

ANALYSIS: Innovation key to progress

Colin Read: Everybody's Business

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— Last month, the Department of Energy announced major initiatives to encourage the automobile industry to produce more fuel-efficient cars. In the same week, Gov. Patterson cried the clarion call to again place New York State on the leading edge of global innovation.

In doing so, both seemed to want to turn back the clock. They were indicating that this country and New York State, once lands of clear thinking and innovation, have lost their competitive way.

What happened to all the promise we saw just a decade ago?

Then, there was such a sense of optimism. The Dow Jones Industrial Average on Wall Street was consistently holding 11,000, which, adjusted for inflation, would be the equivalent to 14,000 today. And so many innovations were on the cusp of dramatically transforming our lives.

The innovation suddenly disappeared, and fear gripped all things political and economic.

Can this simply be the long-term effects of a terrorist attack in New York City in 2001? Or has our economy been held down by something else?

It almost seems that the true damage of 2001 was not in the cost of rebuilding our structures. It was in the wind it took out of our sails.

Rather than envision what could be, we came to accept mediocrity, with the defensive claim that things could be worse.

This is a cop-out. Not only does it allow us to remain in a comfort zone that is simply not working, but it also places our children one step behind when they try to compete globally.

We need an era again where our corporations, our government, our leaders and our employees have a strong, ambitious and profound sense of our economic destiny. Clearly our leaders have failed us, by focusing on administration, marketing and spin, rather than leadership, innovation and transparency.

This refocusing ought not to be new to us. When the former Soviet Union put Sputnik into orbit, it traumatized this nation with its persistent beeps as it orbited overhead. We squarely faced that crisis in innovation in this country, and created a resurgence of science and engineering education and national pride that became woven into our national self esteem.

Were we not frozen like a deer in the headlights on Sept. 11, 2001, we too could have used the opportunity to become more global, more resilient, and more resolute in the faith in our system.

Instead, we were barraged with alert levels and perceived threats from abroad. Our leaders employed the oldest trick in the book. They convinced us we were facing troubled times and they needed our compliance and complacency. Ultimately, our economy was left in ruin and our children were left to pay for it.

Clearly, fear and loathing over threats, either real or perceived, did not somehow transform our competitiveness, our pride, or our sense of destiny. Of course, fear almost never motivates optimism and growth. On the contrary, it usually engenders retrenchment and defensiveness. We need another plan.

What would I do to get us back on track?

We must ensure our high-school graduates are the most successfully educated in the world. We claim our higher-education system is the envy of the world. But, the high-school graduates from this country cannot compete with foreign students who have come here to study. I would not be surprised to discover that this country spends more on the education of its children than most any other country. We should expect results that are proportional to our investment.

Just as there ought to be various paths to high-school success, we also need alternative forms of higher education. There are few jobs we want to underpin our future economy that would not need more specialized and advanced training than afforded by traditional high school. Our country primarily relies upon a one-size-fits-all form of higher education, with college bound graduates pursuing an academic track. The problem is that only a minority of our college-bound high-school graduates actually complete a four-year degree.

College is not for everybody, and ought not to be. Instead, we need alternative forms of specialized education that better align ability and the needs of the economy. Community colleges must play an increasingly important role in this because they are set up for a two year experience.

Each of us has an economic stake in every child's future. Their skill and productivity will drive our economy. We should subsidize their education. After all, we will get that money back through income taxes in proportion to the unique skills they bring to the market.

In turn, it is not unreasonable for us to offer tuition that is heavily subsidized in areas of great national strategic significance. Of course, we need not deprive our children of the education they want. But it is also not unreasonable for us to encourage them toward the disciplines we need to sow the seeds of global competitiveness. After all, they too benefit if we can muster a globally competitive economy. And if they pursue another path we do not subsidize, so be it.

Similarly, it is appropriate for us to subsidize private-sector innovation, just as the Department of Energy and the governor proposes. It sends out the signal that we are willing to align incentives with our vision.

As we do so, we need our presidents and CEOs, coaches and managers to lead, rather than to administer. We pay them handsomely and we should expect them to be inspiring and transforming on an almost daily basis. It seems that more often than not, our chief officers are merely keeping the lights on, and are rewarded for mediocrity, without being penalized for poor performance.

If we are to succeed, there must be a moral imperative that our leaders move us forward, decisively and swiftly. And if they cannot move us forward at a rate proportional to the high stakes, they must have the decency to fall on their sword and resign. No excuses, no nuances. After all, they are more than well compensated, and with that compensation must come exceedingly high expectations.

If we do these things, we can once again emerge as the world leader in innovation. We must run fast, though. The two most populous countries in the world increasingly believe it is their destiny, too.

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