



## Competitiveness Review

Innovation, happiness, and growth  
Abbas J. Ali

### Article information:

To cite this document:

Abbas J. Ali, (2014), "Innovation, happiness, and growth", *Competitiveness Review*, Vol. 24 Iss 1 pp. 2 - 4

Permanent link to this document:

<http://dx.doi.org/10.1108/CR-09-2013-0075>

Downloaded on: 14 November 2016, At: 20:45 (PT)

References: this document contains references to 4 other documents.

To copy this document: [permissions@emeraldinsight.com](mailto:permissions@emeraldinsight.com)

The fulltext of this document has been downloaded 644 times since 2014\*

### Users who downloaded this article also downloaded:

(2012), "A grand theory of human nature and happiness", *Humanomics*, Vol. 28 Iss 1 pp. 42-63 <http://dx.doi.org/10.1108/08288661211200988>

(2014), "What happiness at work is and how to use it", *Industrial and Commercial Training*, Vol. 46 Iss 3 pp. 130-134 <http://dx.doi.org/10.1108/ICT-10-2013-0072>

Access to this document was granted through an Emerald subscription provided by emerald-srm:563821 []

### For Authors

If you would like to write for this, or any other Emerald publication, then please use our Emerald for Authors service information about how to choose which publication to write for and submission guidelines are available for all. Please visit [www.emeraldinsight.com/authors](http://www.emeraldinsight.com/authors) for more information.

### About Emerald [www.emeraldinsight.com](http://www.emeraldinsight.com)

Emerald is a global publisher linking research and practice to the benefit of society. The company manages a portfolio of more than 290 journals and over 2,350 books and book series volumes, as well as providing an extensive range of online products and additional customer resources and services.

Emerald is both COUNTER 4 and TRANSFER compliant. The organization is a partner of the Committee on Publication Ethics (COPE) and also works with Portico and the LOCKSS initiative for digital archive preservation.

\*Related content and download information correct at time of download.



# Innovation, happiness, and growth

Abbas J. Ali

*IUP, Indiana, Pennsylvania, USA*

## Abstract

**Purpose** – The purpose of this paper is to discuss the role of innovation in society. It explores the relationship between societal happiness and economic growth and how innovation is linked to both issues.

**Design/methodology/approach** – The paper briefly discusses the concept of innovation and the instrumental role that innovative people play in generating wealth and sustaining confidence and dedication among the widest possible segment of society.

**Findings** – Based on economic logic and social perspectives, it is argued that innovation is not merely an economic issue but also a social factor that is characteristically linked to societal wellbeing and the position of a nation in the global marketplace.

**Originality/value** – The paper offers a unique perspective on innovation and argues that it is a fatal mistake to view innovation as independent of the social and political aspects of any society. The paper sets the stage for an effective dialogue by which the essence of innovation, optimism, and economic growth can be recognized and reflected on as interrelated issues.

**Keywords** Innovation, Entrepreneurship, Happiness, Government role, Venture capitalists

**Paper type** Conceptual paper

## Introduction

In an economic sense, nothing assumes historical significance as much as innovation. It has become the mainstay of industrial and economic progress and, consequently, the wellbeing of mankind. In industries, such as high tech, pharmaceutical, or manufacturing, innovation has been the primary driver for enhancing growth and sustaining quality and productivity. This makes innovation an integral factor in almost all aspects of human life.

Of course innovation is not a casual factor; rather, it is cultivated and refined in an environment that appreciates creativity and independent thinking and offers the support needed for it to flourish. Across history and civilizations, those who engage in innovation are talented people who take initiative and risk. Some work individually and some with groups and organizations. But, in almost all cases, these individuals need backing and an infrastructure to transform their visions and creative ideas into something practical and marketable. While individual instinct, imaginative capacity, and propensity are instrumental in moving innovation projects forward, the surrounding environment and culture serve as the incubator that facilitates or impedes innovation.

The surrounding environment primarily involves business organizations, including venture capitalists and support industries, foundations, educational institutions, trade and industrial associations, and government institutions. The latter plays two significant roles: direct and indirect. The direct role revolves around offering legal protection and providing initial financial and logistical support. The indirect role is almost neglected in the discourse on innovation – the role of the government in providing and supporting a stable and friendly business environment and encouraging and stimulating the growth of the middle class. In fact, stability and the presence of a vital, flourishing proper middle class constitute the most decisive factors in stimulating



---

creative thinking and engagement. Countries like Germany, France, Russia, and the USA experienced the rise of philosophers, scientists, and writers when their middle classes were expanding in an environment of safety, stability, and prosperity. Such an environment makes it possible for creative ideas to take root and for people to be confident and positive in their attitudes and outlooks. More importantly, in such an environment, associations, foundations, and venture capitalists along with major corporations are willing to provide funding to support new ideas and discoveries. This makes it easier for inventors to enthusiastically pursue their innovations.

### **Innovation and the state of societal happiness**

Before we address the issue of the link between the general state of societal hopefulness/happiness and innovation, it is important to look at the propensity for individuals to innovate. In his commencement speech at Stanford University in 2005, Steve Jobs argued that “The only way to do great work is to love what you do.” In this statement, Steve Jobs deliberately differentiated between normal work and “great work.” Ordinary, routine everyday work is important, but it neither leads to changes in history nor to inspiring people to do their utmost and advance the cause of humanity. It is great work that is destined to profoundly better the lives of people and leads to historical turning points on how things should be processed and performed. Great work brings mankind closer to reaching its goals in its life journey with less time yet with optimal utilization of natural resources.

Those who engage in great work are intrinsically motivated. They imagine a future and take the risks needed to transform the landscape of the global marketplace. They are gifted with a remarkable imaginative capacity and see themselves as pioneers in a world that is in need of their positive contributions and innovations. The love of their work and their dedication to producing something beneficial to the world strengthens their persistence and lifts their spirit. The happiness and sense of responsibility they derive from their work multiplies their energy and sustains their commitment. As Kluger (2013) writes, happy people “don’t just accumulate wealth; they invent things [ . . . ] [They] are also generous people.” This conclusion underscores two issues. First, happiness is an important societal quality, as it fosters wealth accumulation and invention. Both create jobs and give people opportunities to utilize their potential, while being active economic and social players. More importantly, in a state of happiness people are more optimistic, confident, and are willing to navigate untested terrains to achieve goals and build sound institutions. Their work is inspiring and serves to stimulate others to engage in economic activities and have faith in their ability to contribute positively to economic and technological progress. This reinforces the second issue: that happy people are generous, willing to help others, and display a long term-perspective. That is, these individuals do not lose the sense of history and their place in a world full of opportunities in which they can participate, create, invest, and build.

*Time* magazine (Kluger, 2013) reported that since 1972 the rate of unhappiness has increased dramatically in the USA. It reported that in 1972 about one-third of Americans described themselves as very happy. Since 2004, the share of Americans who have indicated that they are optimists has plummeted from 79 to 50 percent. The happiness that is prevailing in the USA, according to *Time*, stems not from sowing but from reaping, not from building but from watching TV. In a report that follows (Gray, 2013), *Time* reported that the US Government has severely cut funds for the Institute for

Advanced Study; America's Brain Bank. *Time* stated that American society is moving toward short-term thinking and quick results. Thus, the depletion of funds for the Institute for Advanced Study, which was once a symbol of all that was powerful about American innovation, has become illustrative of some of the most difficult questions facing the nation in its quest to maintain competitiveness. The end results are fewer break-through discoveries essential for growth and economic prosperity.

The magazine *Research & Development* reported that the USA has traditionally led the world in all aspects of R&D for more than 50 years due to combined large industrial and government research spending and investments. But, in recent years, this overwhelming advantage has changed as the rate of R&D investments in Asia has continued to exceed that of the USA. The magazine (Studdt, 2013) raised the alarm as it took note of increasing Asian R&D investment arguing that the future driver for technological change will be Asia. The *Wall Street Journal* (Galston, 2013) also underscored the risk of declining rates of R&D, especially in basic research, and has called for the government to play the role of venture capitalist to stimulate innovation and economic growth.

It is undisputable that the government plays a significant role in encouraging and stimulating innovation. It can, too, change the state of happiness, commitment, and dedication in society. Nevertheless, innovation is a crucial factor for ensuring economic growth, competitiveness, and the wellbeing of society. It should not be taken lightly or be left to politicians' subjectivity. What is needed is a concentrated effort for an industrial policy which encourages entrepreneurship and the culture of independent thinking, while inspiring people to be imaginative and positive in their attitudes to what lies ahead. Furthermore, these societal actors and reformers can be instrumental in enhancing optimism and confidence among societal members.

As globalization fosters interconnectivity and interdependence, a nation's welfare is influenced and shaped by events outside its boundaries. As other regions in the world increase their investment in R&D, innovative and talented individuals are lured to places where their talent is recognized, appreciated, and deployed. Those societies which lag behind other nations in attracting talent and cultivating innovation not only endanger their own national security but also the state of societal optimism and economic progress. This makes it imperative that innovation should not be treated as merely a technological issue but as a social and economic factor that is characteristically linked to the welfare of the people and to that of generations to come.

### References

- Galston, W. (2013), "Government is a good venture capitalist", *Wall Street Journal*, August 28, p. A13.
- Gray, E. (2013), "The original genius bar", *Time*, Vol. 182 No. 4, pp. 38-43.
- Kluger, J. (2013), "The happiness of pursuit", *Time*, Vol. 182 No. 2, pp. 24-32.
- Studdt, T. (2013), "Leaders in research and development", *Research & Development*, August 5, available at: [www.rdmag.com/print/articles/2013/08/leaders-research-and-development](http://www.rdmag.com/print/articles/2013/08/leaders-research-and-development) (accessed August 27, 2013).

### Corresponding author

Abbas J. Ali can be contacted at: [aaali@iup.edu](mailto:aaali@iup.edu)

To purchase reprints of this article please e-mail: [reprints@emeraldinsight.com](mailto:reprints@emeraldinsight.com)  
Or visit our web site for further details: [www.emeraldinsight.com/reprints](http://www.emeraldinsight.com/reprints)

**This article has been cited by:**

1. Gary D. Holt, Jack S. Goulding. 2016. Positioning construction businesses on an 'evolution–innovation' continuum: conceptualization of the 'equivocal zone'. *International Journal of Construction Management* 16:3, 220–233. [[CrossRef](#)]