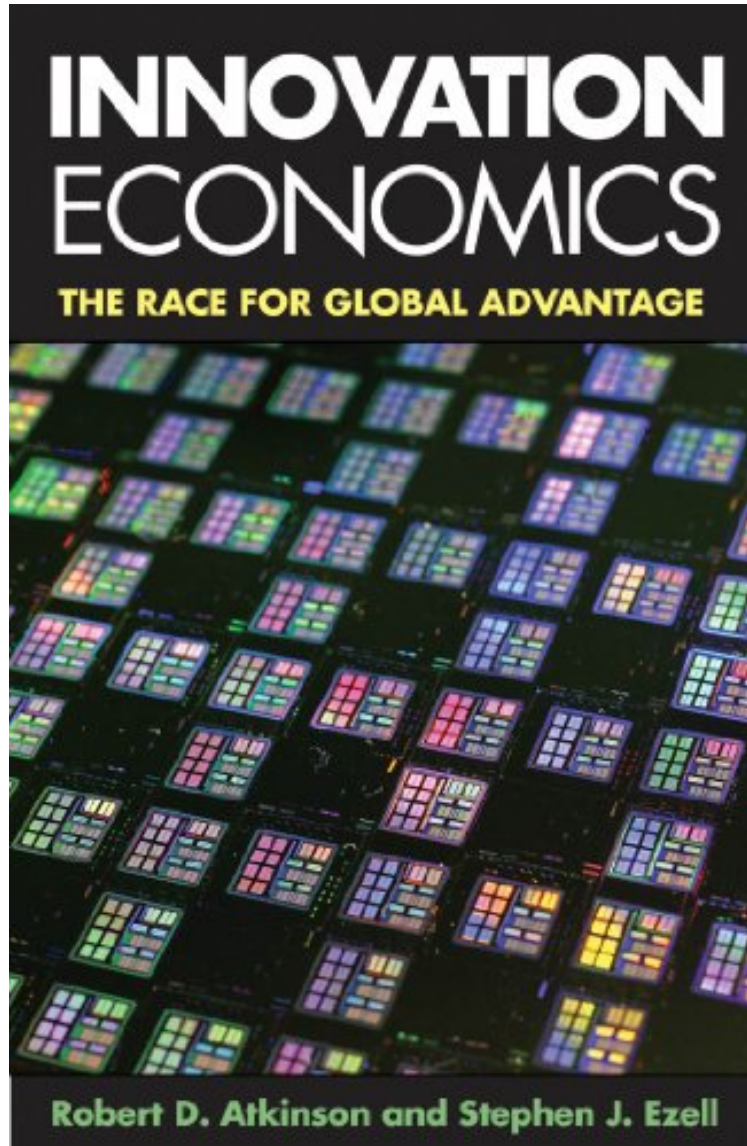


(Free download) Innovation Economics

## Innovation Economics

*Robert D. Atkinson, Stephen J. Ezell*  
*audiobook / \*ebooks / Download PDF / ePub / DOC*



[Download](#)

[Read Online](#)

#995701 in eBooks 2012-09-04 2012-09-04 File Name: B008X8L06O | File size: 31.Mb

**Robert D. Atkinson, Stephen J. Ezell : Innovation Economics** before purchasing it in order to gage whether or not it would be worth my time, and all praised Innovation Economics:

14 of 16 people found the following review helpful. Pragmatism, Not Ideology, Key to Remaining in Pole Position in the Innovation Race By Serge J. Van Steenkiste Robert Atkinson and Stephen Ezell systematically challenge the ideological tenets of the dysfunctional Washington Economic Consensus that the U.S. economic elites cherish (pp. 54-56; 73-74; 78-80; 82-84; 93; 231-232; 250; 360; 363-364). Messrs. Atkinson and Ezell convincingly demonstrate that the U.S. is losing the innovation race by making the same mistakes that the United Kingdom made during its dramatic

industrial decline from the mid-1950s to the late 1970s. The outcome of this decline has been trifold: 1) a decline in real manufacturing output as a share of gross domestic product, 2) the emergence of chronic trade deficits, and 3) slower per capita economic growth than most comparable nations over a sustained period of time (pp. 9; 32-56; 57-84; 360). If the U.S. does not want to follow in the footsteps of the United Kingdom, it needs to acknowledge the gravity of the situation and acts decisively and boldly before it is too late (pp. 31-32; 62; 85-127; 162-163; 234; 250; 252; 263). Therefore, Messrs. Atkinson and Ezell call for a new Washington Economic Consensus based on the following ten principles:

1. Although the U.S. still has important strengths in sectors such as advanced aerospace and medical devices, it is no longer leading in innovation-based competitiveness. Think for example about the fast declining manufacturing sector, the more rapid growth of RD overseas, or the relative decline in the number of scientists and engineers. This decline is expected to continue unless business, labor, academia, and the government work together (pp. 9; 17; 25; 34-46; 49-54; 59; 82; 89; 95; 97; 103; 109-124; 181-187; 227; 233; 236-237; 312).
2. The major economic role for the government is to organize societal resources (research, finances, knowledge, skills, and entrepreneurial effort) to generate new products, processes, and business models. The key to success for innovation is to combine flexibility for organizations to restructure and to innovate with security for workers. The security of workers should be tied to employability, not to employment (pp. 233; 300; 315-316).
3. Fiscal discipline is important, but funding for policies to spur innovation and competitiveness should not be subordinated to the short-term individualistic orientation of both the Left and the Right. The U.S. business community and society do not seem to be able to summon the will to invest for the long term and to grow wealth anew (pp. 13; 27; 66-68; 71-72; 75-76; 80-81; 233; 242-245; 312; 319; 359-360).
4. Globalization can be beneficial to the U.S. under two conditions. First, the country needs to systematically bring cases whenever U.S. interests are being hurt, even if U.S. companies do not want them to proceed. This policy would make clear to mercantilist nations, especially China, that threatening to punish U.S. firms for bringing cases is futile. Secondly, the U.S. has to correctly structure the three sides of the innovation success triangle, i.e., an effective business environment, an effective regulatory environment, and a strong innovation policy system. The U.S. innovation policy environment falls short in the areas of tax, trade, technology, and talent (pp. 10-11; 13; 31; 134-135; 141; 209; 215-216; 218; 233; 245; 251; 254; 259-263; 316-318; 320).
5. More and more nations have adopted a zero-sum, beggar-thy-neighbor innovation mercantilism to attract or to grow high-wage industries and jobs at the expense of the U.S., and in violation of the spirit and / or letter of the law of the global trading system. However, the export-led growth model pioneered by Japan and abundantly copied thereafter is hitting a wall due to the increasing inability of the U.S. and Europe to import at high enough levels (pp. 6; 11; 77-78; 90; 159; 191-225; 233; 259-263; 327; 331-332; 334; 356-357).
6. America's role in the global economy is to be a tough competitor that looks after its own economic interests first. The U.S. foreign policy has been focused mainly on military, not economic issues since the end of WWII. Furthermore, the U.S. needs to take the lead in working with other like-minded nations committed to enforcing the global rules of fairly growing an innovation economy (pp. 46-49; 76-77; 100; 104-108; 159; 192-209; 210-211; 218; 224-225; 230; 233; 319; 346-348; 350; 352; 356; 359; 365-366).
7. Firms in traded sectors, high-growth entrepreneurial companies, and U.S.-headquartered multinational corporations are the jobs, innovation, productivity, and export engines of the U.S., which need to be encouraged by policy. Contrary to popular belief, Wall Street and Main Street play a secondary role in these areas (pp. 14-15; 27; 130-133; 142-159; 233; 274-275).
8. The best tax code is one that offers more incentives to invest in the U.S. Therefore, the U.S. Congress should take measures such as making the RD credit permanent and more generous, recognizing the importance of high-skill immigration, and giving the Office of the United States Trade Representative more resources for trade enforcement. At a combined state-federal rate of 32 percent, the U.S. effective corporate tax rate is one of the highest in the developed world (pp. 171-176; 234; 238-239; 241; 298).
9. The federal government needs to not only support what the authors call "factor conditions" (e.g., basic scientific research and education), but also key broad industries and technologies (pp. 99; 134-141; 234-235; 245-249).
10. The government should pick winners by identifying general industries and broad technology areas of national economic importance and play a decisive role in mobilizing public and private resources to meet clear opportunities and challenges. Firm size should not be a criterion to pick winners. More and more U.S. companies realize that they are competing against foreign companies that are backed by their states (pp. 14-15; 69; 91-101; 124-127; 133-141; 158; 176-181; 192-209; 234; 275; 279; 291).

In summary, Messrs. Atkinson and Ezell invite Americans to recognize that the U.S. is no longer in pole position in the innovation race and to act decisively and boldly before the ongoing decline becomes irreversible.

0 of 0 people found the following review helpful. A good book to read if you wish to understand the dynamics of innovation and issues at stake. By A. Sharafi The author has covered most of the available literature on the subject and tries to provide a balanced and comprehensive view. The author does tend to be somewhat biased in his focus on the USA and the issues affecting the USA mostly.

0 of 0 people found the following review helpful. Excellent book for anyone who wants to understand macroeconomics and ... By Customer Excellent book for anyone who wants to understand macroeconomics and what really drives economic growth. Economics grounded in reality... who'd have think it?

This important book delivers a critical wake-up call: a fierce global race for innovation advantage is under way, and

while other nations are making support for technology and innovation a central tenet of their economic strategies and policies, America lacks a robust innovation policy. What does this portend? Robert Atkinson and Stephen Ezell, widely respected economic thinkers, report on profound new forces that are shaping the global economy—forces that favor nations with innovation-based economies and innovation policies. Unless the United States enacts public policies to reflect this reality, Americans face the relatively lower standards of living associated with a noncompetitive national economy. The authors explore how a weak innovation economy not only contributed to the Great Recession but is delaying America's recovery from it and how innovation in the United States compares with that in other developed and developing nations. Atkinson and Ezell then lay out a detailed, pragmatic road map for America to regain its global innovation advantage by 2020, as well as maximize the global supply of innovation and promote sustainable globalization.

"Innovation Economics is a valuable book. The authors are right to warn that America's leadership in several areas has eroded much more rapidly than most Americans think. They are right to argue that classical economists are often blind to the fact that innovation is the product of ecosystems rather than individual companies and that ecosystems are fragile. They are also right to worry that 'innovation mercantilism' can be much more harmful to its targets than traditional mercantilism.' (Business Books Quarterly , The Economist) 'Robert D. Atkinson and Stephen J. Ezell forcefully present the argument for the exceptional role that science and technology play in the economy. In their book, Mr. Atkinson and Mr. Ezell define innovation as not only the generation of new ideas but also as their adoption in new products, processes, services and organizational models. In their view, the goal of policy should be to invest in and nurture the development of the innovation pipeline, from basic science to commercialization.' (Steve Lohr, The New York Times)"About the AuthorRobert D. Atkinson is president of the Information Technology and Innovation Foundation and one of the world's foremost thinkers on innovation economics.Stephen J. Ezell is senior analyst at ITIF.