

**New Education for the 21st Century**  
**How to build sustainable networks and communities**  
Bert van Lamoen, Dean EBBS International Business School

The problems that exist in the world today cannot be solved by the level of thinking that created them.

Albert Einstein

**Education is at the heart of human progress**

Everybody seems to agree: education is key for human progress. For instance the famous G8: the leading industrialized democracies - Russia, the U.S., Britain, France, Japan, Germany, Canada and Italy -, in participation with the European Commission. This forum was designed to harmonize attitudes to acute international problems. The member states account for 49% of global exports, 51% of industrial output, and 49% of assets in the International Monetary Fund.

At the last G8 Conference in St. Petersburg in 2006, they conclude:

**Education for Innovative Societies in the 21st century, St. Petersburg, July 16, 2006**

1. **Education is at the heart of human progress. Economic and social prosperity in the 21st century depend on the ability of nations to educate all members of their societies to be prepared to thrive in a rapidly changing world. An innovative society prepares its people to embrace change.** We will promote the global innovation society by developing and integrating all three elements of the “knowledge triangle” (education, research and innovation), by investing fully in people, skills and research, and by **supporting modernization of education systems to become more relevant to the needs of a global knowledge-based economy.**

2. Education enriches cultures, creates mutual understanding globally, underpins democratic societies, builds respect for the rule of law. Education, the enhancement of skills, and **the generation of new ideas are essential to the development of human capital and are key engines of economic growth, drivers of market productivity, and sources of cohesion for all nations.**

3. Development of a global innovation society depends on the mobility and integration in all nations of people, knowledge and technologies. As science, technology, and economic progress become more global, international collaboration is indispensable to generate the talent and knowledge needed to find solutions to fundamental global challenges.

**4. Knowledge-based economies require innovative education systems** and reliable, transparent, and non-discriminatory legal, regulatory, and policy frameworks. These frameworks foster pro-competitive and predictable policies, offering strong protection of intellectual property rights, supporting research, development, and investment, and **providing incentives that favor innovation.**

The following is an 'al fresco' composed text, offering some basic ideas for - and some different but connected perspectives on - a fundamental new education for the 21<sup>st</sup> century and some key features of new business education for the new knowledge or network economy.

**Are we condemned to individual intelligence and collective incapability?**

Why do so many human organizations such as companies, governments, administrations, associations, etc..., that are composed of smart and sensible individuals, act in silly and even destructive ways at the collective level, often against the very will of their own participants?

Why don't large organizations have the same flexibility and adaptability as small groups of people? Is the fact they are *big* the real cause of this dysfunction?

Are operational effectiveness as defined by parameters including objectives reaching, project management, etc... and democracy at odds with each other?

If the answer is yes, then we must also admit to the startling conclusion that a democratic country is not manageable. If we reply no, then why are companies and organizations in general not democratic spaces?

Why has the free software community, without any hierarchy and decisional center, begun to make products that have higher performance than those of the private industry?

When writing "*What interests me is not the happiness of all men; it's the happiness of each man*", Boris Vian declared individual and collective stakes as irreconcilable. But if we postulate that individual happiness is desirable, what gives us the assurance that the happiness of one person will not be harmful to the happiness of another? Is acting for the collective good possible only at the price of individual alienation? Is acting for oneself

systematically harmful for the community? Are individual and collective interests reconcilable?

Whether the problem is global warming, the decline in biodiversity, world peace, education, healthcare, commerce, employment, technology breakthrough or any other, none of these can be described and understood in their wholeness by organizations as we know them today. They cannot be solved because we are not sufficiently intelligent at the collective level. Who, in daily life, doesn't suffer from the *lack* of collective intelligence? Are we condemned to individual intelligence and collective incapability?

### **Changing times**

We all live in a time of unprecedented change throughout the world from a complete upheaval in the former communist bloc nations to a number of new economic and political alliances in the form of the European Union, the North American Free Trade Agreement (NAFTA), NEPAD Africa, ASEAN and WTO China.

The development of a new world order has brought into existence many new organizational challenges and opportunities.

With the rapid development of information, and other, technology a networking world is emerging. A truly global village is becoming part of reality. Every company in today's market must face and adapt to the context of a new economy, which is characterized by globalisation, interrelatedness, complexity, and the importance of knowledge and creativity.

**More than ever before managers are being challenged to create new organizations and to rethink the ways in which we structure those organizations.**

The conventional approach, based on the assumption that the world is predictable and controllable, is no longer appropriate.

**The old industrial economy is already replaced by a new knowledge and network economy.**

We have entered an age of uncertainty, one that contains the seeds of both opportunity and potential disaster.

The challenge is how to exploit the opportunities. **A different approach is necessary.**

As education is at the heart of human progress, it is high time for a fundamental different approach in education as well.

### **The need for a new approach**

In 2002 the need for a new approach to higher education was validated by Stanford Business School Professor Jeffrey Pfeffer's widely publicized article, The End of Business Schools.

His article, based on 40 years of research, was highly critical of how tenured professors at traditional business schools force students to study obsolete curricula that waste thousands of hours of their students' time on irrelevant courses. In his own words:

"Little of what is taught to students in business school prepares them for the corporate workplace. You have to question what goes on in the two years it takes to get an MBA, if someone can virtually be equivalent in two or three weeks. What that suggests to me is that if you take a smart person, and give them a relatively short course, a mini-MBA, if you will, they basically do as well as the MBAs."

"One of the problems is that much of the business school curriculum has remained unchanged since the 1960s. Business schools rely on outmoded teaching methods and do not afford students an opportunity for practical experience."

This is what Dr. Russell Ackoff has to say about examinations:

"Most examinations are an abomination for four reasons. First of all, they're not modeled on how

people are evaluated in the real world. People are evaluated by what they can do with what they know. And second, tests are taken in isolation, whereas in the real world if I ask you to solve a problem to which you don't know the solution, I expect you to get all the damn help you can find. **It's your ability to use resources that is important in the real world, not what you can remember to spit back on a test.** So our method of giving examinations creates a wrong model. Finally, in our system of examinations you learn that the thing to do is to give teachers the answer they want. And this happens all the time in management. Whenever I work with a group of executives below the CEO on a problem given by him or her, the first thing they want to know is, "What does the CEO expect; what's the right kind of answer?" No wonder there is so little managerial creativity in problem solving."

### **New education**

The new education for the new knowledge or network economy starts with basic ideas and models coming from the latest scientific breakthroughs. To quote Einstein once more: "with the splitting of the atom, everything has changed, but man's thinking". The latest scientific breakthroughs come from quantum physics, chaos theory, science of complexity, system dynamics, ecology, brain and PSI research, the science of collective intelligence and Zero Point Field research.

One important finding: all real innovation comes from small groups at the edge of a system. Talking about education, we should not look at the mainstream, well established educational organizations if we want fundamental innovation and change. Deep change will come from the edge, from small, flexible, innovative groups at the fringe of the educational system.

If we want schools, universities, or continuous training to remain meaningful, we need to create the new education in practice. A courageous - but not impossible - transformation will be required. And let's not forget, the transformation is already on the way. At the level of university and business education EBBS International Business School ([www.ebbs.eu](http://www.ebbs.eu)) coordinates and connects the forerunners in the field, some of which already exist for almost a decade.

### **Basic building blocs**

New business education is based on the triangle:

- action learning or learning by doing
- holistic education or spirituality in business
- sustainable or value based entre- and intrapreneurship. Intrapreneurship is making use of the entrepreneurial mindset within existing organizations.

The learning strategy and methodology is focused on 'learning to think in and with models'. Model thinking stresses the connection to the whole instead of concentrating on the parts. And model thinking enables us to combine - and gives us insight into - many facts. Last but not least model thinking helps in creating and focusing on a next level of thinking, Albert Einstein refers to when he says: **“The problems that exist in the world today cannot be solved by the level of thinking that created them.”**

And what does this other level of thinking looks like?

Boldly stated, our problems can no longer be solved at:

\* a military level or

\* at a political level or

\* at a financial or economical level

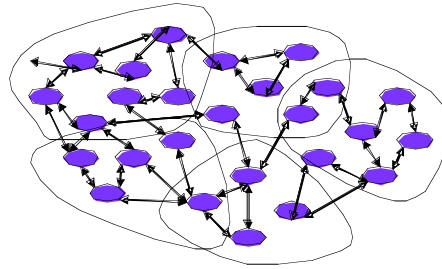
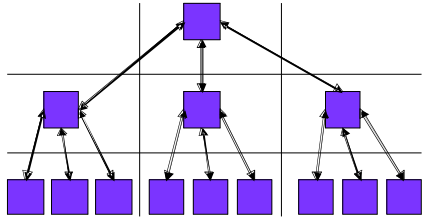
Our problems can only be solved at a spiritual level, meaning developing or **transforming our belief systems.**

The Iceberg model

Important to understand in this Iceberg model is the fact that our mental models are 'below the sea level' (the dotted line in our above illustration). Meaning most of the time we hold and use them un- or subconsciously. We take our mental models and belief systems for granted – this is only normal, we say. At the same time they totally dominate our thinking and acting. So if we are looking for real change and development it is essential not only to understand these mental models, but to incorporate this model thinking into our education.

**Example of model thinking:**

# Hierarchy and Network



G.J. van Lamoen

# Pyramidal and Collective Intelligence

	Pyramidal intelligence	Global Collective Intelligence
<b>Types of communities</b>	Companies, institutions, states, administrations	Cyber-communities (names still to be invented)
<b>Information architecture</b>	Panopticism	Holopticism
<b>Dynamics</b>	Top down	Emerging
<b>Power distribution</b>	Centralized	Distributed
<b>Types of power</b>	Authority	Leadership
<b>Core technology</b>	Writing / printing	Software / Internet
<b>Regulation mode</b>	Static (printed rules)	Dynamic (software)
<b>Economic dynamic</b>	Scarcity	Abundance
<b>Transactional tool</b>	Scarce currency	Sufficient currencies
<b>Capital</b>	Material assets and knowledge	People (i.e. in all their dimensions)

## Hierarchy and network model Pyramidal and Collective Intelligence

Our world and the economy is rapidly changing from the old industrial, hierarchical model where pyramidal intelligence is key, into the new knowledge/network economy where collective intelligence is key. From a machine-like model into a model of a living organism.

### The four dynamic principles of pyramidal intelligence

Four fundamental principles constitute the universal signature of these human edifices, no matter whether these are companies, administrations, governments, armies, religious organizations or empires. These are:

**1. Labor division:** everyone has to cast himself in a predefined role in order to make people interchangeable. An immediate corollary is the division of access to information, which establishes a context opposed to holopticism, i.e. *panopticism* – controlled and partitioned information – that we will detail later;

**2. Authority:** from divine right, by filiation, by merit, by expertise, by law, by diplomas, etc... No matter the legitimating principle, authority institutes a pawl effect, a dissymmetry in the information transmission between the emitter and the receiver, and sets up a *command and*

*control* dynamics. Authority determines the rules, assigns rights and prerogatives, organizes the territories (and thus labor division), and distributes wealth by means of money;

**3. A scarce currency:** money is historically a social convention and an information system made to allow the market to function. It serves as a medium of exchange and a store of value. Unlike what many people believe, scarcity is not an inherent quality of money, but an artificially maintained property. Scarcity generates channels of allegiance from those who need toward those who have. It naturally catalyzes the hierarchies of pyramidal intelligence. This phenomenon of hierarchization is strongly accelerated by the *Pareto effect* (the more we have, the more we earn);

**4. Standards and norms:** they allow the objectivizing as well as the circulation and the interoperability of knowledge within the community. Language is itself a standard. As for circulating artifacts (electronic components, pieces of machinery, materials, etc...) they all have a 'jointing pattern' made to chain their added value and build more complex functional sets.

The strength and the stability of organizations built on pyramidal intelligence largely stem from the fact its four founding principles mutually reinforce and legitimize themselves. Wealth is distributed by those in authority, hierarchies are catalyzed by scarce money, inclusion-exclusion rules are established by standards and norms, and so on.

Today pyramidal intelligence still drives most aspects of human organizations.

### **Limits of pyramidal intelligence**

Pyramidal intelligence has its limits: unlike collective intelligence, it shows a structural incapability to adapt to the unsteady, unpredictable and disruptive grounds of complexity.

Cross-out qualities, which are strengths in more simple environments, underlie its inherent weaknesses:

- **Work division:** the social architecture (organization charts, job descriptions, information access levels, etc...) is hardcoded. There is no way this structure can self-modify when confronted with changing circumstances, for example as in the case of a sports team. Whatever the efforts made to improve and optimize the flow of information, the

intrinsic limits of hierarchized structures will always show up, with their pawl effects and their dynamics made of territories and prerogatives;

- **Authority:** top management, nearly always reduced to ruling minorities are by nature unable to perceive and process the tremendous flow of information that pours into the large body of the organization they are supposed to manage. This generates reductionist visions that become a source of conflict between the 'head' and the base;
- **Scarce money:** scarcity breeds competition which minimizes collaboration, an aspect of the capacity to self-adapt;
- **Standards and norms:** most of the time they are subordinated to a logic of competition. They serve a strategy of territorial occupation and monopolistic control by means of artificially rarefying knowledge (patents, intellectual property, etc...), rather than maximizing the permeability and the interoperability with the external environment. The most obvious example in the computer world is Microsoft Corporation's Windows operating system, the core of most microcomputers. The end user is dependent on the future evolutions of this code, must struggle to evolve into other environments, and must pay for any extra desired services such as licenses, labels, trainings, etc.

Today we suffer cruelly from the limits of organizations based on pyramidal intelligence. Their deficiency in face of systemic complexity is expressed by a common symptom: the fact they wander into directions that can be opposite to the will of their own participants, either because internal coordination is virtually impossible, or because leaders use *de facto* opacity – even cultivate and legitimate it – to take advantage of their power.

### **Characteristics of original collective intelligence**

1. **An emerging whole:** each jazz band, sports team, working team has its own *personality*, a *style*, a *spirit* to which we refer as if they were an individuality. When we emphasize the success, the quality and the unity of a group, it is another way to express the fact that this *Whole* appears so obviously.

2. **A 'holoptical' space:** the spatial proximity gives each participant a complete and ever updated perception of this Whole. Each player, thanks to his/her experience and expertise, refers to it to anticipate his/her actions, adjust them and coordinates them with the actions of the others. Therefore there is an unceasing round trip, a feedback loop that works like a mirror between the individual level and the collective one. We

define **holopticism** as this set of properties, that is the 'horizontal' transparency (perception of the other participants), and the 'vertical' communication with the emerging Whole. In the examples above, the conditions of holopticism are given by physical 3D space; our natural organic senses then serve as interfaces. The role of a coach, or an external observer, consists in encouraging the conditions for holopticism.

3. **A social contract:** whether it is musical harmony, game rules, or work legislation, the group is shaped around a social contract, tacit or explicit, objective or subjective, that is accepted and staged by each participant. The social contract is not only about values and rules of the group, but also the means of its self-perpetuation.

4. **A polymorphic architecture or heterarchy:** the mapping of relationships is continuously updated depending on circumstances, proficiency, perceptions, tasks to accomplish, or relational rules based on the social contract. It gets strongly magnetized around talents or expertise. Then each expert, as recognized by the group, takes the lead one after the other to act according to needs. In a sport team for instance, the right-winger becomes the leader when the ball comes into his space, but it can happen that he becomes the goalkeeper when the situation requires it.

5. **A circulating object-link:** as Pierre Lévy explains so well in a paper called *Collective Intelligence and its objects* (1994), "*The players use the ball simultaneously as an index that turns between individual subjects, as a vector that allows everyone to design everyone, and as the main object, the dynamic link of the collective subject. We shall consider the ball as a prototype of the linking-object, the collective intelligence catalyzing object*". Melody, ball, objective, or 'objective' of the meeting, no doubt that original collective intelligence gets built upon convergence of individualities toward a collectively pursued object, whether or not the object is a physical or symbolic one (a project for instance). When they belong in symbolic space, it is an absolute necessity that these objects must be clearly identified and united in their number and quality by each participant of the group, otherwise this leads to some of those fuzzy situations that all of us have already painfully experienced.

6. **A learning organization:** the learning process not only operates at the individual level, but it also involves the existence of a social process that takes charge of mistakes, and integrates and transforms them into shared cognitive objects. It enhances the development of the relational intelligence, what we learn for ourselves is useful for others.

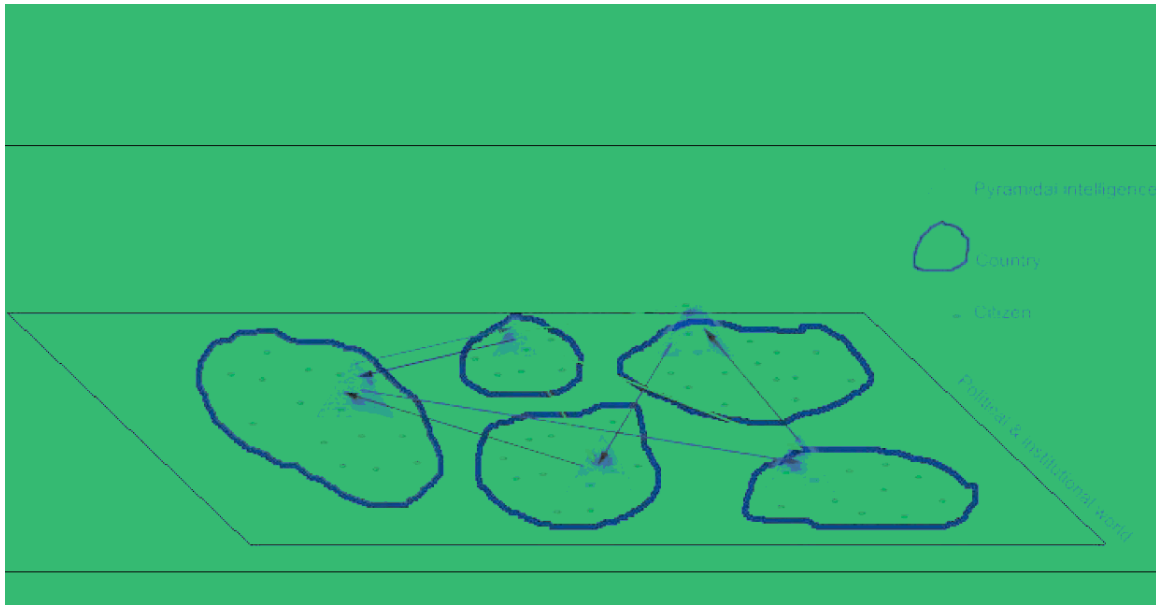
7. **A gift economy:** in the competition-economy, the one we know today, we pick something for ourselves in exchange for compensation,

most often money. In the gift economy, we give first, then we receive once the community has increased its wealth. Raising our children, taking care of the elderly, giving our sweat to a sports team, being involved in an NGO, or helping each other in the neighborhood are examples that demonstrate that the gift economy is the absolute base of social life. This is so obvious that we are generally unaware of it. Could any community be sustainable in the long run if it relied on the dynamics of individual sacrifice? In the gift economy, each participant finds a strong individual advantage that motivates him to give the best of himself. The gift economy organizes the convergence between individual and collective levels.

Emerging whole, holopticism, social contract, polymorphic social architecture, circulating objects-link, learning organization, or gift economy, here are the main qualities that we will find in all communities in which original collective intelligence is at work. Each characteristic is all at once the cause and the consequence of the other characteristics. None can be taken separately. The more they are developed and coordinated, the more the community is able to evolve and create the future in complex, unexpected and uncertain contexts.

Original collective intelligence *transcends* and *includes* the individual. It *transcends* as a differentiated *emerging entity* appears; it *includes* the individual in a harmonious relationship that fosters his/her evolution and provides him/her meaning.

It seems that pyramidal intelligence has not proved to be able to *transcend* and *include* original collective intelligence. However, this form of large-scale organization appears like a transitory and necessary step in evolution. Today, everything seems to show that THE transition toward a new level of consciousness at the humanity scale – and not only in small groups – is at work.



Let's note that the two limitations of original collective intelligence – limitation of number of people involved and having a short distance between one another - are fading quite quickly. Communities with a very high number of people at a large distance between one another are now beginning to possess, with slight differences, a good part of the properties of original collective intelligence.

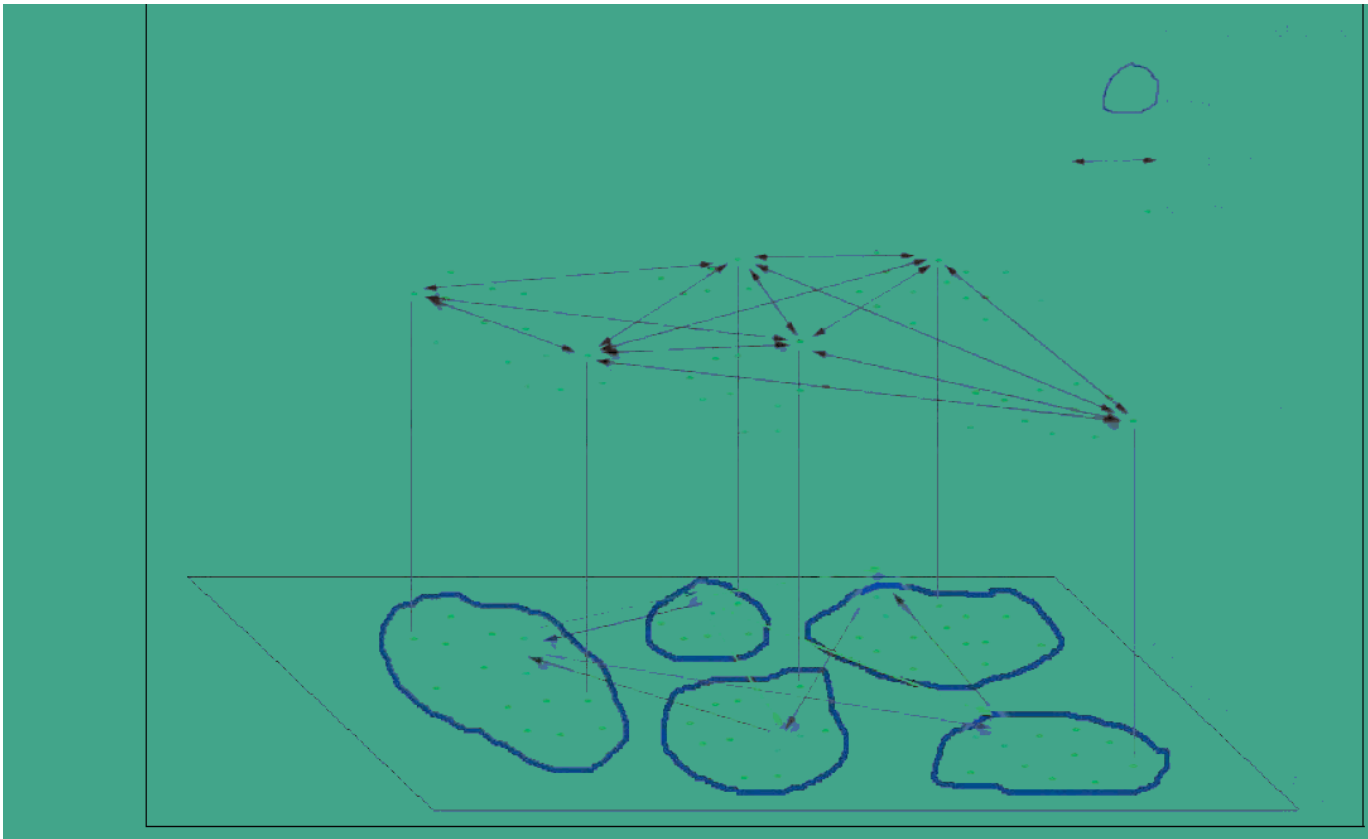
What should be added to the seven constituent characteristics of original collective intelligence so that we can shift to a global Collective Intelligence that might include tens to millions of people that *transcends* and *includes*?

These are:

**8. A sufficient currency:** the gift economy or a (commercial) barter system does not need to be regulated by accounting processes at the scale of small groups. When it comes to large groups of people, a monetary information system becomes necessary. 'Monetary' here is defined in the way it acts as a medium of exchange and store of value. Thus we are exploring the role of circulating currencies, not scarce, but *sufficient* and available in real time. Some already existing barter or complementary currency systems fulfill this requirement.

**9. Standards and norms:** just like with pyramidal intelligence, standards and norms remain indispensable to organize the cohesion and the degree of permeability and interoperability of large communities. But in the case of global Collective Intelligence, they are issued from ascending emergence processes. Their function aims at maximizing the interoperability and the capability to build functional, ever more complex sets rather than seeking hegemonies in competition contexts.

**10. An information system:** by playing a role in all the properties listed here, it is used to organize and optimize the symbolic space shared by the community. It interconnects our senses via more and more powerful and extended interfaces, it builds and presents digestible synthesis, it processes complex calculus, simulations and anticipations that neither our senses nor our intelligence are able to achieve, it organizes and indexes the collective memory, it counts monetary transactions, it applies the social contract, and it rebuilds artificial holoptical spaces where being in proximity is not sufficient anymore, it puts people in relation with one another according to polymorphism's needs, and it connects us to cyberspace.



### **Action learning**

At a conventional school or university you are educated in a system which assumes that there is a body of knowledge and skills, assembled by research and expert experience, which can be passed on to a next generation. If you want to be competent at what you do, there is a curriculum you need to learn.

And the best way to do that is for you to be an - often passive - student, absorbing the knowledge of your expert teacher.

Systems like these can be effective - but they do not produce innovators, leaders or entrepreneurs.

We know that entrepreneurs prefer action to reflection: they want to get on with it. They are willing to explore their environment for opportunities and resources, and are willing to take risks. They aren't interested in teaching that don't seem relevant to them. They learn as they go.

The new educational model also believes that there are many people out there with entrepreneurial potential. With the right sort of support and stimulation, their capabilities can be unleashed.

### **The new Competence Model**

The new program is based on practical experience - action learning.

The main purpose, therefore, is not just for the students/entrepreneurs to build up their own

knowledge and competencies, but also their ability to convert these to action in the appropriate situations and contexts.

The new model is designed not only with the aim of acquiring qualifications – knowledge - but also competencies – the ability to act - within the chosen area of expertise.

And competencies are understood not only as being in relation to a given situation or context, but also as an integrated personal characteristic, as opposed to qualifications that traditionally belong to a specific discipline.

**In this respect, the new educational model considers that the areas of study and personal development neither can nor should be separated.**

Even more so, we believe personal development is key.

### **Holistic Education and Learning**

Holistic Education and Learning is based on the principle of interconnectedness and wholeness. Thus the learner/student is seen as a whole person with body, mind, emotions and spirit. Holistic Learning seeks to develop approaches to teaching and learning that foster connections between subjects, between learners through various forms of community.

Holistic Learning also seeks a dynamic balance in the learning situation between such elements as content and process, learning and assessment, and analytic and creative thinking. Finally, Holistic Learning is inclusive in terms of including a broad range of students and a variety of learning approaches to meet their diverse learning needs.

## Fundamental Principles and Key Concepts

### **Connectedness**

The concept of an interconnected reality which originated in the philosophy of holism and was further developed through ecology, quantum physics and systems theory.

- Interdependence - The function of each part of a system is mutually dependent on the functioning of other parts and the system as a whole.
- Interrelationship - A complex network of relationships exists among the parts of a system and with other systems.
- Participatory - The observer is always intimately connected to their environment, creating the reality they "observe".
- Non-linearity - Complex patterns of interaction, described through feedback loops, self-organising systems or chaos theory, are more common than simple linear cause-and-effect interactions.

### **Wholeness**

The concept that "the whole is more than the sum of its parts". Whole systems have emergent properties that can't be deduced by studying their components.

- Whole systems - Thinking about whole systems involves shifting our attention from the parts to the whole, from objects to relationships, from structures to processes, from hierarchies to networks. It also includes shifts of emphasis from the rational

to the intuitive, from analysis to synthesis, from linear to non-linear thinking.

- Multiple perspectives - Complex systems interact in complex ways and can be seen from many different points of view. There is no "one answer".
- Independence - Systems can operate as largely independent autonomous wholes - that can be far from equilibrium with their environment.
- Multiple levels - Systems often include a network or holarchy of sub-systems that interact in complex ways.

## **Being**

Being is about fully experiencing the present moment; it is about inner peace, wisdom and insight; it is about being honest and authentic.

- Fully human - A recognition of the physical, emotional, mental and spiritual dimensions of being human.
- Creative expression - A recognition of the importance of opportunities for creative expression of individuals and communities.
- Growth - Transformation and growth allow each person to reach for the highest aspirations of the human spirit.
- Responsibility - Personal and collective discernment and responsibility for choices and actions at local, global and cosmic levels.

## **Spirituality in Business**

Today people are finding that there's more to life—and business—than profits alone. Money as the single bottom line is increasingly a thing of the past. In a post-Enron world, values and ethics are an urgent concern. The hottest buzz today is about a "triple bottom line", a commitment to "people, planet, profit". Employees and the environment are seen as important as economics. Some people would say it's all about bringing your spiritual values into your workplace. A recent poll found that 6 out of 10 people say

workplaces would benefit from having a great sense of spirit in their work environment.

Key spiritual values embraced in a business context include integrity, honesty, accountability, quality, cooperation, service, intuition, trustworthiness, respect, justice, and service. It is about increasing morale and built a sense of trust in a company.

Bringing ethics and spiritual values into the workplace can lead to increased productivity and profitability as well as employee retention, customer loyalty, and brand reputation, according to a growing body of research. More employers are encouraging spirituality as a way to boost loyalty and enhance morale.

Business Week reported that 95% of Americans reject the idea that a corporation's only purpose is to make money. 39% of U.S. investors say they always or frequently check on business practices, values and ethics before investing. The Trends Report found that 75% of consumers polled say they are likely to switch to brands associated with a good cause if price and quality are equal.

To the surprise of many, this movement is beginning to transform corporate Europe and America from the inside out. Growing numbers of business people want their spirituality to be more than just faith and belief--they want it to be practical and applied. They want to bring their whole selves to work--body, mind and spirit. Many business people are finding that the bottom line can be strengthened by embodying their values. They can "**do well by doing good.**"

The spirituality in business movement is one of the hopeful signs that business, as the most powerful institution in the world today, may be transforming from within. What is emerging is a new attitude towards the workplace as a place to fulfill one's deeper purpose.

## **Entrepreneurship and change**

Entrepreneurship is the leading edge of change.

Entrepreneurship is recognised as the engine of the economy. It creates jobs, new products, new process, wealth and income. The economic manifestation is businesses that are the seedbeds of entire new industries; businesses that are the nurseries of new large corporations. The social and personal manifestations are local economic development, self reliance and independence.

Entrepreneurship and small business are vitally important. Most businesses in the world are small, some 95% of all business. Yet they provide more than half of all jobs in the world, many new products and services and bring about change and development. We see entrepreneurship as new venture creation, but these new ventures take many forms. They can be tiny; small businesses where people simply create a satisfying job for themselves; they can be embryonic giants, growing to challenge the complacency of corporate Goliaths. Some are technically focused, bringing innovative inventions to life; others create new services to make life easier, cheaper or better. Entrepreneurship for us is a **creative process** which harnesses and harvests an individual's skills, abilities and energies in a business context.

We strongly believe that **entrepreneurship** will **transform** the society. Entrepreneurship is the **driving force** for creating a better world and the **company** is a **tool** that is used to **actualise one's personal vision, mission and dreams**.

**Entrepreneurial learning** is **faster** and more **effective** by **designing flat, non-hierarchical structures** like **communities** and **relational networks**: we call them **KINO's - Knowledge Intensive Network Organisations**.

### **Change agents**

The new education for the 21<sup>st</sup> century is dedicated to educate entrepreneurs, innovators, leaders - in short: change agents - who are ready for the 21st century.

How can we educate these future artisans of tomorrow's communities, these future experts in social engineering and entrepreneurship?

Let's first see what their mission would consist of within concrete contexts of today:

- In companies and organizations: accompany change and transformation
- In communities: build and drive projects that require the assembly of different and complex cultures
- In public and political life: install new governance and individual participatory systems
- In education systems: serve as learning communities catalysts

By inserting the main characteristics for the new education, we obtain the following general description:

- How to do business in the new network/knowledge economy
- Servant leadership: literally train leaders at the service of others as self-empowerment facilitators
- Personal development: a wide inner space is required to develop relational and coaching capacities
- Relational intelligence: art of mediation, dialogue, and public expression
- Ethics, and values
- Basic Methodologies (project and process management, general management, audit and evaluation, business planning, holistic approaches, etc...)
- Practice of an art (accounting, medicine, music, pedagogy, law, etc)
- ICT and Internet / cyberspace
- Classic corporate platforms (HR, KM, CRM, ERP, etc)
- Quality and e-quality
- Watch and prospective / futurology
- Sociology and design of (network-)organizations
- International business / think global, act local
- Building communities (of practice, of learning, of knowledge, etc)

The good news is that none of the listed points above, taken separately, are a novelty per se. The innovation resides in their subtle assembly and in their incorporating a new perspective for a universal ethics of governance. Nations, companies, administrations, communities, NGOs, education... everyone will win by accepting the experts' catalysts role of the change agent.

## **New Education & the 'Fourth' sector**

Is it beyond the radar of researchers, the media and politicians that a new organization and company culture is emerging in both the US and Northern Europe? A company culture that breaks with earlier conceptions of the relationship and dynamics between the state, the private sector and the voluntary sector?

Or even more far-reaching:

Are we currently witnessing the first serious run-up to the creation of a new social arena - 'the fourth sector' - that has absorbed the very best from both the private, public and voluntary sectors and therefore represents a possible solution to some of the challenges facing the three 'old' sectors today?

Something's definitely going on, because over the past ten years the boundaries between what is public (district, state, national), what is private (companies), and what belongs to voluntary organizations (non-profit) have become less and less distinct. Parallel to which the contours of an entirely new social arena have started to emerge - which Europe has been the first to dub the "for-benefit" or "fourth" sector.

A sector populated by organizations, institutions and companies that are characterised by being self-financing - i.e. they operate on the free market - but who, on top of the bottom line, want to be measured and judged on the level of their social, ethical and environmental sense of responsibility.

These companies try to link traditionally irreconcilable concepts, attitudes and values. For example concepts like democracy, inclusion, openness, transparency, credibility, efficiency, collaboration and holism are frequently used by these 'for benefit' companies. Because as they say in Europe, if you work for a 'for benefit' organization or company you actually have to ask yourself how you can establish credibility in relation to your stakeholders. How can we be inclusive? How can we make the organization transparent? How do we ensure that the goals we want to achieve don't create (new) social or environmental problems for others?

Let's take them one by one:

- The private sector: Shareholders want more back than they invest, but they also want transparent accounts (just one of the consequences of the Enron and World.Com scandals). Customers are more than sceptical and critical when it comes to the company's trustworthiness and the ulterior motives of different brands. Citizens demand that the companies take social and environmental responsibility. And last but not least employees want more satisfactory and meaningful working conditions, including a better balance between their working and private lives.
- The public sector is under increasing pressure from private companies wanting to be free of restrictive rules and regulations so they can compete on the global market. Many citizens lack faith in the democratic process, but still want greater efficiency and economic consciousness from the authorities. And the voters feel generally underrepresented and overheard at both a local, regional and national level.
- Voluntary organisations are experiencing that individual donors, foundations and public authorities want efficient financial management and precise, quantifiable results in return for their contributions and funding. Workers want working conditions like those in the private and public sectors, and the volunteers want a larger degree of involvement in the organization's programs and profile.

How are the three old sectors responding to these challenges? By trying to reinvent themselves - a process plagued by built-in conflicts.

- Private companies have to find a balance between achieving the largest possible profits for their shareholders and retaining trust and contact with the company's other stakeholders: the local community, consumers, sub-contractors, pressure groups, etc.
- The public sector is currently facing a veritable wave of tenders and the privatisation of council, municipal and state functions and institutions - and risk being forced to 'repurchase' the very

same functions and institutions when private companies no longer find them profitable.

- Voluntary organizations: Due to fierce competition from other voluntary organizations and tight state financing voluntary organizations are having to experiment with their independent income - the sale of services and new products. All of which - activities and financial priorities - can be at odds with the organization's main goals and mission.

The question is, are the old sectors capable of adapting fast enough? And if not, does this create the basis for the establishment of a new, fourth sector?

A sector with companies, organizations and institutions that - more or less consciously - have adopted the best of all three 'old' sectors, and where the starting point is not only a clearly defined set of values but also a focus on the public good. A sector that still (almost always) plays according to the rules of the free market but is driven by the goal of making a social and cultural difference by developing new services and products that both enrich and improve human lives. A sector where the profits don't go to hungry shareholders alone, but to social innovation and/or back to the company's many stakeholders.

'For benefit' companies can be traced back to the cooperative movement and forward in terms of potential solutions to the pressing needs and possibilities of the 21st century. In this perspective institutions like barter organizations and EBBS International Business School are a good example of 'fourth sector' companies. But more than that, EBBS International Business School specializes in training its students for this new sector.

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