

**THE INNOVATION IMPERATIVE  
BIBLIOGRAPHY  
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These books and articles provide an understanding of the historical and economic context that makes “innovation” such an important (and yes, overexposed) topic of discussion in board rooms, government offices and society today.

**ZERO-SUM FUTURE: American Power in an Age of Anxiety**

By Gideon Rachman

This is a great one-volume account of the economic history of the World over the last 20+ years. Rachman calls the huge post-Communist spread of personal freedom and economic prosperity “The Age of Optimism”. Today, however, he says that open markets and economic freedom are challenged by the rapid recent growth of “state capitalism” in China and elsewhere (see “No Ancient Wisdom...” below). He calls the current period the “Age of Anxiety”, when the West can no longer take for granted that it will continue to grow its portion of the world economic pie. (See review at NY Times.com, Jan 28, 2011)

**Keynes: The Return of the Master**

By Robert Skidelsky

In the 1930’s, after the Great Depression, John Maynard Keynes developed the economic theory that held sway for the next 30 years: that markets are not “efficient” and “self-correcting”, so government policies should be developed to guide and regulate them. Keynes’ ideas have been spurned in recent decades, displaced by the return of corporate and financial buccaneering in an un-regulated “free market”. But the crash of 2008 and the subsequent bank bailouts, Detroit bailout, and “quantitative easing” by The Fed have shown that there is still a place for Keynesian policies in the new economy. (See review at NYTimes.com, Sep 18, 2009)

**Why Innovation Won’t Save Us**

By Robert J. Gordon

WSJ.com, Dec 21, 2012

**The Blip**

By Benjamin Wells

*New York Magazine*, Jul 21, 2013

These two articles explain the theory of Northwestern University economist and Professor Robert J. Gordon. Gordon believes that the exponential increase in prosperity that began with the Industrial Revolution in 1750 and continued through the end of the 20<sup>th</sup> Century was a unique, one-time phenomenon in the history of the World. Gordon lays out convincing arguments showing how many of the major productivity improvements that occurred during this 250-year period – such as the incorporation of women into the workforce - can never be repeated. The *New York* magazine article also covers the dissenters – and there are many – who fervently believe that there is a next wave of technological innovation coming that could outdo the Industrial Revolution as a driver of economic growth and prosperity.

### **No Ancient Wisdom, No Followers**

By James McGregor

The title refers to a 9<sup>th</sup> Century Tang Dynasty proverb that warns of the danger of venturing into uncharted territory without using ancient wisdom to guide your path, a charge the book makes against current Chinese leadership. McGregor presents a shocking picture of the way the Chinese economy actually works. He shows how their “Authoritarian Capitalism” system is designed to enrich and empower an elite, interlocking group of government and business leaders, and how they shamelessly seek to overtake the Western Democracies by appropriating their innovations, using the lure of their huge market as both carrot and stick. But China faces huge demographic challenges that are already slowing down their growth, and McGregor points out that no country in the history of the World had been able to build a sustainable, stable economy based almost wholly on exports, as the Chinese economy is. Eventually, enough wealth must be transferred to the population to create internal markets, and thus far the Chinese elite have not been willing to ‘share the wealth’ with their one billion citizens.