

## Relations industrielles / Industrial Relations



*How Innovation Works: And Why It Flourishes in Freedom*, By Matt Ridley (2020) New York: Harper, 416 pages. ISBN: 978-00629-165-94.

Jeffrey Muldoon

Volume 76, Number 1, Winter 2021

URI: <https://id.erudit.org/iderudit/1075580ar>

DOI: <https://doi.org/10.7202/1075580ar>

[See table of contents](#)

### Publisher(s)

Département des relations industrielles de l'Université Laval

### ISSN

0034-379X (print)

1703-8138 (digital)

[Explore this journal](#)

### Cite this review

Muldoon, J. (2021). Review of [*How Innovation Works: And Why It Flourishes in Freedom*, By Matt Ridley (2020) New York: Harper, 416 pages. ISBN: 978-00629-165-94.] *Relations industrielles / Industrial Relations*, 76(1), 171–173. <https://doi.org/10.7202/1075580ar>

Tous droits réservés © Département des relations industrielles de l'Université Laval, 2021

This document is protected by copyright law. Use of the services of Érudit (including reproduction) is subject to its terms and conditions, which can be viewed online.

<https://apropos.erudit.org/en/users/policy-on-use/>

**Érudit**

This article is disseminated and preserved by Érudit.

Érudit is a non-profit inter-university consortium of the Université de Montréal, Université Laval, and the Université du Québec à Montréal. Its mission is to promote and disseminate research.

<https://www.erudit.org/en/>

soit intéressé à ces pathologies au travail, on sait que chacune d'elles a fait l'objet de très nombreuses recherches dont le consensus reste encore à établir sur plusieurs aspects. Le lecteur s'attend donc à ce que l'auteur propose un modèle conceptuel dans lequel sont postulées des relations différenciées et des construits indépendants pour chacune des quatre pathologies au travail. Grebot fait parfois la même erreur que bien d'autres auteurs dans l'usage du terme « stress » qui reste ambigu, notamment lorsqu'il s'agit d'établir des liens avec les trois autres processus organisationnels. À quoi réfèrent précisément les processus organisationnels ou pathologies au travail étudiés? À des facteurs organisationnels de stress, des réactions de stress ou encore au processus de stress? Quant au modèle intégratif, il semble parfois s'apparenter à un jeu de poupées russes s'emboîtant l'une dans l'autre, tandis qu'à d'autres moments de l'analyse, il semble plutôt circulaire et multidirectionnel.

En terminant, je recommande la lecture de ce volume, car il permet d'acquérir rapidement une bonne connaissance de l'état de la question pour chacune de ces quatre « pathologies au travail ». Par ailleurs, pour qui voudrait en savoir davantage sur les différents aspects de ces processus professionnels, l'auteur fournit une bibliographie impressionnante de 24 pages.

**Johanne Dompierre**

Professeure

Département des relations industrielles  
Université Laval

### **How Innovation Works: And Why It Flourishes in Freedom**

By Matt Ridley (2020) New York: Harper, 416 pages. ISBN: 978-00629-165-94.

Matt Ridley's *How Innovation Works* is destined to be a classic of popular social science; well written, argued and researched. This book should be on the bookshelf of every business school professor. For those who research business history

and entrepreneurship, this book is a blessing as it provides well-explained theory with excellent examples. I would strongly recommend this book as a text for an undergraduate class. Likewise, this book is a rebuttal for those who dismiss modern capitalism and entrepreneurship. Simply put, I am writing this review on a laptop that did not exist 50 years ago. I ordered the book online, a method that did not exist until 25 years ago. These are just two examples of many (Ridley has scores of examples) demonstrating how humanity has emerged from a grim past.

Ridley's work is a correction to the theory that great individuals make history or the "great man theory." As he shows innovation is often the result of an evolutionary process, with numerous false steps, competing strategies, and is random in nature. Thomas Edison may have invented the first practical lightbulb—but there were 21 competitors hot on his heels. Although inventors play a key role in that, they combine these various elements, nevertheless, the process is random and cannot be directed through government programs. Although government can be a partner (something Ridley undervalues). Furthermore, mere invention is not enough, rather as Ridley demonstrates, new discoveries must establish they are "sufficiently practical, affordable, reliable, and ubiquitous to be worth using." Sometimes, as in case of "gorilla glass," used in the modern cellphone, the invention could occur well before it becomes important or useful.

Likewise, Ridley is highly skeptical of the ability of governments to create innovation. Although Ridley does not cite Hayek; he clearly understands the complexity of information that no one person, especially a dictator, can harness the information needed to innovation. Rather only when we have a free society, where information can be changed, can innovation truly occur. Likewise, Ridley also demonstrates that governments can ban items for no reason—except

either to help politically connected groups or out of ignorance. Margarine and coffee were considered products of the devil due to the impact they had on existing producers. Ridley notes; “entrepreneurial spirit often goes into protecting existing interests, rather than the creation of new products.”

Ridley is a Conservative member of the House of Lords. Therefore, people will believe his answer is ideologically charged. Ridley does have an ideological viewpoint; however, his viewpoint is based upon an excellent theorizing as well as historical examples. For example, Ridley cite the case of the competition between the R100, made by Vickers, and R101, made by the government. The one made by the private corporation worked; the government one did not. He has a libertarian perspective, arguing that patents on technology may not be needed. As an example, he cites the impact of the internet and music. Napster made music more available; artists now had to create more music. Likewise, Ridley is also highly critical of big business, noting the failure of IBM to further develop products. His arguments for the malfunction of both big business and big government in innovation is that the rules of their game: conformity; are different then the rules of innovation: contrarianism.

As could with any book, some criticism is warranted. Firstly, innovation and invention are not as well defined and distinct as they need to be. This may be partly because Ridley's work covers both aspects of science and social science without delineating the difference. For Ridley, it is clear that the “great man argument” is not a recipe for innovation to occur. Ridley cites as an example the discovery of the double helix, which, while Watson and Crick discovered it, there were several scientists hot on their tail, including Linus Pauling. While this is true in this case, nevertheless, in social science, ideas are constantly rediscovered. For example, Charles Babbage discovered much of what would become of scientific

management well before Frederick Winslow Taylor. However, Babbage lacked the drive, “monomania”, and networking that Taylor possessed. This slowed the development of modern management by about 60 years.

Secondly, Ridley underplay the element of time. Six months between multiple discoveries appears short, but it could make all the difference. Imagine what would have happened if Hitler created the atomic bomb, before America did. Likewise, the social aspect of society plays a key role. Some societies, like the United States, place a high emphasis and legitimacy upon innovation. Others, such as Ridley's Britain, have, at times, downplayed innovation. I share Ridley's dubious belief that space exploration led to the development of LCD screens. I disagree with Ridley that space exploration was an art, rather than a benefit. Although LCD screens would have been invented regardless, the fact that they had the legitimacy of a successful program, probably aided in their adoption.

One last criticism: Ridley is correct that naysayers can be damaging to the acceptance of innovation. However, innovation can be damaging. The 20<sup>th</sup> century saw widespread increases in the quality of life as we escaped the Malthusian trap. However, the 20<sup>th</sup> century was also, as Robert Conquest referred to it, “the ravaged century.” Millions murdered by the weapons of modern perverted science. While activists who attack genetically modified organisms are Luddites, nevertheless, they could eventually be correct when we start genetically modifying humans. Likewise, sometimes when jobs and industries are destroyed, there is upheaval, something Joseph Schumpeter understood.

However, this is a book that is a corrective to naysayers. The greatest resource of all is knowledge. Knowledge is the endogenous, non-rival factor, that individuals can use, without depleting it. That knowledge is dispersed and cannot be controlled by a single factor or guiding intelligence. Rather

than conformity and control, two factors that drive modern elites support, innovation is created by dispersed knowledge. If we accept this, our future may be limitless. However, it violates much of the orthodoxy pervading in politics and big business.

**Jeffrey Muldoon**

Professor  
Emporia State University School of Business  
United States

**The Socialist Challenge Today**

By Leo Panitch and Sam Gindin (2018)

London: Merlin Press, 102 pages.

ISBN: 978-08503-674-09.

The truth has a habit of being relentless: those who seek it through critical analysis even more so. In general, the socialist instinct is a mix of optimism and a concerted realism that seeks to both be pragmatic—accepting where the limitations and opportunities of a given society are—and programmatic—having a realistic sense of where humanity could be in the future. Above all socialists understand that human beings determine their own history with all the down stream caveats that statement requires. In this short book of six tightly written chapters, Leo Panitch and Sam Gindin continue their long collaboration on questions concerning the possibility of a socialist project.

This book was published in the summer of 2018 and that may seem like a generation ago to some. This is not to fetishize our current moment. Rather, it is to note that some two short years after the book's publication it can seem as though "now" is a world apart from what were probably optimistic times for socialists and like-minded progressives in the summer of 2018.

Since the summer of 2018, observers have been witness to the continued economic grinding of Greece; watched the British Labour Party fall into an internecine struggle calumniating in a stinging electoral defeat and the resignation of Corbyn; and subsequently, watched Sanders' second bid to become the Democratic nominee fail

through a series of disparate missteps and structural calamities in the COVID laden early summer of 2020.

Yet for all this, the book's sub-title: *Syriza, Sanders, Corbyn* does not date the book. Far from it, as Panitch and Gindin observed in their concluding chapter with respect to the challenge in front of Labour *even if Corbyn had succeeded*:

It is important to appreciate the very limited extent to which socialist commitment has, so far actually taken shape as socialist strategy inside the Labour Party. At best it might be said that socialists in the leadership and at the base may be seen as engaged in trying to shift the balance of forces inside the party, and outside it in relation to the unions and social movements... so as to bring the party to the point that a serious socialist strategy might be developed (p. 82).

A similar such observation *could* have been made about the Democratic Party in the context of a Sanders win of the nomination. Electoral victories are one thing and the realities of the political context both within and outside of political parties is quite another. It is to those pragmatic realities and strategies for organizing around those challenges where this book makes its largest contribution.

In the above regard, Greece is perhaps the sharpest of instructive cases. Within liberal democratic systems socialist parties, when elected, are in a position that "bourgeois" parties are not. They must simultaneously maintain order and continuity in the short to medium term, while at the same time pressing forward with strategies that have as their goal *a transformation from a capitalist to a socialist economy*: they are thus faced with a dual mandate. Quite apart from what one thinks of socialism as a viable economic system, it is evident that this dual mandate is fraught with dangers. This is a point worth stressing because it