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Book Review: 'The Great Reset: How New Ways of Living and Working Drive Post-Crash Prosperity' by Richard Florida

The Great Reset: How New Ways of Living and Working Drive Post-Crash Prosperity
By **Richard Florida**

Review by **Robert Morris**

In the first chapter, Richard Florida explains that peaks and valleys are part of the lifecycle of any society as "obsolete and dysfunctional systems and practices" collapse, replaced by "the seeds of innovation and invention, of creativity and entrepreneurship." The First Great Reset occurred in the 1870s, the Second in the 1930s, and a Third is now developing. "The promise of the current Reset is the opportunity for a life made better not by ownership of real estate, appliances, cars, and all manner of material goods, but of greater flexibility and lower levels of debt, of more time with family and friends, greater promise of personal development, and access to more and better experiences. All organisms and all systems experience the cycles of life, death, and rebirth."

Literally, a reset means "to set again or renew" (Webster), "to set again or differently" (Oxford English Dictionary). As Florida makes crystal clear, however, a Reset is not an invitation to reload with the same "ammunition" (i.e. values, mindset, perspectives, strategies, and tactics) because, more often than not, that "ammunition" of the status quo helps to explain the emergence of a Great Reset in response to its inadequacies and thus is among its causes. This is precisely what Florida has in mind when observing that economic systems "do not exist in the abstract; they are embedded within the geographic fabric of the society - the way land is used, the locations of homes and businesses, the infrastructure that ties people, places, and commerce together. These factors combine to shape production, consumption, and innovation, and as they change, so do the basic engines of the economy. A reconfiguration of this economic landscape is the real distinguishing characteristic of a Great Reset."

Note: Eric Drexler has a great deal to say about these and other issues in *Engines of Creation: The Coming Era of Nanotechnology* (1987) as does Joel Mokyr in *The Lever of Riches: Technological Creativity and Economic Progress* (1992) and then in *The Gifts of Athena: Historical Origins of the Knowledge Economy* (2004). Presumably Florida shares my high regard for these three books.

Florida provides a wealth of information and analysis of the First and Great Resets, especially in terms of their impact on the economic landscape, first in the 1870s and then in the 1930s. For example, what was then characterized as "the war of currents" (i.e. competition between Edison and Westinghouse) revealed which system (alternate or direct current) was more efficient and would benefit the public most. "In that effort we can see a crystal-clear example of innovation progressing toward infrastructure that could become the foundation of a Great Reset." It did. Consider also led to great systems innovations in locations such as Edison's lab in New Jersey and clusters of innovation in Pittsburgh and Cleveland. There were also major advances in transportation infrastructure. Florida also notes other large-scale systems innovation in mass public education as well as in manufacturing that could fully harness the productive power of industrial capitalism.

With regard to the Second Great Reset, its impact was wider and deeper than its predecessor. "For starters, [it] saw massive improvements in economic efficiency. Advances in machinery and the introduction of the modern assembly lines generated huge economies of scale. Power generation improved, and companies got better at capturing and using what before had been wasted energy...Research and development expanded significantly during the Second Reset. Although many see it as an easy target during budget cutbacks, spending on research and development actually doubled over the course of the 1930s...The Second Reset bought about enormous upgrading and expansion of America's educational infrastructure. More and more Americans attended public school and more completed high school, with the percentage of high school graduates increasing from around 20 percent to more than 50 percent between 1920 and 1950." By the time the U.S. entered World War Two, the essential components of the Second Great Reset were in place.

The scope and depth of Florida's discussion of the current Reset are best revealed during a careful reading of his lively narrative. Suffice to say in this commentary that he makes a compelling case for recognizing, understanding, and then taking full advantage of the opportunities created by "new ways of living and working" that will drive "post-crash prosperity." Paradoxically, in this book as well as in each of his previous books, Florida seems to be both a passionate idealist and world-class pragmatist. Consider the first two of six guiding principles that he proposes, based on his examination of past Resets, that can help the human race to move toward a more sustainable and prosperous future:

1. An abiding faith in a simple, undeniable first principle that "every single human being is [or can be] creative...The real key to economic growth lies in harnessing the full creative talents of every one of us."
2. "There's an urgent need to create new good jobs - lots of them...We need to support the growth of higher-paying knowledge, professional and creative jobs, and make sure that greater numbers of workers are prepared for them."

Having rigorously examined two Great Resets, Florida remains convinced that those who share his concerns as well as his convictions can, together, address urgent needs and thereby "see this Reset through and build a new prosperity." No more Band-Aid solutions. No more preoccupation with a problem's symptoms rather than with its root causes. "Let's stop confusing nostalgia with resolve. It's time to turn our efforts, as individuals, as governments, as a society, to putting pieces into place for a vibrant, prosperous future." Amen.

In my opinion, The Great Reset to be the most valuable book that Richard Florida has written...thus

far.

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