environmentalist*? Lomborg convincingly demonstrates that the doom-and-gloom, apocalyptic crowd has greatly exaggerated the decline of the global environment in many important areas such as air and water quality, along with the decline in natural resources. Even with that qualifier, I still believe the freedom movement has erred strategically by letting the Left own the ideal of environmental sustainability.

The ideal of environmental sustainability is certainly going to grow in importance over the next several years. I personally think it is the Achilles heel of the freedom movement, and until members of the freedom movement proactively embrace it as an important ideal, the movement will become less and less relevant to the idealistic young of the entire Western world.

My company currently employs over 41,000 people. I estimate that nearly 100% of them, like me, care greatly about environmental sustainability. At Whole Foods Market, Team Members drift to the Left primarily because of the environmental issues.

Maintaining environmental sustainability is in the collective best interest of everyone. No one will argue that premise. The real question is, "What are the best ways to do it?" What are the trade-offs we need to make? When the freedom movement ignores the issue of environmental sustainability, the Left will dominate the discussion of the issues.

Remember that the Left's goal remains either to cripple or to destroy capitalism. The freedom movement needs to embrace the ideal of environmental sustainability but must bring to the debate its commitment to property rights, markets, and proper incentives to effectively resist the inevitable leftist arguments for more bureaucratic controls and regulations. Why should the Left own the ideals of love, caring, and compassion—especially with its dismal historical track record? How can such a movement, that in its communist form was responsible for the murders of more than 100 million people, own those three words? The Left created a world of victims and a cult of victimology.

liberating the entrepreneurial spirit for good

NOTES

Leftist ideologues accuse everyone who disagrees with them of lacking love, caring, and compassion. Doesn't this seem like a set-up? The freedom movement must embrace the ideals of love, caring, and compassion, and return these words to their true meanings. True love, caring, and compassion do not equate to guilt, and by definition, they do not mean pandering to the demands of the various victims of the world.

Spreading freedom through the world is the most loving, caring, and compassionate thing we can do for people. True freedom allows people to create prosperity and gives them the opportunity to move up Maslow's hierarchy of needs towards self-actualization. True freedom provides everyone with the opportunity to accept social responsibility and to work towards making the world a better place. The freedom movement needs to support economic globalization.

Globalization is the most caring and compassionate strategy we can implement to help the developing world lift itself out of poverty. This is the simple truth. But how many people understand this truth? The Left has convinced the idealistic young that globalization is harming the developing world and, by highlighting a few poorly executed examples, that it is a plot by greedy corporations to rule the world. The freedom movement has a responsibility to explain the wisdom of globalization and to hold it up as a noble ideal.

I began this essay by sharing that I spent my late teens and early twenties searching for the meaning and purpose of my life. My strategy was really a very simple one: I decided to follow my heart wherever it took me. My heart has led me to distant places and great worldly success. What I have learned on this journey is that in the core of my inner being there is endless creativity and there is limitless love. I firmly believe if each of you looks deep within your inner being, you will likely discover these two passions within yourself. I believe that we should act with open loving hearts, and that we need to channel our deepest creative impulses in a loving way toward other living beings. Do we really want to win the battle for freedom and prosperity? If we do, then let us bind these words together, as tightly as we can, with the words love, care, and compassion.

Freedom belongs with love. Prosperity belongs with compassion. This is the vision I hold for the future; this is the world I strive to create. I urge you to join me. Together we can create a world where people have lives full of purpose, love, adventure, a world of freedom, prosperity, and compassion.

I leave you with a favorite quote, one especially appropriate for aspiring entrepreneurs of every persuasion.

***“Whatever you can do, or dream you can, begin it.
Boldness has genius, power and magic.”***

Goethe

The Flow Opportunity: The Creative Powers of a Free Civilization

Michael Strong

Man's only limitation, within reason, lies in the development and use of his imagination. He has not yet reached the apex of development in the use of his imaginative faculty. He has merely discovered that he has an imagination, and has commenced to use it in a very elementary way.

Napoleon Hill

There are estimates that Craig Venter's Celera Genomics was able to sequence the human genome in less than half the time and at one-tenth the cost of the government effort.¹ Burt Rutan's Scaled Composites achievement with Spaceshipone was similarly achieved at about one-tenth the cost and in less than half the time of a comparable NASA project. What if the kind of creativity that makes such astounding rates of progress was applied to the solution of human problems?

Mohammad Yunus launched a structured microfinance movement that now benefits hundreds of millions of women each year. Hernando de Soto has launched a campaign to provide property rights to the urban poor, which is now being implemented in dozens of countries around the world. Both initiatives have outperformed the work of thousands of academic development economists together with thousands of U.N. and NGO development experts. How can we encourage millions more like Yunus and De Soto?

Bill Drayton, founder of Ashoka and the social entrepreneurship movement, is clear about where the real power lies:

In 1996, when he was elected an Ashoka Fellow, Rodrigo Baggio had a powerful idea and an equally powerful commitment to using it to close the digital divide across Brazil and the world. Rodrigo's movement to democratize the digital era has helped hundreds of local slum communities in a dozen countries across Latin America and Asia successfully build and run computer training schools.

These schools now have over 600,000 graduates — almost all of whom are successfully employed in the new digital economy. How did Rodrigo accomplish all this?

I remember seeing Rodrigo in action in Washington shortly after he was elected. He somehow persuaded the Inter-American Development Bank to give him its 'used' (i.e. extremely valuable) computers. He somehow persuaded the Brazilian Air Force to warehouse and transport these computers. He somehow managed to get them through customs at a time when Brazil was a good deal less relaxed about informatics imports than it is now.

That is how entrepreneurs work. Where others see a barrier, they imagine a logical solution and then turn it into reality. Getting some of society's biggest institutions to respond to a young, unknown person representing a then unknown organization was simply the right, logical thing to do. That inner confidence, it turns out, is remarkably persuasive.²

liberating the entrepreneurial spirit for good

NOTES

Time and time again entrepreneurs do what other people believe to be impossible, be those others experts, professors, senior officials, or anyone else. Cesar Narys, co-author of the Open World Cookbook, was an art student with no technology background when he talked NASA into letting them use their equipment to set up the first satellite link for live interaction in the 1970s; this “gumption” factor, eventually led to a position as VP at AT&T while also consulting around the world helping developing nations set up broadband connections for technology parks.

Fred Smith, founder of Federal Express, submitted a paper outlining the idea for FedEx to a Yale Business School professor. The professor responded “The concept is interesting and well-formed, but in order to earn better than a ‘C,’ the idea must be feasible.” The ideas for the Sony Walkman, the CAT scanner, and waffle-sole sneaker shoes were all ridiculed by experts.

Alfred Butts, the creator of the game Scrabble, began working on it, and marketing it, in 1934. It wasn’t until 1952, after many permutations and an extraordinary amount of persistence, that Scrabble began to take off, eventually becoming one of the most popular games of all time.

Hundreds of famous writers labored in obscurity for years, receiving rejections slips from hundreds of publishers before becoming successful. J.K. Rowling, who in a few years went from impoverished single mother to the highest earning female in Britain, due to the Harry Potter empire, is among the most recent of such success stories.

Individual human beings, believing in individual human visions, despite the evidence, despite expert opinions, despite the odds against them, have been the most powerful creative forces in western civilization. The one thing that John D. Rockefeller, Fred Smith, Alfred Butts, and J.K. Rowling have in common is the persistence of a vision.

Drayton expands on his account of Rodrigo Baggio and “where the real power lies,”

There is another critical element that Rodrigo brought to this process. His work flows from the inner logic of his life – as it does for every great entrepreneur. CDIIt was not just a clever idea he had two days before. It was rooted both in his personal love for and mastery of the new digital era and, even more important, in deep-seated values. He saw the poverty around him, and focused on the digital divide before there was such a phrase. That combination of love for his field and values then led step by step, over many years (starting when he was a teenager), to his vision and life commitment.

As a result, when Rodrigo sat across the table from these powerful and much older officials, they were confronting not just confidence in a right idea, but deeply rooted and life-defining values. A non-egoistic faith.

I believe that this values-rooted faith is the ultimate power of a first-class entrepreneur. It is a quality and a force that others can sense and trust. They may or may not understand the idea. They may be afraid to do something out of the ordinary before others have done so. But a quiet inner voice tells them they can and should trust Rodrigo.³

Drayton here articulates the core FLOW commitment: That values-rooted faith, in the rightness of one’s vision, is the ultimate power of a first-class entrepreneur.

liberating the entrepreneurial spirit for good

NOTES

The fact that one is motivated by a commitment to a personal vision often implies that the projects to which an entrepreneur commits his or her life are often unproven and unprovable. One of the mistakes that we have made is to limit those opportunities for making the world a better place to those projects whose validity can be proven by research. The history of discovery and innovation is filled with monomaniacal individuals pursuing a vision or a dream with no objective evidence that the project will succeed. John D. Rockefeller was very explicit: In a memo to the Executive Committee of Standard Oil, at a time when low oil prices made oil appear to be a terrible investment, Rockefeller wrote “Hope if crude oil goes down again . . . our Executive Committee will not allow any amount of statistics or information . . . to prevent their buying.” This commitment to a vision, regardless of the evidence, is what allowed Rockefeller to create the most successful oil company in the world.

We need to bring into being a world in which more people have creative visions, and in which more of them have an opportunity to do their best to bring such visions into being.

A premise of FLOW is that we are dramatically under-utilizing the creative powers of the seven billion human beings on the planet. When Yunus proposed helping Bangladeshi peasant women create cell phone businesses, he was told that illiterate peasants couldn't learn how to use cell phones. Six weeks after distributing cell phones (despite the skeptics), Yunus was approached by a proud cell phone lady and asked to give her a phone number, any phone number. He did so and she proudly dialed it rapidly, with her eyes closed. Now cell phone ladies are ubiquitous in rural villages around the world, buying the phones with microloans and selling calls by the minute to poor villagers who would otherwise not have access to telecommunications.

Hernando de Soto and his team attempted to open up a sewing business in Peru with two sewing machines – the kind of microbusiness that a microfinance client might launch. They discovered that in order to open up the business legally required nearly two hundred discrete bureaucratic steps that took nearly a year of full-time work, going from office to office, waiting, filling out forms, and returning to another office to wait some more. They have since discovered that this absurd level of over-regulation is the norm throughout the so-called developing world. Indeed, it is a major reason why the poor in the developing world remain poor. Because of over-regulation, they cannot open up businesses legally. As a consequence, they do not have a legal title over their possessions, they cannot use their assets to obtain more credit, they cannot insure their possessions, and they cannot get adequate police protection for their possessions. The most enterprising of the poor are sentenced to ongoing financial insecurity because they are forced to work on the black market. This over-regulation does not harm the rich because their businesses are already established and, when needed, they can easily afford the bribes necessary to get things done more rapidly.

When I ran an essay contest on “the creative powers of a free civilization,” more than 90% of the nearly 1000 essays submitted discussed the theme of creativity as if it were primarily an issue of liberating the imagination by means of new kinds of education or a less oppressive social environment. Although new kinds of education are very important, and social environments that encourage creativity are also important, very few people in our society who think about creativity think about the broader institutional requirements needed to expand the creative powers of a free civilization.

While new ideas, new art, and new literature are important components of social change, without new organizations, new institutions, and new ways of living day-to-day life the

liberating the entrepreneurial spirit for good

NOTES

ideas, art, and literature remain relatively barren. As F. A. Hayek says:

The manner in which we have learnt to order our day, to dress, to eat, and arrange our houses, to speak, write, and use the countless tools and implements of civilization, no less than the “know-how” used in production and trade, all furnish us constantly with the foundations on which our own contributions to the process of civilization must be based. And it is in the new use and improvement of whatever the facilities of civilization offer to us that the new ideas arise, which are ultimately handled, in the intellectual sphere.

Thus, the importance of freedom does not depend on the elevated character of the activities that it makes possible. Freedom of action, even action in humble things, is as important as freedom of thought and freedom of belief.⁴

The sewing machine business in Peru is important. The cell phone lady is important. Creativity is not merely about cute pictures drawn by kindergartners. It is about the ability to create new enterprises, organizations, and institutions that fundamentally change society.

The developed world has a vast, under-utilized asset that is not being leveraged to its best advantage: idealistic people who want to make the world a better place. For most of a century, idealistic people have been encouraged to use anger, protest, lobbying, and legal action in order to make the world a better place. While most certainly some of these behaviors and activities were necessary, we have reached the point at which the social benefit of such behaviors is decreasing. We have reached the point at which creation, rather than attack, ought to be the first obligation of reformers. The social entrepreneurship movement is the first tip of this iceberg. We want to create a world in which all idealists realize that the creation of new enterprises is the most powerful way to make positive change in the world. If all the energy that is currently invested in zero-sum political conflict was gradually transferred to the committed creation of sustainable enterprises, the cumulative impact on behalf of the good would be extraordinary.

Millions of creative, innovative, and entrepreneurial individuals, working in a system of free enterprise, given time, produce staggering improvements in whatever realms of life in which they are allowed to do so. As John Sparks writes:

Private ownership, private initiative, the hope of reward, and the expectation of achievement have always been primarily responsible for the advancement of mankind. Continued progress—be it spiritual, mental, or material—rests squarely upon a better understanding of the idea of individual freedom of choice and action, with personal responsibility for one’s own decisions.

For the purpose of illustrating this idea, let us suppose you had lived in 1900 and somehow were confronted with the problem of seeking a solution to any one of the following problems:

1. To build and maintain roads adequate for use of conveyances, their operators, and passengers.
2. To increase the average span of life by 30 years.
3. To convey instantly the sound of a voice speaking at one place to any other point

liberating the entrepreneurial spirit for good

NOTES

or any number of points around the world.

4. To convey instantly the visual replica of an action, such as a presidential inauguration, to men and women in their living rooms all over America.
5. To develop a medical preventive against death from pneumonia.
6. To transport physically a person from Los Angeles to New York in less than four hours.
7. To build a horseless carriage of the qualities and capabilities described in the latest advertising folder of any automobile manufacturer.

Without much doubt you would have selected the first problem as the one easiest of solution. In fact, the other problems would have seemed fantastic and quite likely would have been rejected as the figments of someone's wild imagination.⁵

Sparks goes on to point out that the first problem, the one that appeared easiest, is the only one managed by government. In all the remaining cases, private enterprise transformed the world for the better.

Over time, the creative powers of millions of free, enterprising individuals, allowed to create their own institutions and communities, create miracles. We have allowed enterprising individuals to create miracles in technological realms. There are so many other problems in life; we need to allow for the creation of miracles in spiritual, artistic, social, and other types of entrepreneurship so that, in half the time and at one tenth the cost, problems can be solved more effectively than we could have imagined.

Creativity requires freedom to act. Every constraint on freedom is a constraint on creative action. While some constraints on creative action are no doubt a good thing (we don't want or need creative activity that involves detonating nuclear weapons or torturing children), it is time to re-think the extent to which creative individuals are allowed to create new products, services, and institutions. There are many thousands of unnecessary laws that limit creativity and constrain human potential.

This was not the case when the Industrial Revolution was created; it was created by ordinary workmen with extraordinary initiative and drive:

“How did the Industrial Revolution occur in Britain in the first place? . . . [Samuel] Smiles noted that . . . ‘One of the most remarkable things about engineering in England is that its principal achievements have been accomplished not by natural philosophers nor by mathematicians but by men of humble station, for the most part self-educated.’ . . . Even more than the scientists – Dalton, Davy, and Faraday – the technocrats came from nowhere and had nothing given to them except what they earned with their hands. George Stephenson (‘the greatest engine designer and builder of the age’) began as a cowherd; Telford (canal, road, and bridge builder who almost single-handedly created the infrastructure of England, ‘the most remarkable man of all, in an age of remarkable men’), a shepherd’s son, as a stonemason. Alexander Naysmith (Da Vinci-like artist, designer, and architect of engineering) started as an apprentice coach painter. . . . Joseph Bramah, the machine tool inventor, creator of the first patent lock, the hydraulic press, the beer pump, the modern fire engine, the fountain pen, and the first modern water closet, started as a carpenter’s

liberating the entrepreneurial spirit for good

NOTES

apprentice and got his essential learning and experience from the local blacksmith's forge. Henry Maudsley, perhaps the ablest of all the machine-tool inventors . . . began work at 12 as a powder-monkey in a cartridge works and graduated in the smithy.”⁶

There are literally dozens and dozens of such examples: Almost all of the extraordinary engineering that we all take for granted in the transition from rural to industrial society, was created by uneducated workmen. The idea of a metal bridge or a machine tool simply did not exist in 1750. As Naysmith, one of the creators listed, concluded “I believe that Free Trade in Ability has a much closer relation to national prosperity than even Free Trade in Commodities.”

There is a myth that advanced formal education is necessary to succeed in today's world because of the complexity of technology. And yet . . . our most recent technological revolution was largely created by high school and college drop-outs, much as was the Industrial Revolution. Steve Jobs, Bill Gates, Linus Torvalds, and many thousands like them transformed the world. Although their work did build on the work of thousands of academic mathematicians, scientists, and engineers, as well as progress created by both corporate entities (such as IBM) and government (especially the DOD), without the thousands of uneducated drop-outs progress could not possibly have been as deep, diverse, or widespread.

By the mid-1980s, a University of Chicago computer scientist estimated that any decent university in the U.S. had more computing power than the entire Soviet Union. Moore's law, that computing power doubled every two years, simply did not apply to the Soviet Union. Although they successfully created a few supercomputers, they were completely incapable of creating a vast, idiosyncratic, innovative IT industry. Apple, Atari, Microsoft, Lotus, and others changed the world because anyone could create their own software or device and start-up their own company. In economists' jargon, there were no “barriers to entry.” And, in fact, many thousands of high school and college drop-outs who were engaged in flow experiences, creating gadgets for the fun of it, changed the world.

Silicon Valley, “the largest legal creation of wealth in history,” was built largely by unprofessional amateurs using math, sand, and the institutions of freedom. The Soviet Union had the greatest mathematicians on earth, and plenty of sand, but without the institutions of freedom their brilliant mathematicians were not empowered to create those devices that are changing the world.

The “Free Trade in Ability” mentioned by Naysmith was crucial to the achievements of both the Industrial Revolution and the Silicon Valley Revolution. There were neither educational requirements nor licensing laws, no barriers to entry, for engineers in the 19th century. That is precisely why working class men entered the field in such droves.

There were likewise no barriers to entry for teen-age geeks who wanted to mess around with computers; if only licensed electrical engineers been allowed to do the work, our IT industry would still be focusing on mainframes and expensive “mini-computers” for large businesses, all more or less controlled by IBM. The personal computing revolution, the democratization of knowledge and information, would never have taken place. In order to democratize humanism, and make humane institutions available to all, we need to remove barriers to entry and obstacles to creation.

John Stuart Mill, in his famous essay *On Liberty*, made a compelling case that freedom of

liberating the entrepreneurial spirit for good

NOTES

speech allows for a discovery process to take place in which, over time, humanity benefits through the ongoing discovery of new truths. Mill makes the case that even speech that is often considered to be harmful ought to be allowed, both because it is difficult for authorities to determine what speech really is harmful and because harmful speech often provokes thoughtfulness that results in new and better understandings.

Friedrich Von Hayek makes a very similar argument for freedom of action:

Freedom granted only where it can be known beforehand that its effects will be beneficial would not be freedom. If we know how freedom would be used, the case for it would largely disappear. We could then achieve the same result by telling people to do what freedom would enable them to do. But we shall never get the benefits of freedom, never obtain those unforeseeable new developments for which it provides the opportunity, if it is not granted also where the uses made of it by some do not seem desirable. It is therefore no argument against individual freedom that it is frequently abused or used for ends that are recognized as socially undesirable. Our faith in freedom rests not on demonstrable results in particular circumstances, but on the belief that it will on balance release more forces for the good than for the bad.⁷

Alan McConnell makes the point more succinctly: “If it can’t be abused, its not freedom.” For those who respect the archetypal wisdom of ancient myths, it is worth pointing out that the Judaic God gave the angels and men freedom together with the power to abuse it. Satan’s freedom to fall was a necessary aspect of a perfect Creation; more than one theologian has recognized this as evidence of God’s wisdom. It might be considered God’s deepest insight.

Some of the most exciting work in software development comes from those who use evolutionary techniques to develop new software. Mutating software programs replicate in a custom designed “environment” which is designed so that, after many generations of replication, the evolved software, which has been selected for over many generations, is extraordinarily effective at fulfilling the function for which it has been selected. Brain researchers have discovered that our infant minds grow based on a process of selection and re-enforcement: those neuronal connections which are most useful and effective in accessing the environment in the manner needed by the infant are re-enforced and grow, those neuronal connections that are less useful and effective disappear. As Adam Rothschild points out in *Bionomics*, economies are organic selectionist processes in which millions of individuals pursuing millions of individual goals produce the circumstances in which businesses evolve to fit an ever-expanding range of never-before discovered niches.

With all selectionist or evolutionary processes, it is important to understand how the environment selects for winners. It is also important to allow for abundant variation. If the environment is selecting for the “wrong” winners, as in evolved software, then the designers will want to change the environment so that better winners evolve. But if one has a positive environment, then one wants abundant variation in order to ensure that ever more wonderful outcomes exist. If one was trying to evolve good software, and if one had a properly structured environment for the evolution to take place, then one would want to have as much freedom and variation as possible in order to optimize outcomes.

In the realm of human action, the legal structures created by governments, together

liberating the entrepreneurial spirit for good

NOTES

with the cultural characteristics of the participants in those legal structures, create the environment in which humans create new institutions. It is unfortunate that often those who are unhappy with social outcomes attack freedom itself rather than focusing on the changes to the legal structures that would be needed to allow for more positive outcomes to evolve from free institutions.

In order to maximize the creative powers of a free civilization, we will focus instead on creating those changes to the legal structures and cultural characteristics needed to create global peace, prosperity, happiness, and sustainability by means of free institutions. The cultural transformation sketched earlier, from fear to love, from neediness to self-actualization, are among the many cultural changes that might accelerate these positive outcomes while allowing freedom. There are also changes to the legal structure that we will want to consider.

We do not expect to define a specific set of public policy proposals. We only wish to sketch a way of thinking about the world that will allow all problems to be solved entrepreneurially, which will allow creators, innovators, and entrepreneurs to create global peace, prosperity, happiness, and sustainability in the next fifty years. Done correctly, freely evolving institutions are faster and more effective than are zero-sum conflict institutions. We hope that an increasing percentage of those who are devoted to zero-sum conflicts will direct an increasing percentage of their time, energy, and resources towards win-win free solutions. We want to apply the dynamism of Silicon Valley to the problems of the world; we want to create a “Silicon Valley of well-being” that takes place around the world.

Much of what we propose has been inspired by, or discovered and advocated by, thinkers who have been advocates for “free markets.” The expression “free markets” has many negative associations for many people. In order to avoid this confusion, we will focus on the distinction between coercive action, taken by governments, and voluntary action, taken by mutually consenting adults. It is important before doing so, however, to acknowledge that voluntary action is only beneficial when there are not harmful externalities, when no one else is harmed by the exchange. Because there are often harmful externalities, we must seek to discover creative means of internalizing externalities, such as including the full environmental costs of goods, before fully celebrating free exchange. Our chapter on sustainability will address this issue more closely.

It is also worth noting that the extent to which free exchange takes place is independent of the nature and extent of a social safety net. There is a case to be made that the Scandinavian countries, which are sometimes considered “socialist” might better be described as “free market welfare states.” Their policies are, by and large, capital-friendly; Finland is often among the most highly ranked countries in the world on the Economic Freedom of the World Index (created in part by Milton Friedman). Whether or not to provide particular social services is a completely different issue from regulating interpersonal interactions. The emphasis on voluntary exchange here is thus largely separate from most environmental issues (which we understand are serious), on the one hand, and from social safety net considerations (also to be addressed elsewhere).

Thus assuming internalized externalities and a safety net, there are two primary systems for achieving social goals:

1. Government action
2. Voluntary action

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NOTES

The first is a slow, cumbersome process. Indeed, in the healthiest democracies government was intended to be a slow, cumbersome process in order to minimize abuses of power. Politics is war by other means, and action initiated by government often exacerbates conflict. Implemented decisions are few and relatively rare, and each governmental entity typically carries out one set of policies. Although government may provide useful “rules of the game,” the more that we are able to limit government to rule-making rather than hands-on management the better we all will be.

By contrast, voluntary action in a free society does not involve conflict. In addition, it is radically experimental: Millions, or billions, of human beings have millions, or billions of opportunities to create and to innovate. In whatever realms in which freedom exists, as compared to those realms constrained by law, millions more nodes of experimentation and creativity are possible. Again, although there may occasionally be realms in which the costs of mistakes exceed the benefits of creative improvements, there are reasons to believe that those realms are far more isolated than is currently represented by our legal system.

Milton Friedman, mistakenly considered to be “conservative” by many - he has long explicitly claimed that he was not a conservative, and in fact has always favored most of all an innovative society - makes these points well:

“The preservation of freedom is the protective reason for limiting and decentralizing governmental power. But there is also a constructive reason. The great advances of civilization, whether in architecture or painting, in science or literature, in industry or agriculture, have never come from centralized government. Columbus did not set out to seek a new route to China in response to a majority directive of parliament, though he was partly financed by an absolute monarch. Newton and Leibnitz; Einstein and Bohr; Shakespeare, Milton, and Pasternak; Whitney, McCormick, Edison, and Ford; Jane Addams, Florence Nightengale, and Albert Schweitzer; no one of these opened up new frontiers in human knowledge and understanding, in literature, in technical possibilities, or in the relief of human misery in response to governmental directives. Their achievements were the product of individual genius, of strongly held minority views, of a social climate permitting variety and diversity. Government can never duplicate the variety and diversity of individual action. At any moment in time, by imposing uniform standards in housing, or nutrition, or clothing, government could undoubtedly improve the level of living of many individuals; by imposing uniform standards in schooling, road construction, or sanitation, central government could undoubtedly improve the level of performance in many local areas and perhaps even on the average of all communities. But in the process government would replace progress by stagnation, it would substitute uniform mediocrity for the variety essential for that experimentation which can bring tomorrow's laggards above today's mean.”⁸

It has been a terrible mistake for our society to have politicized this issue. For much of the 20th century, belief in voluntary action was considered “conservative” and belief in government action was considered “progressive.”

While there were most certainly abuses in the realm of voluntary behavior in the 19th century, the reaction against voluntarism, throughout most of the 20th century, was extraordinarily overblown. Few understood the extent to which innovation relies on the individual initiative of thousands of unknown amateurs, nor the extent to which government would largely clunk along in the service of established elites (including

liberating the entrepreneurial spirit for good

NOTES

established corporations, established unions, established academic institutions, established medical organizations, etc.) Laws will always tend to favor the established and visible over the not yet visible, unproven “gleam in the eye” of the unknown amateur.

The 19th century saw the first Industrial Revolution created by uneducated amateurs, tinkerers and engineers. The Silicon Valley Revolution transformed the world with the help of uneducated geeks and rebels (the come-on line for a Silicon Valley billboard advertising the new VW bug calls out “Helllllooooo Rich Hippies!”) . The 21st century needs a Humanist Revolution based on the unleashed power of those adventurers of the spirit who are exploring the outer boundaries of self-actualization and wellness. The leaders of the two previous revolutions were mostly male. The leaders of this revolution may be mostly female; indeed, if we allowed them to do so, they might be teen-age or twenty-something girls, just as the Industrial Revolution and the Silicon Valley Revolution were largely led by teen-age or twenty-something boys.

For too long, people who have desired to make the world a better place have accepted leadership from those who have directed them towards anger and acts of aggression. This path has resulted in much damage to human life in the past and much impotence and depression today.

FLOW proposes instead that those who desire to make the world a better place engage in lives of constructive action and meaningful work so that we can achieve those goals that have so long eluded us. If everyone who desires to make the world a better place takes positive action, instead of continuing on a path of impotent rage and frustration, we can quickly create sustainable peace, prosperity, and happiness for all.

FOOTNOTES

¹ see “Human Genome Project,” Wikipedia.

² Bill Drayton, “*Where the Real Power Lies*,” Alliance, Vol. 10, No. 1, March 2005.

³ Drayton, op. cit.

⁴ Friedrich A. Hayek, *The Constitution of Liberty*, (Henry Regnery Company by arrangement with U. of Chicago Press, First Gateway Edition, 1972), pg. 34.

⁵ John C. Sparks, “*If Men Were Free to Try*,” The Freeman, Feb. 1977, originally written in 1954.

⁶ Paul Johnson, *The Birth of the Modern: World Society 1815-1830*, (HarperPerennial 1992), pgs. 570-571.

⁷ Hayek, op.cit. pg. 31.

⁸ Milton Friedman, *Capitalism and Freedom*, Chicago (1962) pp 3-4.

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