

Voice-over: A Deeper Look. Exploring what works and what doesn't in development and the changes we can make together to turn ideas into action.

Patrick Fine: Listeners, welcome. This is Patrick Fine, CEO of FHI 360. And you've tuned into *A Deeper Look* podcast, where we take a deeper look at issues of human and international development. As our returning listeners know, this year, we're looking at the darker side of development. We – in other words, looking at the paradoxes and unintended consequences that result from efforts to do good in the world.

Today, I'm joined by Sonal Shah, an economist, entrepreneur, and Founding Executive Director of the Beeck Center for Social Impact and Innovation at Georgetown University, to talk about innovation and the downside of innovation.

Sonal Shah: Patrick, it's so great to be here, and I really have appreciated listening to your other podcasts, so thank you for the invitation, and I look forward to our conversation.

Patrick Fine: Great. Thank you. Sonal is an amazing development practitioner. One of the things that I love about you is that when you talk about innovation, you talk about actionable innovation, so innovation with a purpose. Currently, you're leading the Beeck Center for Social Impact and Innovation, so innovation is your – is your bread and butter.

Sonal Shah: It is.

[Laughter]

Patrick Fine: But you bring a really interesting set of experience to looking at how to apply innovation in human development.

Sonal Shah: Yeah.

Patrick Fine: You've worked at Google. You were a economist at the Department of Treasury for quite a number of years.

Sonal Shah: Yes.

Patrick Fine: In the last administration, you were the deputy assistant to President Obama and the founding director of the White House

Office of Social Innovation and Civic Participation. And, I want to ask you about that combination of innovation and civic participation, because I suspect that was deliberately done.

Sonal Shah: Yes.

Patrick Fine: You bring a tremendous amount of experience and insight into innovation. So, let me start with a simple question. What is innovation? And when we think about human development, what does innovation mean to you as applied to human development?

Sonal Shah: Yeah. That's a great question. Well, first, Patrick, it's so great to be here, and I've so enjoyed working with you over the years, but also just listening when you're talking, and understanding from the questions you ask, uh, because there's a lot of depth in it, more than kind of just the question itself. So, I appreciate the ability to come have this conversation with you.

It's a great question on innovation. When we set up the White House office, in fact, it's the number one question that everybody asked. What does innovation mean for human development for social good?

And, we sort of thought about it in three ways. One is if we approach the problems we've been solving in a different way, what could that look like? So, I thought about it in the sense of like, okay, we've been doing the following for the last 20 years. Have we improved people's lives? Or have we just asked the question that we've served more people? So, we really started to look at the outcomes.

Patrick Fine: Mm-hmm.

Sonal Shah: What are the outcomes and innovations in outcomes? How do we approach outcomes? How do we ask the questions of getting to outcomes? Are we even financing for outcomes, or are we largely financing for number of people served? And what are those questions ...

Patrick Fine: And what did you find?

Sonal Shah: A lot of it, even from the federal government, a lot of our money went to financing number of people served, and very little on did

we actually achieve the outcome we were aiming to do with our programming.

Patrick Fine: And, did you find that was because it's just easier to measure number of people served, or – or number of outputs produced?

Sonal Shah: In short timeframes, it's the easiest thing to do, to say did we serve more people than we served last year? Did we help more people than we would have helped last year? But the challenge with that is we're consistently improving the number of people served, but we're never actually saying, did someone get educated? When we do we stop existing as an organization or as a program because we've achieved the goals that we've wanted to, and are we thinking about it in the right way as to what else is needed if we need to help someone graduate, if we need to help someone improve their health, if we need to help someone get access to food? What else are we doing wrong? Because if we're only doing one piece of that pie and we're not asking the whole picture, we're not getting to the outcome. We're sort of just getting to number of people served.

And those innovations and that process, which is not sexy, ever, is the stuff that is actually more interesting. So, in the business world, you'd say like supply chain innovation is so interesting. Well, nobody thinks about supply chains. Like how did your food get from the farmer to the market? Nobody asks that question. But it's interesting, if you think about the innovation that comes with that. So why not the same way with humans? Are we improving somebody's ability to produce? Are we improving somebody's ability to be a better farmer? Are we improving somebody's health over the long period of time? And if we're not, what should we be innovating in that process?

Patrick Fine: And, as you looked at that, did you find that the actual actions, was it changes to process? Was it changes to methods? Was it new things? Because I think a lot of people, when they hear the term innovation, they think of stuff. They think of new devices. They think of new software packages. They think of new apps, new applications. In your look at innovation, where do you see the real impact coming from? What kind of innovations or what kind of actions produce impact?

Sonal Shah: The easiest thing to get to in innovation is product.

Patrick Fine: Mm-hmm.

Sonal Shah: Did I build the app? Did I make a better mousetrap? [Laughs] Did we make a health machine?

Patrick Fine: And it's easier to explain that as well.

Sonal Shah: It's the easiest thing to explain, and it's like, we have built this new machine that's going to improve your health or that's going to help you get access to better air. Your asthma is going to be better because of that. Those are the easy things to do.

The harder part is beyond the machine. It's like, does anyone know how to use the machine? Does anyone use the machine? So, and a great example in our world is cook stoves.

Patrick Fine: Yes. Okay.

Sonal Shah: We keep talking about cook stoves, and I've been in development for 25 years. We've been talking about cook stoves for 25 years. Does anybody use them? Do enough people use them? Do they care to use them? If they're not being used, then the innovation may not be in the product itself. It might be in the process. How do we get people to believe that the cook stoves are better for them? What's missing if they're not using them? And what do we need to do think about that change? But if we're not getting there, we can keep building new cook stoves. It doesn't matter. It's not the cook stove that's the problem. It's the way somebody perceives the use of that cook stove.

Patrick Fine: Right. So that gets at the theme of this year's deeper look, which is some of the downsides or paradoxes. So, you've just highlighted one with innovation, which is you can come up with a new idea or maybe a better way of addressing a problem, but if it's not incorporated into the culture, if it's not adopted by people, then that innovation isn't going to produce any value.

Sonal Shah: Right.

Patrick Fine: So, how much in the ecosphere of innovation, how much attention is placed on the invention part or the coming up with the idea, which I think is where – I'll speak for myself. That's where I usually put attention. I think of that as innovation. And, how much is put on the diffusion of innovations, convincing people to adopt, and then following that through until you have new practices.

Sonal Shah: Yeah. Well, it's interesting, the definitions of innovation versus invention. Invention is the creation of the new product. Innovation is the absorption of the product into society.

Patrick Fine: Oh.

Sonal Shah: And yet the way we think about innovation is we think about the invention and not the diffusion into society. So, I think we get caught in the cool new idea, which is important, too, but not in the how does the idea become a real thing over time. And I'll say one of the things that we learned when we were at the White House, and I still think about even where I sit at Georgetown, is the way we finance. We don't finance for innovation and diffusion. We finance for invention.

Patrick Fine: Right.

Sonal Shah: Or we finance for pilots. We don't actually finance for how does this become adopted in society over time? We don't pay for diffusion. And if we don't finance for the outcome, we get what we get, which is a lot of cool innovations that don't scale.

Patrick Fine: And that would be another example of a downside in the sense that we come up with ideas, but those ideas then wind up sitting on the shelf?

Sonal Shah: Well, so the question is what do we need to do to take those ideas to scale.

Patrick Fine: Mm-hmm.

Sonal Shah: We tend to, and I speak for myself – I work at a nonprofit now, too. It's like we tend to follow the money.

Patrick Fine: Yes.

Sonal Shah: And the money doesn't follow the idea for scale. The money follows the idea for a period of time, until it's boring, until the next idea comes along. And, what we need to push for honestly is idea for scale, and there are places where this is happened in international development, and there's some lessons we should be learning from. HIV/AIDS was a great example in Africa – where we actually took innovations to scale, because we needed to reduce

the number of people that contracted HIV/AIDS over a period of time, and we've been able to do that over a period of time at a better rate.

Patrick Fine: Fifteen years.

Sonal Shah: Right.

Patrick Fine: We – we've been working really at that level of scale, and with say a level of intensity, and intentionality, since about 2004, for an outcome.

Sonal Shah: Right.

Patrick Fine: And there's been real progress towards achieving that outcome.

Sonal Shah: Exactly. Because we have the outcome in mind, not the number of people served in mind. We want to reduce the number of new HIV contractions or new HIV cases every year. We have the outcome in mind. We're not, how many more people did we serve this year with treatments. We're thinking about how to also prevent the next person getting HIV/AIDS.

Patrick Fine: That's a really good example, because if you think about the last 15 years of practice, there have been many innovations or many new ways of approaching the problem that have been developed and applied, new approaches to epidemiology, new approaches to identifying people who are HIV positive. Inventions as well.

Sonal Shah: Right.

Patrick Fine: So new ways ...

Sonal Shah: Medication. Yeah.

Patrick Fine: ... of testing. New medications. And you can see a combination of research leading to products, but also a whole set of innovation around how you diffuse those products and how you change policy, the policies necessary to support the – the, uh, treatment and care of people who are HIV positive. So, there's a complete ecosystem.

Sonal Shah: And we changed the culture, and people talking about it, like the human development side of this is we've actually made it okay to have a conversation around HIV/AIDS, which was not ...

Patrick Fine: What ...

Sonal Shah: ... a conversation 15 years ago.

Patrick Fine: It was a tortured conversation, because talking about HIV/AIDS requires that you talk in very candid terms about sex and sexuality.

Sonal Shah: Correct.

Patrick Fine: So, you're right. That – that's another – you could call that an innovation, that we've been able to identify and address stigma and open up a conversation in a way that was not possible ...

Sonal Shah: Right.

Patrick Fine: ... before.

Sonal Shah: Right.

Patrick Fine: And address taboo subjects, or what had previously ...

Sonal Shah: But all of those innovations ...

Patrick Fine: ... been taboos.

Sonal Shah: ... happened because we had a clear outcome in mind. Right? If we know what the clear outcome is and that's what we want to do, all of the different areas of the community came together to figure out how to get to that outcome. So, there were the folks that did medicine, that were folks that came up with distribution, how do we distribute the medicine differently? There were policy innovations that took place. There were so many innovations in that one place, but it required an outcome that we were clear about.

In the U.S., this conversation, is taking place with cancer. How do we eliminate cancer? Or breast cancer.

Let's just start with a specific cancer. Now, all of a sudden there's a – there's an outcome that we're looking for, which is how do we eliminate people dying from breast cancer? And you think about

all the various techniques and the pieces, and this global conversation now. We're like, how do we map the genes? How do we make sure someone who's mapping a gene in Georgia can talk to the person that's mapping the gene in India? How can we make sure that the person in India can talk to the person in the U.K.? But we're starting to capture that information, and it's becoming a much more consistent conversation about eliminating deaths from breast cancer.

Patrick Fine: But what strikes me when I think about the HIV example, because I've been working on that ...

Sonal Shah: Yeah.

Patrick Fine: ... for most of my professional career, is that there have been many iterations of actions that advanced the ...

Sonal Shah: Correct.

Patrick Fine: ... overall cause, but then they reached a point where they became obsolete, or they were no longer effective, or we realized that even though they had advanced our thinking, they weren't really contributing to the ...

Sonal Shah: Right.

Patrick Fine: ... outcome we were seeking, so we ...

Sonal Shah: We got rid of stuff.

Patrick Fine: ... so we pivoted away from them.

Sonal Shah: Yeah.

Patrick Fine: And it – I want to link that to sustainability. If you've got this 15 year period or more – I mean, in HIV/AIDS, you can really ...

Sonal Shah: It's a long time.

Patrick Fine: ... go back to the mid-eighties, so it's ...

Sonal Shah: Yeah.

Patrick Fine: ... it's more like, uh, almost a 30 year period. If you have this period of time, and you can see that there's been invention and innovation – I love the way you've distinguished that. I think that's very helpful. Invention of products, and then diffusion of those, and acceptance ...

Sonal Shah: Into society. Yeah.

Patrick Fine: ... as the innovation piece. We talk a lot in development about sustainability, and one of the big critiques around development practices is that we do these things, and they're not sustainable. Here's an example where you can look at a lot of innovation that occurred over a period of time that the – the discrete innovation was not necessarily sustained.

Sonal Shah: Right.

Patrick Fine: Because it played its part. It contributed to achieving the outcome, but then it became obsolete ...

Sonal Shah: Right.

Patrick Fine: ... or something better came – came along.

Sonal Shah: Right.

Patrick Fine: And so, it, it didn't make sense ...

Sonal Shah: Yeah.

Patrick Fine: ... to try to sustain that.

Sonal Shah: Right.

Patrick Fine: And, I wonder if this is an example of a weakness in that critique. We expect things to be sustained in a environment where change is happening so quickly that sustainability ...

Sonal Shah: It's a question of what is sustainability. So, is sustainability the outcome, or is sustainability the program that you're running? And we get caught up in the program that we're running as opposed to getting to the outcome that we want.

So, I'll give you my own example. We started a nonprofit 15 years ago with my siblings called Indicorps. When we started in India 15 years ago, service in India was not a concept.

Patrick Fine: Mm-hmm.

Sonal Shah: Fifteen years later, service is like diffused in the Indian culture. There's so many more organizations that got created of people we partnered with over those 15 years.

Patrick Fine: When you say service, you mean like volunteerism?

Sonal Shah: Yeah. So, go and work in a community – people used to tell us when we went, they're like, every time we went in, somebody in the Indian government would say, "You're wasting your time in this country. Why are you coming here?" This was 2001, 2002.

Now, people within India go to teach for India, or they go volunteer at different programs, or a lot more Indian-Americans go back to India to – to serve, and we decided two years ago that the time was to shut down our organization.

Patrick Fine: Uh-huh.

Sonal Shah: Because we came to do a particular service. That has become diffused in the society. Do we need to exist as an organization in order for service or people to be able to go volunteer for service from the United States, especially Indian-Americans? Do we need another organization that does that? Or can it exist on its own? We took the \$200,000.00 we had and distributed it to other partner organization, and said, "You guys go build up your own service capacity and make it work."

Patrick Fine: So that's an example where you achieved the objective that you set out ...

Sonal Shah: It's the outcome.

Patrick Fine: ... which was to ...

Sonal Shah: Yeah.

Patrick Fine: ... promote the idea of community service?

Sonal Shah: Right. And do you need to exist for that? And I think we get caught up in sustainability of sustainability of organization, not sustainability of the idea, not sustainability of the outcome. We're largely caught up in our own abilities of does my organization need to exist, or does this idea need to exist in its current form for the next 25 years?

Patrick Fine: Well, and ...

Sonal Shah: Even if it changes?

Patrick Fine: Right. And in international development, since so many activities were organized into projects or programs, and the funding is allocated for projects and programs, that's what sustainability is attached to.

Sonal Shah: Right.

Patrick Fine: Is this program ...

Sonal Shah: Right.

Patrick Fine: ... being sustained? As opposed to is the ...

Sonal Shah: Program achieving an outcome –

Patrick Fine: Right. Or. or is the initiative to say improve the natural resource management, is that being sustained?

Sonal Shah: Right.

Patrick Fine: Let me ask another question. Oftentimes today, when people talk about innovation, they link it with disruption.

Sonal Shah: Yeah.

Patrick Fine: In thinking about unintended consequences or downsides to actions, how do you view disruption? Do you view disruption as a desirable outcome, or is there a negative aspect of disruption?

Sonal Shah: I mean, there's always both, to be fair. I don't think disruption is all good if we don't know why we're disrupting, but I also think disruption helps sometimes in shifting the way we think about things. So, maybe the question is – and I think what happens is a

lot of organizations that are used to doing things a certain way, the disruption becomes anathema to their business principle as opposed to what is it that's changing. So, for example, Uber.

Patrick Fine: Yeah.

Sonal Shah: Or Lyft. If we were asking for innovation in taxi services, would we have gotten to people using their cars to be able to provide services? Not sure we would have actually done that, if we just improved the medallion practice ...

Patrick Fine: Right.

Sonal Shah: ... of the taxi service, right?

Patrick Fine: Right. The existing business model.

Sonal Shah: Exactly. And so, there is this question that we have to ask, which is how does then a business adapt to the model as opposed to thinking about that's a disruption to my business in general? And frankly, I mean, if we were to look back at it, the medallions had become super expensive, \$1 million for a medallion for a taxi driver to buy. Like nobody was talking about the corruption in that.

Patrick Fine: Right.

Sonal Shah: We were sort of mad because Uber came along and – and provided a different service. I'm not saying Uber is perfect. I'm just saying that there's a disruption that took place in the marketplace. Airbnb is another example that's focusing hotels to think about their business models differently. They wouldn't have improved their hotels, but now, people are thinking about their homes as hotels, so it becomes a different way of thinking about it.

So, there's good and bad. There's the bad side of disruption, which is we might try something, and it affects people's lives very dramatically. Are we testing it on a consistent basis to know what the disruption is causing and what are the unintended consequences as well as the intended consequences? Because I'm not sure we do sometimes. We don't ask that question enough.

Patrick Fine: I mean, Uber would be an example where I think objectively, most people would say that that has provided an overall social good. It's, it's created jobs. It's made transport, uh, more convenient. It's

expanded transport options. So, there are a lot of good aspects that go along with that, as well as disrupting or interrupting what had become a corrupt system in large cities of managing transport.

Sonal Shah: Right. So, let ...

Patrick Fine: That ...

Sonal Shah: ... me give the consequence of Uber, though. Less use of public transport.

Patrick Fine: Okay, so that's a ...

Sonal Shah: So, people use public transport less ...

Patrick Fine: ... that's a downside.

Sonal Shah: ... than they did because the convenience of Uber is better, so now the environmental consequences are different. There's more cars on the road, and much less use of public transportation. It's a point and a counterpoint to recognize that all conveniences also have their impacts, and the question is what does that mean.

Patrick Fine: Well, and how does society manage those impacts?

Sonal Shah: Right.

Patrick Fine: We've moved into an era where you have these major changes in business ...

Sonal Shah: Yeah.

Patrick Fine: ... models, and Uber and Airbnb are two good examples that do have a downside for the people who spent \$500,000.00 for a taxi medallion ...

Sonal Shah: Right.

Patrick Fine: ... that no longer has value.

Sonal Shah: Right.

Patrick Fine: And they're left stranded.

Sonal Shah: Right.

Patrick Fine: I don't have a sense that as a society, we or other postmodern societies have put much thought or ...

Sonal Shah: Right.

Patrick Fine: ... innovative thinking ...

Sonal Shah: Right.

Patrick Fine: ... into how do you manage these transitions?

Sonal Shah: Yeah. We have not thought about transitions. And, we tend to want to come to universal conversations, like universal basic income, or things like that, but could we have done a transition for taxi drivers differently and given them first dibs at Uber as premier Uber drivers or something like that?

Patrick Fine: Right.

Sonal Shah: Right? Like there's ways you could – we could have thought about that. But the taxi service was busy fighting Uber, and the government was busy allowing both of those to happen.

Patrick Fine: Right.

Sonal Shah: And there is a role for government in this, which is, you know, what's the role of government in transitions? What's the role of policy in helping move to transitions? The rapid pace of change is creating more transitions, and we haven't quite figured out how to manage the transitions.

Patrick Fine: I don't think we have, either. And there's an irony here that the disruption that these rapid transitions are causing in society in terms of in the labor force, in, uh, what kind of opportunities people have access to, in the distribution of economic benefits ...

Sonal Shah: Right.

Patrick Fine: ... geographically ...

Sonal Shah: Right.

Patrick Fine: ... while those would suggest that there needs to be some proactive intervention from government, what they've actually seemed to be creating in the U.S. and in a number of other countries is a reaction against government intervention.

Sonal Shah: Right. Right. We look at it a lot. I mean, I think one of the questions that we ask, uh, all the time is what is the role of government in this ...

Patrick Fine: Mm-hmm.

Sonal Shah: ... and how does – how does government also learn to innovate in the processes and the policy planning. So, everything you're talking about, which is if – if society has to transition, how does government also think about policy in a much more agile way that is not so we do something for the next 20 years, but nothing lasts for 20 years today. It's like we're almost in three-year rapid development cycles, and then something shifting in five years, and then we're not keeping up with it.

So, how do we keep up with that? How do we know what's happening? And how do you think about policy that allows you to be agile and not wait for 25 years, because you're getting also rapid data at a faster pace. How do you think about that, and what are the ways to think about it? It creates a problem with causation versus correlation. I will leave – I will leave that for a second.

Patrick Fine: [Laughs]

Sonal Shah: Um, but I do think this question of if – if it's – things are moving so quickly and policy isn't keeping up with the conversation, we face these challenges. So, the recent Congressional hearings on Facebook were a great example, right? People just don't even know what Facebook does. [Laughs]

Patrick Fine: Right.

Sonal Shah: Other than you use it as a service. The back end of Facebook, the business model, is to sell your data. Okay? So, we have to ask that question, what does that mean? You know, whether it's Twitter or whether it's Facebook, whether it's any of the apps that we use. How do we think about that? So, policymakers do have to think about it.

Patrick Fine: Your example of Facebook and other social media businesses that are essentially built to harvest personal data, harvest data from – from individuals ...

Sonal Shah: Every app that we use is harvesting data.

Patrick Fine: It – it all harvests data.

Sonal Shah: Yeah.

Patrick Fine: And then it is sold, it's either directly sold, and it's used in ways that we have no idea of. So, that would be a pretty stark example of a potential downside or darker side to development. On one hand, you have these new tools that allow for communication, allow you to stay in touch with people, allow for sharing information, provide a lot of benefits that people want, as demonstrated by their demand.

On the other hand, the downside of that, or the darker side of that, is that people's information gets used in ways that they don't know about and that can be harmful or adverse. We probably don't even have an idea of yet what the actual ramifications are going to be.

Sonal Shah: Correct. I don't think we know. I don't think we know what happens when somebody creates a profile about you knowing all of the data that they've collected about you. Your insurance company can now use that information to decide your rates.

Patrick Fine: And you won't know.

Sonal Shah: And you won't know.

Patrick Fine: You'll just get a rate that has been developed by an algorithm.

Sonal Shah: Correct. How do you challenge an algorithm? How do you challenge the data that's been put in? Have you ever tried to challenge your credit history? You have to write to them. You have to write to all three of the credit history reports. They have to then look at it. The burden comes on the consumer to have to handle all of it. That's the same when you lose your bank account. If you've had your bank account hacked into ...

Patrick Fine: I have. It was a tremendous burden.

Sonal Shah: Right.

Patrick Fine: And it took several years of affidavits and effort ...

Sonal Shah: And the burden became yours ...

Patrick Fine: It was my ...

Sonal Shah: ... no the company's.

Patrick Fine: That's right.

Sonal Shah: These are the questions of like what happens to your data when it gets sold. So, I have had the same things. Not only has my bank account been hacked. My IRS records were hacked, as was all my stuff from the federal government. So, now I have to put on hold all of my credit report so no one can access my credit reports unless I give them permission to do that. But the burden is on me to manage all that. So, I have to know where the passwords, I have to know where the papers are, I have to know who to call. I can't just buy a car. I can't just buy a house. I can't do all of those things that we naturally think are easy, now become harder, because your data is being harvested in other places.

And these are the questions we don't ask, because we don't know the answer. We're willing to give free data for convenience.

Patrick Fine: And more and more, decisions will be made by algorithms. I can see it in daily life.

Sonal Shah: Mm-hmm.

Patrick Fine: There's no price that's not determined by an algorithm now.

Sonal Shah: And they know if you've paid \$600.00 and are willing to pay \$600.00 for a flight, do you know what prices you're going to be seeing?

Patrick Fine: You're going to get a higher ...

Sonal Shah: The \$600.00 flights.

Patrick Fine: That's right.

Sonal Shah: If you only paid \$300.00 for a flight, you're going to see the \$300.00 flights.

Patrick Fine: So, note to listeners. Go for the \$300.00 flights.

Sonal Shah: Right.

Patrick Fine: Establish a record.

Sonal Shah: Right. Or clear your histories on your – on your browsers on a regular basis, because that's what they're using as the rates that you're willing to pay.

Now imagine if you're a person that earns \$10.00 a day in Ghana, and now you have to fight a system.

Patrick Fine: Yeah.

Sonal Shah: How do you do it?

Patrick Fine: You're not going to be able to do it.

Sonal Shah: And, this to me is why government matters. Right? The government needs to be the intermediary in this and to be asking this question as to what is the role of data, what is the individual's rights in this space, what are the company's rights, how do we make sure that people are part of this conversation? And it's why the Office of Social Innovation had civic participation in it. It required participation from people to understand what was working for them and what wasn't working for them. It's not easy to be innovative when you have to think about does it help only 10 people, or does it help 2,000 people, or does it help 200,000 people, or does it help 2 million people? And those are the questions we needed to ask, and not miss the two parts of innovation with the civic piece of that.

Patrick Fine: The innovation that we're seeing transform our society before our very eyes demands government engagement in order to safeguard the rights of citizens.

Sonal Shah: Right.

Patrick Fine: Yet, that is not a narrative that I hear much.

Sonal Shah: Yeah, because we believe – I mean, I bet most people, and most of the students I teach will say the government is irrelevant, the private sector provides better service than the government does, which is actually a true statement, so I'm not even going to deny that in some cases, the private sector – you can get on Uber or Lyft and get a car versus try getting your social security that way.

Patrick Fine: Right.

Sonal Shah: It's not quite that simple. Or, try to get your driver's license that way. Not quite that simple. So, the questions that we have to ask is how does government also provide better services, and what does it do in order to build that trust back of people? What if we think about DMV [Department of Motor Vehicles] in the following way? What if the DMV, their role is to help you get your driver's license? What if you thought about it that way, as opposed to their role is to process the pieces of papers ...

Patrick Fine: Yeah.

Sonal Shah: ... that come through? If their job was to help you – say, you don't have this piece, but let me tell you the other six pieces you need to have next time you come back, so you don't waste another trip. You now start thinking of the service in a whole different way. But it also requires us to think differently, and government to think differently around a service. We're providing a service to a citizen, not we're doing our job so you can get access to the service.

Patrick Fine: Right. But what this conversation is revealing to me is the number of paradox that the innovation ecosystem that we now live in, that this world that we see being transformed by innovation, by invention, by new ideas, by the rapid pace of change, that that is simultaneously creating a load of paradoxes that we have not figured out as a society how to manage.

Sonal Shah: Yep. I'm not saying we should take away convenience, because I think convenience matters, just busyness of lives, the challenges that people face. If you're a farmer in Kenya and you know your seeds are going to cost X at this time if you go and harvest, and you – your produce is going to be X, and you get that information, you're better off. So, there's nothing wrong in the convenience.

There is this question of who gets access to that data. Where does that get sold on afterwards? Is it just the company that's using that

data to provide you a better service? Or, are they selling the back end of your data to somebody else, so they also can supposedly provide you services which you didn't ask for? So ...

Patrick Fine: Right. And we know that they are.

Sonal Shah: Data is no longer just a thing we use to improve services. It's become an asset. And that is what people are buying. The reason Amazon is super valuable isn't because Amazon provides better services. It's because Amazon knows more about your buying/purchasing power than anybody else in the world.

Patrick Fine: The real dark side of that will be when governments start using that data for authoritarian purposes.

Sonal Shah: They already are.

Patrick Fine: They already are. Can you give an – examples of where they are?

Sonal Shah: Pick most of the authoritarian countries. Russia, they read all of your emails. China reads all of your emails. It's not an open system. It's a fairly closed system. I mean, I'm not complaining about China. I'm just saying that, you know, they're creating a social rating index on what type of person you are.

Patrick Fine: Oh, that's right.

Sonal Shah: Right?

Patrick Fine: And the ...

Sonal Shah: Like, okay, so are we okay with that? Is that a good thing? Is that – like I would just say, let's have a public conversation about this, because it's too easy to accept it without asking the questions of are we comfortable with it, and not is the service just better. And so, we opt to service is better, but we don't, as a public, have a conversation about is this the society we need.

Patrick Fine: I just wonder if the adverse effects could become so pronounced that you would have groups in society who start to – say we – we don't want the convenience, to reject the convenience, want to revert back to – to an early stage of technology that doesn't allow powerful companies or – or institutions or governments to have the kind of control that the current technologies will give them.

Sonal Shah: Well, so what was interesting is I – I first came to the federal government in 1994, '95, when, you know, they were just getting email.

Patrick Fine: Mm-hmm.

Sonal Shah: Sort of the non ...

Patrick Fine: Mm-hmm. Sure.

Sonal Shah: ... non WordPerfect version of email?

Patrick Fine: I was – I remember that. Yeah.

Sonal Shah: Right? Remember that? And, uh, you got Microsoft Word, and it was like, your life is going to be so much easier now that you have Microsoft Word. And, like, you're going to have more time to do other things. I mean, do you feel that way in any way, shape or form?

Patrick Fine: Nobody feels that way.

Sonal Shah: Like – in fact, I feel like I have to be on my phone all the time to answer questions, or to respond to people. What we didn't recognize is that behaviors have changed with innovations. We tend to look at innovation as a ten-year process, so this – this is like a perfect planning. This is what will happen next, and this is what will happen next. And what we forgot is humans adapt.

[Music plays]

Patrick Fine: Sonal, what's one lesson you've learned that you'd like to share with our listeners?

Sonal Shah: The question of outcomes is hard, but we have to ask ourselves what's the outcome we're trying to achieve and whether we're the right organization to be achieving that outcome. Or, what's our role in it, who else do we need to partner with and how do we get there? But by ourselves, we're not going to solve the problem of human development. We need to partner with other people. We need to partner with government. We need to partner with other nonprofit organizations. We need to partner with the private sector. By ourselves, this problem is too big to solve.

And, we keep thinking each of us can do it by ourselves. The larger we become, the more we can do it. That's not the solution to this. We're going to have to partner.

Patrick Fine: Sonal, this has been a fantastic conversation. Thank you.

Sonal Shah: It's been so much fun. Thank you.

Patrick Fine: And listeners, thank you for tuning in. This has been a really rich discussion. I'd love to hear your comments on it. There's a lot to comment upon. So, please share your feedback with me. Leave a review of the podcast while you're at it. And don't forget to ask your friends to subscribe to *A Deeper Look*, uh, wherever you get your podcasts. Join us for next month's episode for another thought-provoking discussion around the darker side of development.

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