



What's behind innovation? It's the people



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Palo Alto, California - This is the first of three excerpts from 'Innovate or Die,' a new book by Miami Herald columnist Andres Oppenheimer. More excerpts will be published on Tuesday and Thursday.

The first place I visited when I started to write this book was Silicon Valley in California, the undisputed heart of global innovation and home to Google, Apple, Facebook, eBay, Intel and thousands of other high-tech companies. I wanted to figure out the secret to Silicon Valley's success and learn what other countries can do to follow in its footsteps. I had a thousand questions in my head.

Why is there such an impressive concentration of globally innovative enterprises in that part of northern California, near San Francisco? Has the U.S. government designated this area as a center for technology development and does it provide technology companies with enormous benefits to settle there? Is it that the state of California gives them tax breaks? Or are technology companies attracted by defense industry contracts or its proximity to Stanford University, one of the world's best in science and technology research?

My first stop after renting a car at the San Francisco airport was Singularity University, one of the key centers for the study of technological innovation. I had an appointment with Vivek Wadhwa, a vice president for innovation and research at Singularity, a professor at Duke and Emory and an innovation guru who writes regularly for The Wall Street Journal and The Washington Post. Wadhwa received me cordially and led me to a small conference room where we could talk quietly. He was middle-aged, wearing a white shirt open at the collar and no tie, like almost everyone else around him.

When I asked him for the secret of Silicon Valley, he gave me a three-word answer that was not at all what I expected. “It’s the people,” he said. “The secret of Silicon Valley has nothing to do with the government, or economic incentives or science and technology parks, which are a useless waste of money. The secret is the kind of people who concentrate here.”

I looked at him with a certain skepticism, not really understanding what he was trying to say. What’s the difference between the people in Silicon Valley and other parts of the United States, I asked him. Wadhwa replied that Silicon Valley has a peculiar agglomeration of creative minds from around the world, attracted by the climate of acceptance of ethnic, cultural and even sexual diversity.

At least 53 percent of Silicon Valley residents are foreigners, and many of them are young engineers and scientists from China, India, Mexico and other parts of the world who find the area conducive to developing their own ideas, Wadhwa explained. “The California mentality, the open mind and the worship of what is ‘different,’ has a lot to do with the success of Silicon Valley,” he said. “The presence of Stanford University, and its excellence in research and development, no doubt contributed to so many technology companies coming here.”

“But the No. 1 factor is the people,” Wadhwa insisted. “You can see it for yourself. Take a walk on Castro Street, the main street of Mountain View, and you will see what I’m telling you with your own eyes. The cafes are full of young people with their laptops, totally immersed in their startup projects, going from table to table to figure out how to fix software problems even if they don’t know each other. All these young people want to be the next Mark Zuckerberg.”

After our chat, we went to Mountain View, a small city a five-minute drive from Singularity University, to see for ourselves what Wadhwa was talking about. Along Castro Street, the main street, there were Chinese, Indian, Vietnamese and Mexican restaurants, together with acupuncture clinics, macrobiotic food markets and an unusual number of bookstores. Nearly all the tables at the nearby Olympus Cafe were taken up by youths with long hair, ponytails or shaved heads. Just as Wadhwa had told me, they were hunched over their laptops, many of them using earphones, totally focused on God-knows-what software they were trying to develop. But the most significant image was the racial hotchpotch: At nearly all the tables, young people from the United States, China, India, Latin America and other countries sat together. And on the streets, nearly all the couples were mixed: Americans with Chinese, Indians with Mexicans, Chinese with Indians, etc. The diversity in ethnicity, culture and relationships that Wadhwa had talked about was visible everywhere, and much more so than in other multicultural cities like New York or Boston.

The experience of Silicon Valley and the most recent research on innovation show that the concentration of creative minds is by far the principal driver of collective creativity, even more important than tax incentives, venture capital or the economic environment.

One of the first to call attention to this fact was University of Toronto economist Richard Florida. As Florida himself told me over several interviews, in the future companies will not attract creative minds but rather the other way around — concentrations of creative minds will attract companies. The idea that creativity is linked to individual genius is a big myth. The truth is that creativity is a social process. Our greatest achievements come from people from whom we learn, from our competitors and from our collaborators.

And cities are real centers of creativity. It was always that way. The Athens of the classics, the Florence of the Renaissance, the Vienna and Paris of the late 19th Century, New York after World War II, all experienced an incredible flowering of genius in several fields, in large measure because of their condition as cities.

Florida reached these conclusions when he was a visiting professor at Harvard. One day, he read a report in The Boston Globe newspaper that caught his attention. The story said that the Lycos company had decided to move from Pittsburgh to Boston. Florida, who until then had lived in Pittsburgh and taught economics at Carnegie Mellon University, was dumbstruck. Lycos was the pride of Carnegie Mellon. The Internet company had been founded by Carnegie Mellon professors and received many economic incentives from the city of Pittsburgh. Why had Lycos decided to move to Boston?

The professor began to research the issue. When he returned to Pittsburgh, he asked his students if they planned to stay in Pittsburgh after graduation. “None of the students raised their hands,” Florida said. “And when I asked where they wanted to live, their answers were the same. ‘I want to live someplace that has energy,’ or ‘I want to live in a vibrant place’ or ‘I want to live in a place with a good vibe.’ ”

Florida began to study the movement of cutting-edge companies and discovered the Lycos case was not unique. Companies were migrating to places with creative minds. “Lycos had moved to Boston for only one reason: to have access to a permanent source of innovative people, not only on its technology side but also for its marketing, business development and other functions. Those people were in Boston,” he said.

And where do creative people gather?, Florida asked himself. The answer he found is that innovative people don’t always gather around the best universities or the biggest companies. He concluded that innovators tend to gather in places that allow them to work “outside the rules of traditional corporations, outside the bureaucracy, in those spaces where they can control the means of production and which offer them venture capital that is capital and not just debt.” In the following years, Florida told me in an interview, he found several promising places in Latin America, and in U.S. cities such as Miami.

‘Innovate or Die’ is available on Amazon, Kindle and iTunes.

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