

Review

Race Against the Machine

By Erik Brynjolfsson & Andrew McAfee

and

The Great Stagnation

By Tyler Cowen

Review by Timothy Ogden

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The Race vs. the Stagnation

Review by Timothy Ogden

RACE AGAINST THE MACHINE: How the Digital Revolution Is Accelerating Innovation, Driving Productivity, and Irreversibly Transforming Employment and the Economy

Erik Brynjolfsson &

Andrew McAfee

Digital Frontier Press,

67 pages, 2011

THE GREAT STAGNATION: How America Ate All the Low-Hanging Fruit of Modern History, Got Sick, and Will (Eventually) Feel Better

Tyler Cowen

Penguin eSpecial/Dutton,

128 pages, 2011

WHERE ARE THE jobs? Amidst the many questions about the domestic and global economy, the most worrying is perhaps the most basic. Historically, job growth has resumed quickly, even after recessions. But despite the technical end of the Great Recession, job growth in the US and other developed economies has remained extremely

weak. The last decade was the first since the Great Depression in which the United States recorded zero net job growth.

Left to consider this mystery, two economists, predictably, arrive at opposite explanations. Tyler Cowen's *The Great Stagnation* argues that we are living through the consequences of a dramatic decrease in the rate of innovation. To illustrate his point, Cowen compares his life to that of his grandmother. Between the 1910s and 1950s, she went from not having indoor plumbing or electricity to owning a stove, refrigerator, and other appliances, whereas the only machine in Cowen's kitchen is a microwave. Nice innovation to be sure, but hardly the radical change his grandmother experienced. The consequence of slowing innovation, argues Cowen, is fewer new industries and less creative destruction. Hence, no new jobs.

Erik Brynjolfsson and Andrew McAfee analyze the same bleak jobs reports and conclude that the root cause is not a decline in innovation, but an acceleration of innovation. Technological advancement has moved so fast that many people are losing

the "race against the machine." Computers are rapidly performing tasks that used to require humans, but workers are not adding new skills fast enough to find new jobs. The authors call the innovation that is occurring "skill-biased technical change," in that it hurts workers with skills that can be automated and dramatically increases the productivity of the few high-skilled workers who can access and manipulate more information more quickly. Hence, no new jobs.

These opposite beliefs can be reconciled more easily than is immediately apparent. Brynjolfsson and McAfee focus on the technology sector, where it appears that innovation is happening more rapidly than ever. Cowen looks at the entire economy and sees stagnation, or regression, in large sectors, such as health care, education, and government—indeed any sector that deals more with managing people than with managing things, the former being more complex and less conducive to innovation and job creation. As general innovation opportunities have slowed, businesses turn to the next activity with the highest return: cutting costs by using technology advances to automate processes and eliminating the need to hire more workers to produce more output.

Both arguments are compelling, yet the frightening thing is that both books predict the jobs crisis will not end soon. Cowen, in keeping with his libertarian views, writes that relatively little can be done until conditions naturally evolve for another era of rapid innovation. Brynjolfsson and McAfee, buoyed by their technological view of the world, are more activist. But their prescriptions fail to induce much confidence. They note, for instance, that current conditions demand "hyperspecialization" from workers. But our educational systems are built to create large numbers of generalists, few specialists, and very few hyperspecialists. Brynjolfsson and McAfee also invoke entrepreneurship and the greater ease today's

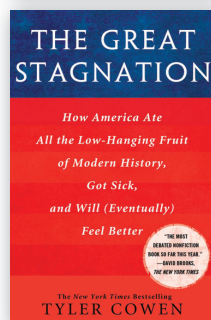
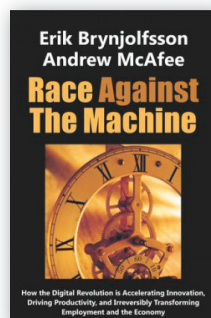
entrepreneurs enjoy starting new businesses. This enables "parallel experimentation by millions of entrepreneurs," which they believe is where new jobs will come from. But again, there are no successful formal mechanisms in place to train entrepreneurs—and millions of those entrepreneurs will fail and perhaps hyperspecialize so far that they will have trouble starting over. It would take a much longer book to explore these prescriptions, but the feeble ones presented here—to fix education, make more entrepreneurs, and invest

in infrastructure—rehash ideas that have been around for decades. They are ideas whose execution, to use Cowen's phrase, has stagnated.

Still, all the authors fervently believe that things eventually will get better. The open question is how bad things will get in the meantime. As President Franklin D. Roosevelt noted, and Brynjolfsson and McAfee quote, "demoralization caused by vast unemployment is ... the greatest menace to our society."

The uninspiring nature of Brynjolfsson and McAfee's prescriptions should serve as the latest wake-up call to the social sector. For years, we've been talking about our inability to

provide an affordable, quality education to a larger slice of the population. For years, we've been talking about the glories of entrepreneurship, social or otherwise, without any measurable progress on improving the success of—or providing the necessary skills and capital for—aspiring entrepreneurs outside of the elite. The cost of these failures is no longer a future problem. It is a present problem. If we are to escape the great stagnation and win the race against the machine, urgent action is needed. To fight the greatest menace to society, we'll need a lot more experiments in education, regulation, retraining, and social programs for those left behind in the race against the machine and job-shedding innovations. ■



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Misapplying Theory

Review by Xavier de Souza Briggs

THE NEIGHBORHOOD PROJECT: Using Evolution to Improve My City, One Block at a Time
David Sloan Wilson
448 pages, Little, Brown and Company, 2011

EVOLUTIONARY biologist David Sloan Wilson's latest book is accessible, engaging, and wide-ranging—taking the

reader from the dynamics of cooperation among crows to the “prosociality” of kids in Binghamton, N.Y., to the reasons why economics came to be dominated by such a rarefied and self-centered view of human behavior. If only the book were more convincing—and appropriately titled, too.

In earlier books, such as *Evolution for Everyone* and *Darwin's Cathedral*, Wilson brilliantly explained evolution to the general public. He managed, as the best scientists rarely do, to demystify the science without dumbing it down. *The Neighborhood Project*, which likewise celebrates the richness and reach of science, charts Wilson's efforts to “[use] evolution to improve my city, one block at a time.” But this approach is suspect in two ways.

First, most of the book isn't about a neighborhood project but rather about Wilson's larger intellectual agenda: to apply evolutionary science to a host of complex social problems—from Binghamton's crime, blight, and other urban problems to war and environmental sustainability and even religion and conceptions of the afterlife.

Engaging chapters about how evolutionary processes are reflected in specific biological phenomena—for example, how insects called water striders hunt and reproduce—are interspersed with installments about Wilson's “discovery” of his hometown. He heads off the State University of New York at Binghamton campus to launch a survey of schoolchildren, gathering their perceptions of their neighborhoods and their interactions with each other and adults, and then exploring correlations between these perceptions and patterns of crime and blight. These local scenes are in-

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terspersed with chapters on questions about how to reconcile religious and scientific understandings of reality or why the jolt of the global financial crisis led to soul searching in the world of elite economics.

Think Jared Diamond meets Hunter S. Thompson and Pierre Teilhard de Chardin (who makes an extended cameo). Even for the intellectually adventurous reader, it is a scenic route, with mind-bending digressions that make the main thread hard to follow.

The second problem is with the book's premise—that we should use evolutionary theory to illuminate and tackle urban problems. This is questionable and far more risky than Wilson seems aware. “If the tools of science are required to see into a city,” he writes, “then the tools of evolutionary theory are required to reflect on it.” But this does not follow. A host of cooperation and conflict patterns and other dynamics in

which community organizers, mayors, philanthropists, and others routinely engage may or may not reflect evolutionary processes. It is a complicated question, over which Wilson's own and related fields are divided. Wilson never makes a convincing case for his premise, and he shows little understanding, for example, of real estate markets and how they shape residential settlement or public and private disinvestment. When he comes across such complexity, Wilson tends to reduce it to “the tangled web” of evolution. Case closed.

As a result, Wilson's analysis risks becoming a diversion from other ways of understanding what can produce and sustain collective action to improve a block, neighborhood, or entire city—and what strategies should follow. Had Wilson's analysis included community development and the forms it takes over time, especially in older industrial cities similar to Binghamton, he might have asked whether evolution can teach us something about defining smarter goals. If you're involved in revitalizing Detroit, for example, it matters whether you're aiming to return the city to an industrial powerhouse of 2 million people or creatively pursuing a different future, with a smaller and greener human footprint, as the current mayor and many community leaders have decided to do.



In sum, and in spite of how Wilson advertises his book, *The Neighborhood Project* is not a measured inquiry into what evolutionary theory adds to the many fields that shed light on urban problems or problem solving. Rather, it reimagines our behavior and its consequences as though human evolution were the grand and heretofore missing link, a “panacea for the world's ills,” as ecologist Jerry Coyne wrote in his *New York Times* review.

The few parts of the book that examine what social science, as opposed to evolutionary biology, has taught us about effective cooperation—notably, Wilson's laudatory discussion of Nobel laureate Elinor Ostrom's findings—is limited to public goods, such as clean air. Many local problems simply aren't centered on public goods, important as they are. Many problems result instead from intense and highly unequal competition for private goods, such as land or decent wages, and sometimes from market forces and political choices about those goods that are set in motion far away from locals. It's tempting to boil down local problem solving into a set of small-scale cooperation challenges, but it isn't wise, certainly not as the sole play in the playbook. And it's less wise still to project the habits of wasps onto human cooperation before one has made a stronger case. ■

Activists by Another Name

Review by Alana Conner

DAUGHTERS OF THE DECLARATION: How Women Social Entrepreneurs Built the American Dream
Claire Gaudiani & David Graham Burnett
355 pages, PublicAffairs, 2011

IN THE EARLY days of the social entrepreneurship movement, you would know which kind of conference you were attending from its

cast and costumes. Nonprofit conferences mostly featured women in interesting scarves and sensible footwear. Social entrepreneurship conferences mostly hosted men in sharp suits and conservative haircuts. An alien visiting our fair planet would quickly conclude that nonprofits were for women and social entrepreneurship was for men.

But that alien would be wrong, suggests

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a new book by spouses Claire Gaudiani and David Graham Burnett. In *Daughters of the Declaration: How Women Social Entrepreneurs Built the American Dream*, these authors argue that American women actually invented social entrepreneurship. The women's inspiration, moreover, was not just softheartedness or maternal instinct; it was the Declaration of Independence and its rigorous philosophical underpinnings. And their results were nothing less than a nation that balances self-interest with collective well-being, ambition with virtue, and independence with interdependence.

In their attempt to prove both that 1) social entrepreneurship is the realization of America's founding principles, and 2) women have been the primary stewards of that realization, the authors succeed in bringing to light many inspiring historical figures whom time threatens to obscure—a valuable contribution. Yet they fall short of capturing the motivations of these remarkable women.

To make the case that women were social entrepreneurs when social entrepreneurship wasn't cool, Gaudiani and Burnett profile dozens of female abolitionists, suffragists, educators, researchers, philanthropists, and other reformers across centuries, ethnicities, classes, and avocations. The arrows in their quiver range from the unjustly obscure to the almost famous.

For instance, the authors relate how in the 18th century Katy Ferguson, a freed slave, established one of the nation's first systems for educating poor black and white children. From the 19th century, they profile Elizabeth Seton, a well-heeled white woman, who established the first American religious order, the Sisters of Charity, and Mary Elizabeth Lange, a black refugee from the Caribbean, who created the first black religious order in the world, the Oblate Sisters of Providence. And from the 20th century, they retell how Florence Kelley, the daughter of an abolitionist, helped create the National Consumers League and how Mary McLeod Bethune, the daughter of slaves, founded Bethune-Cookman College and advised President Franklin D. Roosevelt as part of his Black Cabinet.

Gaudiani and Burnett pepper these profiles with tasty historical tidbits and clarifying

context, which make for a fast and enjoyable read. They share the lament of Mary Livermore, suffragist and editor of the *Woman's Journal*: "Is it not pitiful that we rear young girls as if they were human lobsters which, when stranded on the rocks or the shore, must wait for some friendly wave to float them again?" They quote Bethune: "What then does the Negro want? He wants opportunity to make real what the Declaration of Independence and the Constitution and Bill of Rights say."

Unlike Bethune, however, most of Gaudiani and Burnett's protagonists do not explicitly cite founding documents as their modus operandi, nor do they speak the business lingo of social entrepreneurship. This does not prevent the authors, however, from conjecturing that they did. "In her deep and careful conservatism," they write of philanthropist Caroline Phelps Stokes, "she believed that the argument of the Declaration of Independence would prove correct when opportunities for all were equalized." Perhaps. But the authors offer no quotes or sources to support this inference. And although the authors acknowledge, "Perhaps neither Katy Ferguson nor Grace Dodge [an education reformer and founding funder of Teachers College at Columbia University] would approve of our defining their work as human capital development," they nevertheless conclude, "No matter."

Yet it does matter. These women spent their lives resisting other people's attempts to put words in their mouths and thoughts in their heads. In addition, this application of business metaphors obscures the possibility that these women intervened precisely because they had *not* adopted the prevailing business wisdom of their day. As mothers, teachers, nurses, and women of the cloth, they sat outside dominant economic and political institutions. From this outsiders' perch, they could see the damage that laissez-faire capitalism, slavery, disenfranchisement, unregulated labor practices, and other early blights wrought on their communities. And it is from this position that they acted.

By cloaking these women's pro-social actions in business sector trappings, the authors mask that many of these women were acting not only out of enlightened

self-interest or other tenets of the Declaration of Independence, but also out of empathy, compassion, and interdependence.

In the meantime, perhaps Gaudiani and Burnett's treatment of these female revolutionaries as "social entrepreneurs" will attract a new and broader fan base. If this was their intention, they learned their heroines' lessons well: to speak your truth to mainstream audiences, you have to use their language. As is always the case in translation, however, original intentions often get lost. ■

Pluralistic Leadership

Review by Darell Hammond

EVERYONE LEADS:
Building Leadership
from the Community Up

Paul Schmitz
336 pages, Jossey-Bass, 2011

UNLIKE MANY
leadership books,
Everybody Leads by

Paul Schmitz focuses
on leadership in terms

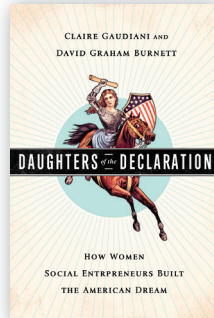
of the action one takes rather than the position one holds. Or, as Schmitz writes, "moving from an emphasis on the noun *leader* to an emphasis on the verb *to lead*."

Schmitz should know. As CEO of Public Allies in Milwaukee, he and his organization have worked tirelessly to strengthen communities, nonprofits, and civic participation by training young leaders across the country. Since 1992, Public Allies has supported more than 2,800 up-and-coming leaders in 18 communities.

Schmitz writes of leading as something one does to benefit communities rather than just one organization or group of individuals, defining leadership through three threads. First, leadership is an action many can take, not a position only a few can hold. Second, leadership is the means through which one can take personal and social responsibility to work for common goals. And last, leadership is the practice of values that engages diverse community members and groups in working together effectively.

Let's take that first point. Schmitz lays out a passionate and compelling argument that leadership is not reserved for the minority, but is a responsibility that we all must embrace. This is a principle I have seen demonstrated many times in my work

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in communities across North America. Schmitz uses a combination of personal stories and Public Allies' time-tested techniques to illustrate this principle. For example, Public Allies walks each leader through 10 principles of personal responsibility and the consequences of not accepting that responsibility. This can be a sobering exercise for a young leader, and one that prepares him for the challenges that lie ahead.

Although Schmitz provides a blueprint for individual leadership, the deeper value of his book is that it reframes leadership as a collaborative endeavor. Schmitz debunks the notion that one must be a founder or have a cultish following to create meaningful change. True social transformation has never been realized by one person's vision, but by a group of people coming together for a common cause.

For Schmitz, the process of leading and building a community requires three elements: the leadership and engagement of

residents; the services and support that neighbors provide to neighbors; and the coordination and collaboration toward common goals among citizens, associations, nonprofits, schools, houses of worship, and businesses in a neighborhood. The most successful community projects do not come from the top down, but from the ground up. People from local neighborhoods must work shoulder to shoulder to reach their goal—and without that deeper level of engagement, argues Schmitz, goals will not be reached.

Schmitz also advises *how* one should lead—through recognizing and mobilizing all of a community's assets, connecting across cultures, facilitating collaborative action, continuously learning and improving, and being accountable to ourselves and others. I find Schmitz's first point powerful. Communities often do not identify their assets. When you help community members recognize collective resources, you give

them the confidence they need to take action for the greater good. After the first win, they are empowered to set their sights on bigger, longer-term goals.

Schmitz believes that to solve our most pressing societal problems we need to look for new leaders in our communities—whether they are students, parents, or local business owners—and enable these leaders to excel in collaboration and team building.

Schmitz is a master at taking what he has gleaned from his two decades at Public Allies and turning that knowledge into practical advice for all leaders, whether you are the head of a nonprofit organization, a college student looking to get involved in a campus cause, or a neighborhood activist. *Everybody Leads* is chock full of inspirational examples of people who have taken this path and with practical examples of how to get farther down the path. It is well worth reading if your aim is to be an effective leader or to develop new leaders for the societal issues and challenges of tomorrow. Timeless and evergreen, *Everybody Leads* provides crucial insights to navigating a world of constant change. ■



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