
News letter - on making the difference.

Innovation starvation ?

1. [The End of the Future](#) - “Looking forward, we see far fewer blockbuster drugs in the pipeline – perhaps because of the intransigence of the FDA, perhaps because of the fecklessness of today’s biological scientists, and perhaps because of the incredible complexity of human biology. In the next three years, the large pharmaceutical [companies](#) will lose approximately one-third of their current revenue stream as patents expire, so, in a perverse yet understandable response, they have begun the wholesale liquidation of the research departments that have borne so little fruit in the last decade and a half.”[By default, computers have become the single great hope for the technological future.](#) [nationalreview.com](#)

3. [Steve Jobs and America's decline](#) ”Americans’ entrepreneurial self-esteem is now embodied by Apple, Google, Facebook and Amazon. These are indeed fabulously innovative companies with world-beating business models. Yet one wonders if they are increasingly the exception, not the rule, and if the passing of Mr Jobs is simply the most prominent example of a broader decline in American entrepreneurship. According to JPMorgan, in the late 1990s, employment at start-up companies regularly grew 1.2m per quarter. That has fallen to 700,000 since the current recovery began. [John Haltiwanger](#), probably the leading economist on employment dynamics by firm size, finds similar trends.” [economicsit.com](#)

3. [Positive Black Swans -How to fund research so that it generates insanely great ideas, not pretty good ones](#) –“The NIH’s expert-led, results-based, rational evaluation of projects is a sensible way to produce a steady stream of high-quality, can’t-go-wrong scientific research. But it is exactly the wrong way to fund lottery-ticket projects that offer a small probability of a revolutionary breakthrough. It is a funding system designed to avoid risks—one that puts more emphasis on forestalling failure than achieving success. Such an attitude to funding is understandable in any organization, especially one funded by taxpayers. But it takes too few risks. It isn’t right to expect a Mario Capecchi to risk his career on a life-saving idea because the rest of us don’t want to take a chance.”

2. [Innovation Starvation—](#)”Still, I worry that our inability to match the achievements of the 1960s space program might be symptomatic of a general failure of our society to get big things done. My parents and grandparents witnessed the creation of the airplane, the automobile, nuclear energy, and the computer to name only a few. Scientists and engineers who came of age during the first half of the 20th century could look forward to building things that would solve age-old problems, transform the landscape, build the economy, and provide jobs for the burgeoning middle class that was the basis for our stable democracy.” [worldpolicy.org](#)

4. [Patents against prosperity](#) _— ““AMERICA is still in denial, but among economists and wonks I think the hard truth is settling in: we’re not as rich as we thought we were and our prospects for future high growth rates aren’t looking so great. America’s last best hope for breaking free from what Tyler Cowen has called “the great stagnation” is the discovery of new “disruptive” technologies that would transform the possibilities of economic production in the way the fossil-fuel-powered engine did. As it stands, growth, such as it is, depends largely on many thousands of small innovations increasing efficiency incrementally along many thousands of margins. Innovation and invention is the key to continuing gains in prosperity.” “ [economist.com](#)

6. [System D or The Shadow Superpower](#) This spontaneous system, ruled by the spirit of organized improvisation, will be crucial for the development of cities in the 21st century. The growth of System D presents a series of challenges to the norms of economics, business, and governance -- for it has traditionally existed outside the framework of trade agreements, labor laws, copyright protections, product safety regulations, antipollution legislation, and a host of other political, social, and environmental policies. “