

Author presents innovation as a do-or-die proposition

Innovation is our most important and uniquely American asset. Innovation is America. We didn't invent innovation – but it is our brand. It is what we do best."

So asserts Gary Shapiro, president and CEO of the Consumer Electronics Association, in his new book, "The Comeback: How Innovation Will Restore the American Dream." Shapiro is a graduate of the Georgetown University Law Center and has received numerous awards and accolades for work promoting innovation as a vehicle for economic development.

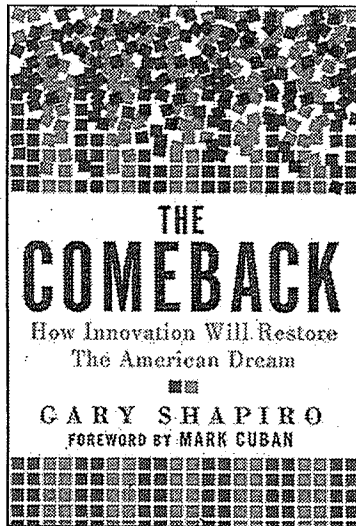
"Our children will be the first generation of Americans to inherit a more difficult life," Shapiro warns. "While they will be enriched by technology, they will be poorer by other, more important measures. They will inherit a nation with more debt, less wealth, and greater challenges. More, they may not be equipped to deal with the intense competitiveness of a global economy."

"The Comeback" is composed of 15 relatively short chapters in which Shapiro lays out his thesis that innovation constitutes our best hope for a future in which everyone is able to achieve and maintain a relatively comfortable standard of living. The author has a keen eye for seeing connections across a wide array of disciplines, and his writing style is ideally suited to the subject matter, on which he seems to have a firm grasp. For Shapiro, innovation is a do-or-die proposition – we will either embrace and support entrepreneurial innovation as the central tenet of our economic policy or we will suffer inevitable and rather unpleasant consequences.

At the heart of his argument is the notion that innovation leads to greater employment.

"The evidence of the job creation power of start-ups is right in front of our eyes and those of our policy makers," Shapiro observes. "The implication is that government should be doing all it can to incentivize start-ups, as opposed to spending billions on subsidies and bailouts for existing large firms that, in the end, will not lead to one net American job."

Shapiro sees free trade as a necessary prerequisite for sustainable economic growth both domestically and abroad. He does a good job of explaining all the usual pro-



"The Comeback: How Innovation Will Restore the American Dream" by Gary Shapiro. New York: Beaufort Books, 2011. 204 pages, \$24.95.

tectionist arguments (free trade undermines American manufacturing, makes it hard for us to compete against low-wage workers in other countries, puts the United States at a disadvantage due to our relatively high standard of living, etc.). He then mounts an effective defense against these platitudes in which he systematically dispels these notions and supports each point with empirical evidence that is hard to refute.

"The central fallacy of these arguments is that they see international trade as a zero-sum game," Shapiro explains. "In other words, one nation must win, and one nation must lose. The reality is something different. Each country's economic prosperity will be much greater if it devotes its scarce resources to producing the products it is better suited and more efficient at producing and then trading for those products it is less suited to produce.

"The reason that many factory jobs are leaving the United States is that generally other nations are more efficient at producing the same product," he adds.

Shapiro also sees education as integral to innovation. "The one thing innovation truly needs to survive is an education system that adequately prepares the next generation of innovators," he contends. "Unfortunately, the biggest problem with our education system is that it is dominated by entrenched interest groups that

measure success less by student achievement and more by the economic welfare of their members."

The author laments the fact that the national dialogue on the issue of innovation often seems to get side-tracked by philosophical and political ideologues who are not really interested in addressing the root causes of our current problems. For example, he notes that for innovation to be effective in creating employment opportunities for more Americans, we desperately need a national energy policy. But somehow we always seem to lose focus when we consider how best to develop and implement such a policy.

"I believe in smaller government and a return to constitutional principles," Shapiro writes. "But that does not mean we cannot view our current energy consumption as dangerous and create a national strategy to discover alternative fuel sources. This isn't about ideology. It's about securing our energy future.

"We are in a crisis, and it won't be fixed by more government spending or by cutting taxes," Shapiro continues. "Our growing sense of entitlement is destroying America's innovative culture, which is the true engine of economic growth."

"The Comeback" is not without legitimate criticisms. It is not extensively researched; although the sources Shapiro cites are credible, the bibliography only lists around 60 primary references. Moreover, he tends to overemphasize technology as the potential answer to all our problems. It will obviously take more than innovation on just the technological front to overcome our current economic doldrums. Still, his arguments are convincing and he does seem to write with authority as he explains both the challenges we face as well as his proposed solutions.

"If we want to guarantee our children the chance to live the American Dream, then we have to protect what is best about our nation," he concludes. "We have to save American innovation."

After reading "The Comeback," it is hard to argue that Shapiro isn't on to something.

— Reviewed by Aaron W. Hughey, Department of Counseling and Student Affairs, Western Kentucky University.