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Overcoming the Challenges to Global Innovation

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■ What is Innovation?

- “To innovate . . . is to challenge and change the status quo to enhance the customer’s experience and bring new forms of value to them.” (General Electric)
- “The transformation of existing conditions into preferred ones.” (John Kao)

- **Why Do We Need Innovation More Than Ever?**
 - Baby-boom retirement in developed nations requires significantly higher productivity growth if we want to not reduce real per-capita incomes.
 - Global challenges of climate, poverty, water, etc.
 - And because more innovation is good.



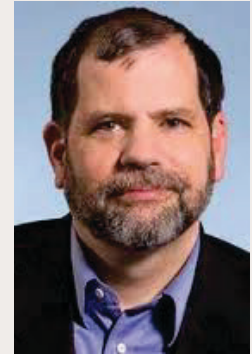
■ Innovation Will Always Happen

- “Technological possibilities are an uncharted sea.” Joseph Schumpeter



■ But Today, Innovation Faces Headwinds

- Tyler Cowen: “The Great Stagnation: How America Ate All The Low-Hanging Fruit of Modern History, Got Sick, and Will (Eventually) Feel Better”
- Robert Gordon: “The frontier established by the U.S. for output per capita, and the U. K. before it, gradually began to grow more rapidly after 1750, reached its fastest growth rate in the middle of the 20th century, and has slowed down since. It is in the process of slowing down further.”



■ Threats to Global Innovation Success

■ Incumbent Opposition

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- **Neo-Luddites and Traditionalists**

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- **Neoclassical Economists**

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- **Governments That Ignore Innovation**

■ Threats to Global Innovation Success

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- Businesses That Focus on the Short Term
- Governments That Ignore Innovation
- **Governments That Harm Innovation
(Innovation Mercantilism)**

■ Overcoming the Threats

■ Embrace Anti-Ludditism



■ Overcoming the Threats

■ A Bretton Woods for the Innovation Economy



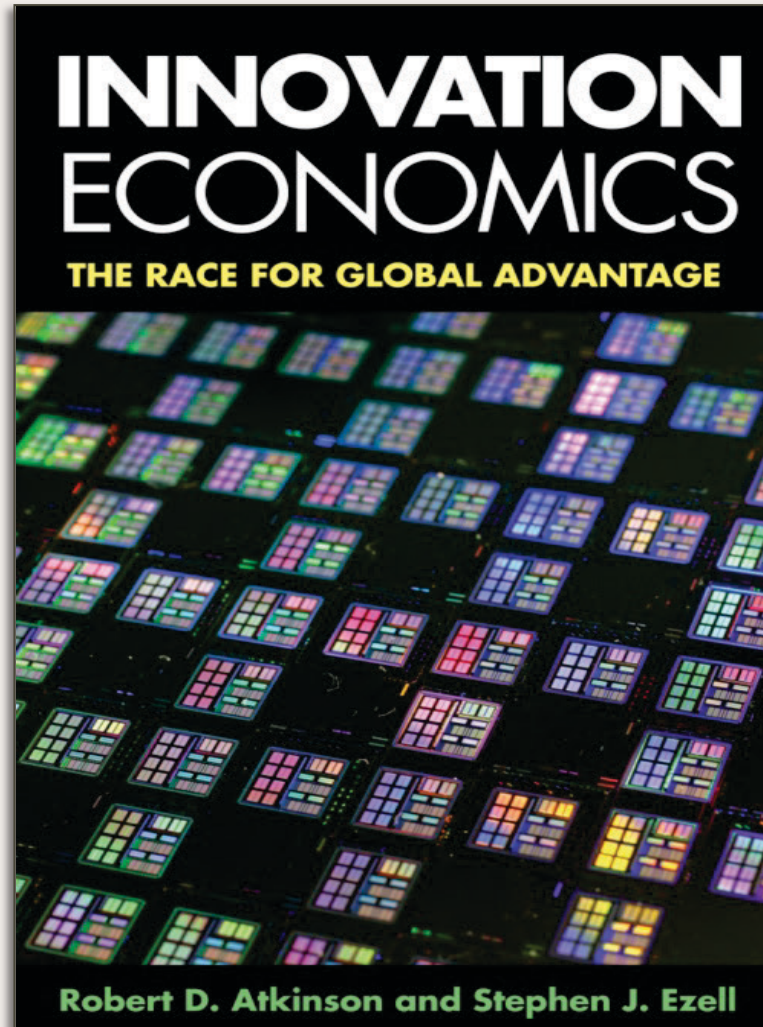
■ Overcoming the Threats

■ Embrace Innovation Economics



www.innovationeconomics.org/type

■ www.globalinnovationrace.com



Thank You

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