

# **Innovation Demands Boldness: Meeting Global Challenges of Escalating Complexity**

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**[www.casi.asu.edu](http://www.casi.asu.edu)**

**The Wiseguide Luncheon Discussion Group**  
**Scottsdale, Arizona • 28 January 2011**

**Slides Available @  
<http://www.casi.asu.edu/>**

"Terrific and inspiring stories about the dreamers and doers  
who dared to create the modern face of this great nation." —JACK WELCH

From the Steam Engine to the Search Engine:  
Two Centuries of Innovators

# They Made America

## Harold Evans

author of *The American Century*

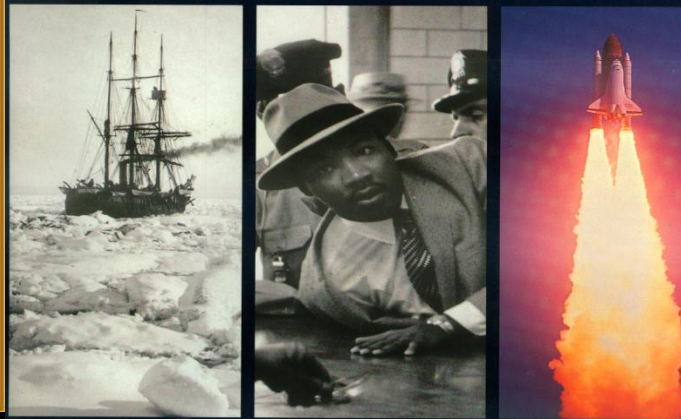
with Gail Buckland and David Lefer



# THE NOBEL CENTURY

A CHRONICLE OF GENIUS

INTRODUCTION BY ASA BRIGGS



# SCIENCE

A HISTORY OF  
DISCOVERY IN THE  
TWENTIETH CENTURY



TREVOR I. WILLIAMS

# THE AMERICAN CENTURY

Varieties of Culture  
in Modern Times



**Norman F. Cantor**

Author of *The Civilization of the Middle Ages* and *The Sacred Chain*

Picture Essays by Mindy Cantor



# Optimism and Progress: A Core Element of US Culture



**American Progress: Manifest Destiny  
by John Gast (1872)**



- “A New Order of the Ages”
- unfinished pyramid as symbol that US will always grow, improve and build

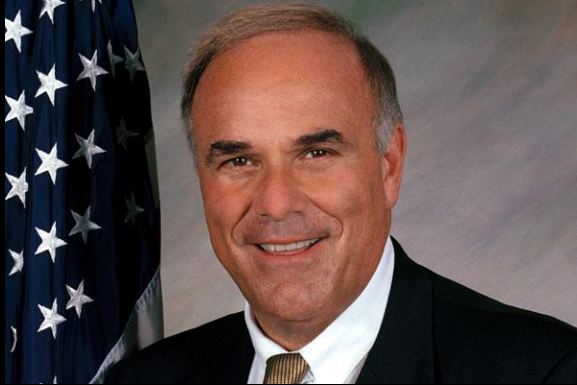




**“.....banking establishments  
are more dangerous than standing armies,  
and the principle of spending money  
to be paid out by posterity  
.....is but swindling futurity  
on a larger scale”**

**“Manufactures are now as necessary  
to our independence  
as to our comfort.”**

**Thomas Jefferson**



**Hon. E. Rendell  
Governor,  
Commonwealth  
of Pennsylvania**

**“We used to be a country that built things.  
and not just infrastructure.  
If our economy is solely based on services,  
I think we’re finished as an economic power.”**

# **US Services and Manufacturing 2000-2009**

- **financial services expanded from 10 to 45% of the earnings of the S&P 500 in 2009**
- **in 2000 high-technology products generated positive trade balance but a \$50 billion deficit in 2007**
- **47% of revenue for US S&P countries now earned overseas**
- **the equity cult: from 1952 to 2006 US pension funds increased equity weightings from 17% to 69%**
- **\$249 billion net loss in US stock-based mutual funds since 2007**

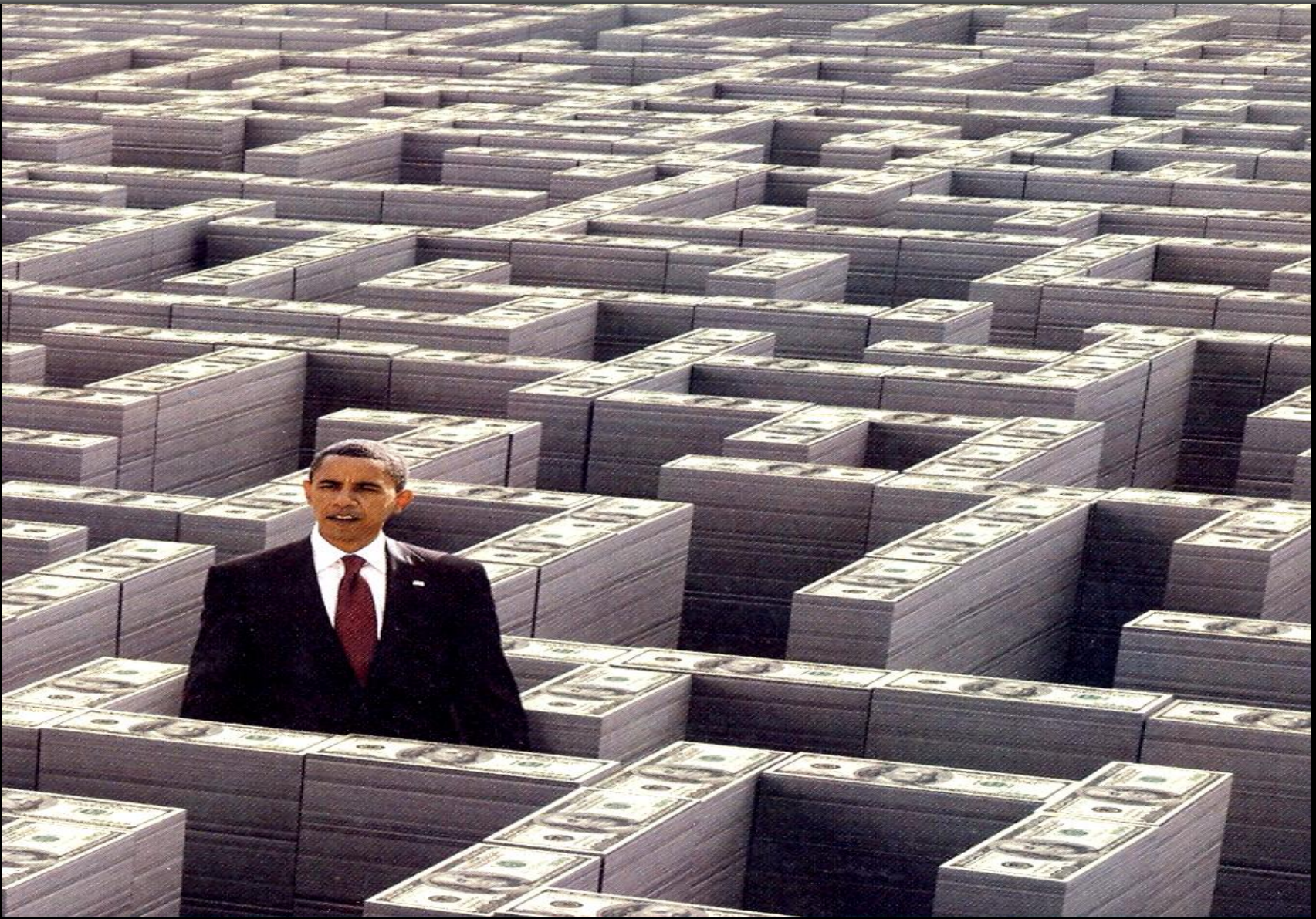
# Systemic Risk

- **delusional faith in unfettered markets and global free trade**
  - **transactional and short term focus**
- **replacement of domestic manufacturing base with service industries**
- **off-shoring of high-value design and engineering may follow manufacturing**
- **“bread and circuses”: rampant consumerism, political populism and quick fixes**
- **trade imbalance, deficits and unsustainable debt**
- **ad hoc and conflicting economic, political and regulatory policies**
- **decline of the national innovation ecosystem?**





# “Suppose the US Treasury Held an Auction and No One Came”





# **Where the Jobs Aren't and Won't Be!**

## **Time 17 January 2011**

- **historical rises in unemployment largely cyclical**
- **political unwillingness to confront the problem that unemployment may now be a deeper, structural problem is a greater threat to prosperity than high unemployment itself**
- **impact of globalization and technology**
  - **hyperefficiencies and domestic workforce**
- **repeated stimulus(i)/QE(s) and endless extensions of temporary benefits will not resolve the problem**
- **“he-cession”: males represent 60% of long-term unemployed**
- **the education premium**
- **focus on new economy with cutting edge technologies infrastructure and education**

**WAL-MART'S MOMENT** | THE NEW FACE OF FORECLOSURE

# BusinessWeek

PLUS

CLOUD COMPUTING 2.0








## INNOVATION, INTERRUPTED

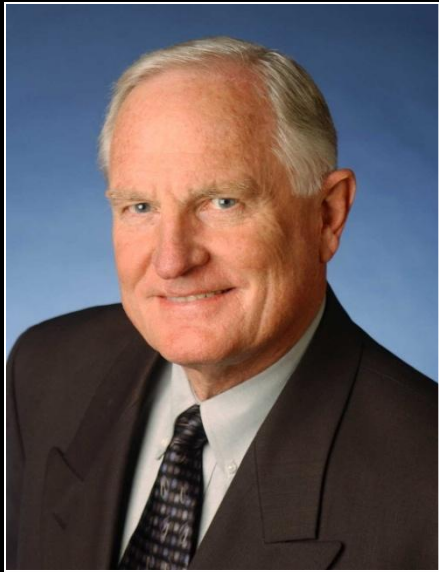
How America's  
failure to capitalize  
on innovation hurt  
the economy—and  
what happens next

BY MICHAEL MANDEL

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# From Small-Time to Prime-Time: Companies with #1 Global Market Share

Company	Industry	Country
	flash memories, hard disks, flat screen monitors	South Korea
	market pulp for paper products	Brazil
	synthetic fuels	South Africa
	logic semiconductors	Taiwan
	liquefied natural gas shipping	Malaysia
	natural gas	Russia
	oil pipes	Argentina



**“Intel can move wherever it must to thrive  
but I sometimes wonder  
how my grandchildren  
will earn a living”**

**Dr. Craig Barrett  
Former Chairman, Intel**

# Intel Investment in PRC Fabrication Facility



**“Intel’s goal is to support  
a transition from  
manufactured in China  
to  
innovated in China”**

**Remarks by Paul Otellini  
CEO, Intel at celebration  
to launch the initiative.  
Great Hall, Beijing**



- **investment will generate additional \$1 billion in profits over 10 years versus operating same facility in US**



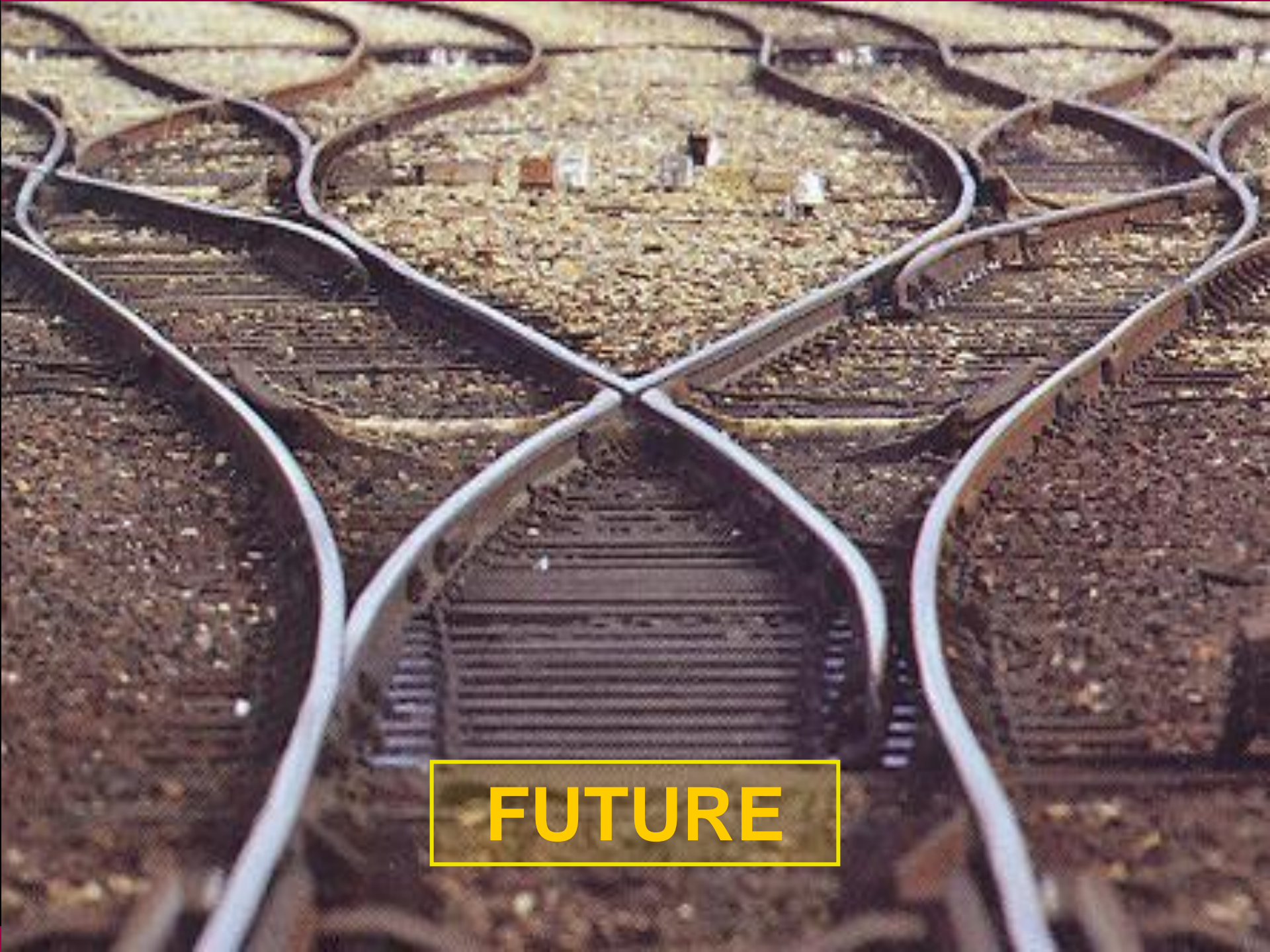
# 21<sup>st</sup> Century Dung

- **US exports of scrap metal and waste exports to China in 2008 of \$7.6 billion**
- **exceeds exports of next three strongest categories**
  - **semiconductors, aircraft and parts, oil seeds and grain**
- **US trade deficit with China**
  - **\$250 billion (with \$100 billion in high-tech goods)**
  - **computer equipment now China's biggest export to US (\$46 billion)**

# **Vulnerability of Global, National and Local Supply Chains in a Major Epidemic/Pandemic**

## **Medicines**

- **“just-in-time” supply networks**
  - **major hospitals 2/3 deliveries per day**
- **majority of drug intermediates, excipients and final products sourced off-shore**
- **95% generic drugs used in US (64% of total Rx) are made off-shore, primarily in PRC and India**
- **no national stockpile for routine prescriptions**



**FUTURE**

# Disruptive Innovations

- **non-linear and radical shifts in technology trajectories that replace the status quo**
  - **products and/or services**
  - **processes: reduced time and cost**
- **Schumpeterian ‘creative destruction’**
  - **a.k.a. dislocation, discontinuity, tipping points, inflection, ‘Black Swans’**
- **new value proposition rarely sensed and often rejected by current KOLs/companies/financial markets**
- **typically arise at margins of existing domains or at the convergent interstices between previously separate domains**



## TIME ZONES

ZONE 1: 2010-2015

ZONE 2: 2015-2020

ZONE 3: 2020-2025

ZONE 4: 2025-2035

ZONE 5: 2035-2050

### Notes on time travel

This map is a broad representation of some of the trends and technologies currently visible. Improvement works are carried out at weekends and travellers should check to see whether time is still operating before commencing any journey. Helpful suggestions concerning new routes and excursions are always welcome.

If you wish to travel outside of Zone 1 you are advised to bring your own compass and camera. Travelers are also advised to bring their own supplies of food and water although weapons are unnecessary (your keys will trouble you). Also note that travel into Zone 5 is not available for people aged over 75 years of age.

### A3 and A2 Points of this map

All colour prints of this map are available to anyone that also needs. A small charge is levied to cover print and postage costs only. Contact: [info@nowandnext.com](mailto:info@nowandnext.com) - stating whether you'd like A3 or A2 size and saying which country this map is to be delivered to. Delivery is just to premises in the world. Alternatively, just print this out yourself (A3 advised recommended).

Sourced: Material for this map has been sourced from a number of publications including Future Files and What's Next.



[www.futureandnext.com](http://www.futureandnext.com)

What's Next  
[www.nowandnext.com](http://www.nowandnext.com)

### Acknowledgements

This map was compiled and created by Richard Norton of NowandNext.com with some help from Benjamin Haver of Soap, also thanks to Oliver Rees, Mike Jackson and Scott Martin.



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# TRENDS & TECHNOLOGY TIMELINE 2010+

A roadmap for the exploration of current & future trends (+ some predictions to stir things up. More at [nowandnext.com](http://nowandnext.com))



## LEGEND

1. Society & Culture

2. Geopolitics

3. Energy & raw materials

4. Science & technology

5. Healthcare & Medicine

6. Retail & leisure

7. The Economy

8. Financial services

9. Environment & Climate

10. Food & drink

11. Transport

12. Travel & tourism

13. Home & family

14. IT & telecoms

15. News & Media

16. Work & Business

- Mega trend
- Trend
- Prediction
- Dangerous currents
- Poor visibility
- High-speed link
- Partial rain

### Global risks

Low probability/high impact risks that could destabilise the global system and/or threaten the well-being of humanity.

- Commodity price spikes
- Rare materials shortages
- Mass migration of population
- Nuclear terrorism
- Internet brownouts
- Electricity shortages
- Rapid increase in cyber crime
- Critical infrastructure attack
- Rogue stateholder
- WMD proliferation
- Green energy bubble
- Genetic terrorism
- Global supply chain disruption
- Terrorist attack on urban water supply
- US/China conflict
- Israel/Iran conflict
- Stephen A link to cancer
- Geographical expansion of Russia
- Major earthquakes in mega city
- Global pandemic
- Conflict with North Korea
- Political disintegration of Saudi Arabia
- Systemic failure of financial system
- Fundamentalist takeover in Pakistan
- Middle class revolution
- Collapse of China
- Mobile phone link to cancer
- Credit Default Swaps
- Rogue asteroid
- Major nano-tech accident
- Space weather disruption to comms
- Aliens visit earth
- Return of the Messiah
- People taking trend maps too seriously



# The Strategic Environment for Technology

**COMPETITIVENESS**

• new strategic  
spaces/markets

• new strategic  
surprises/dislocations

Disruptive  
Technologies

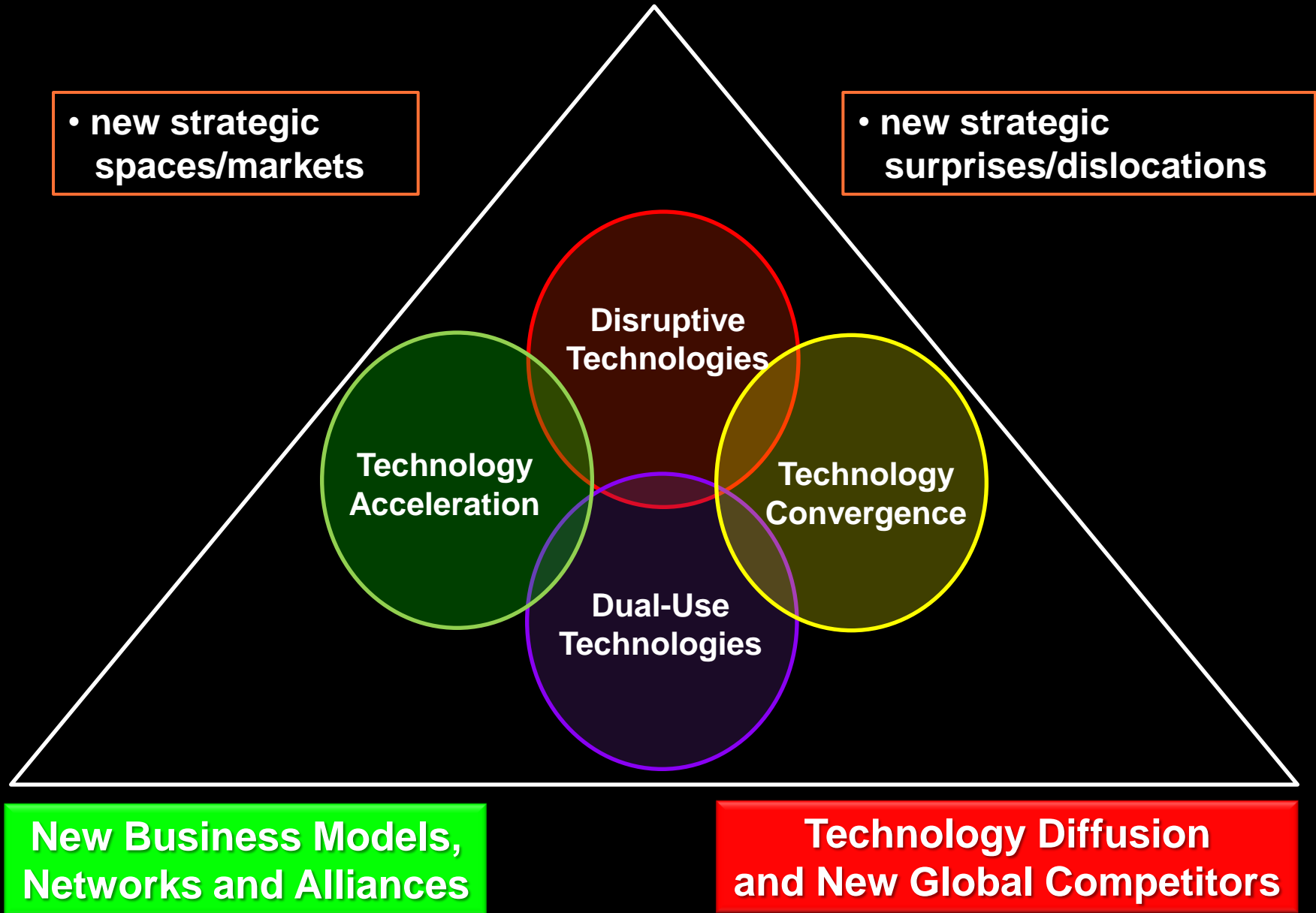
Technology  
Acceleration

Technology  
Convergence

Dual-Use  
Technologies

**New Business Models,  
Networks and Alliances**

**Technology Diffusion  
and New Global Competitors**



# **A Strategy for Science & Technology Soundbite or True Strategic Inflection?**



**“We need to out-innovate,  
out-educate and out-build  
the rest of the world.”**

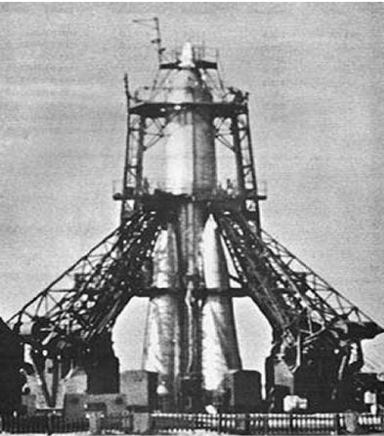
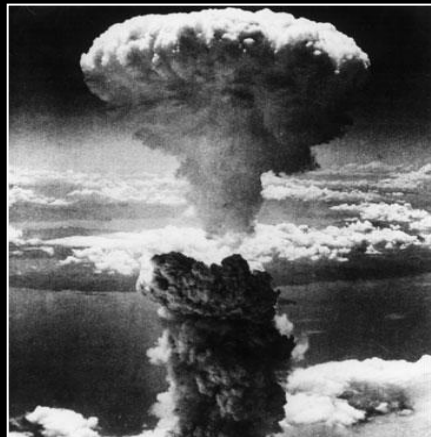
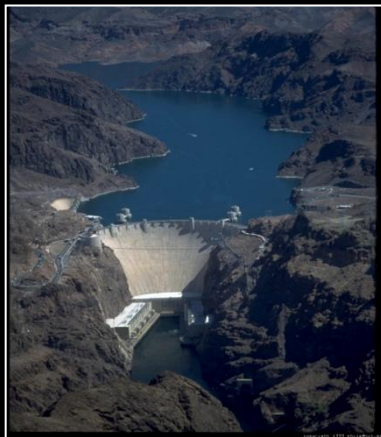
**“This is our generation’s  
Sputnik moment.”**

**“We need to celebrate not  
just the Superbowl winners  
but our scientists.”**

**State of the Union Message  
January 25, 2011**



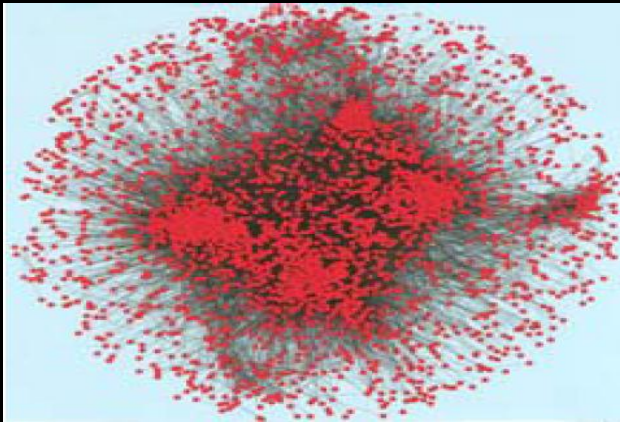
# Meeting Previous Grand Challenges



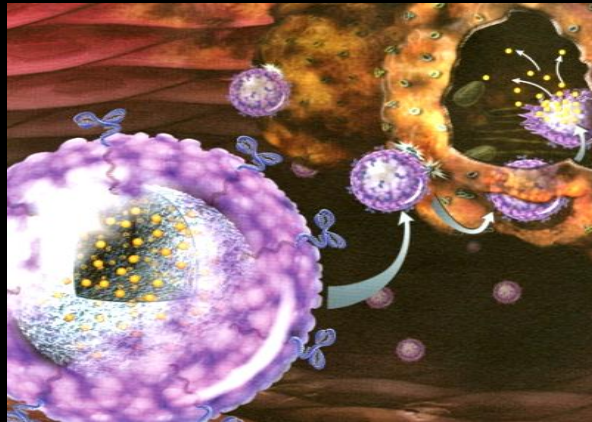


# Transcending Boundaries: Emergent Domains Arising from Technology Convergence

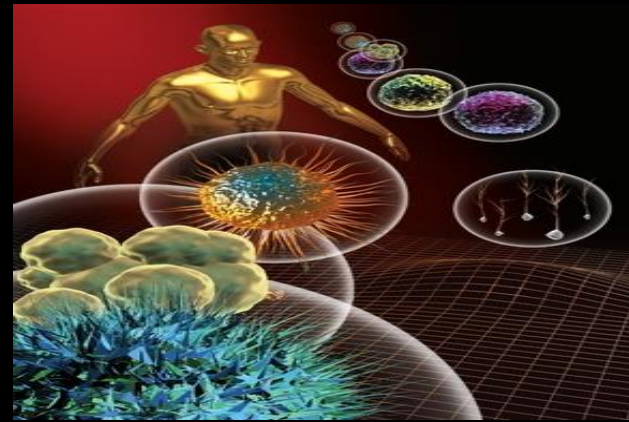
**Systems and  
Synthetic Biology**



**Targeted Rx and  
Gene Controls**



**Regenerative  
Medicine**



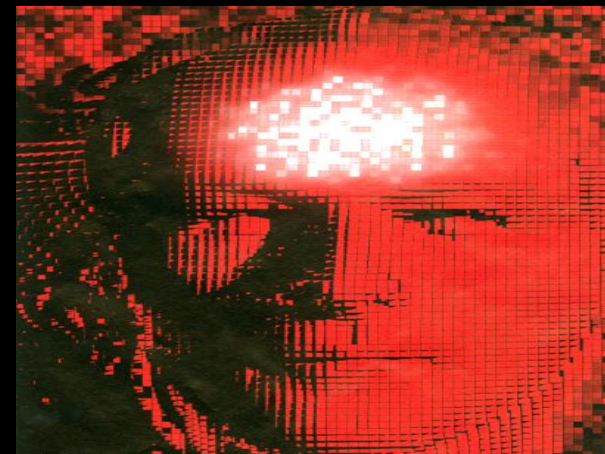
**Bio-  
Enhancement**



**Bionic-  
Enhancement**

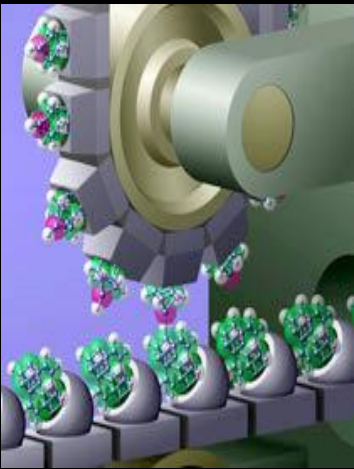


**Cognitive  
Enhancement**

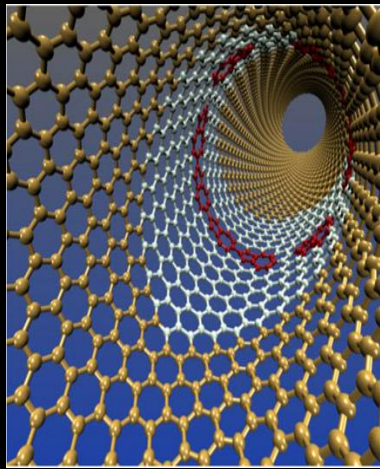




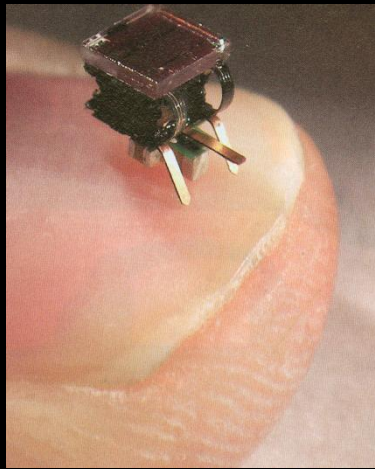
**Molecular  
Foundries**



**Novel  
Materials**



**Micro-  
Devices**



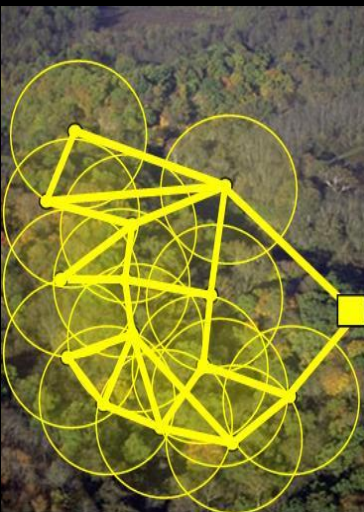
**Ubiquitous  
Sensing**



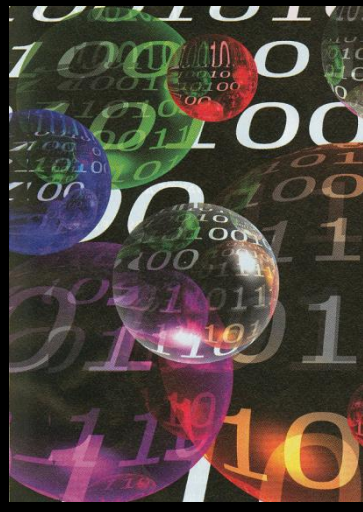
**Robotics**



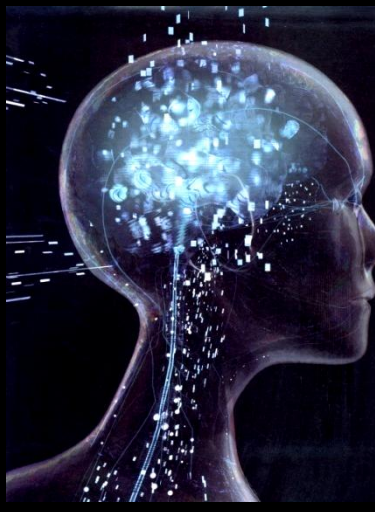
**Ambient  
Intelligence**



**Digital  
Cultures**



**Cogint**



**Intelligent  
Machines**



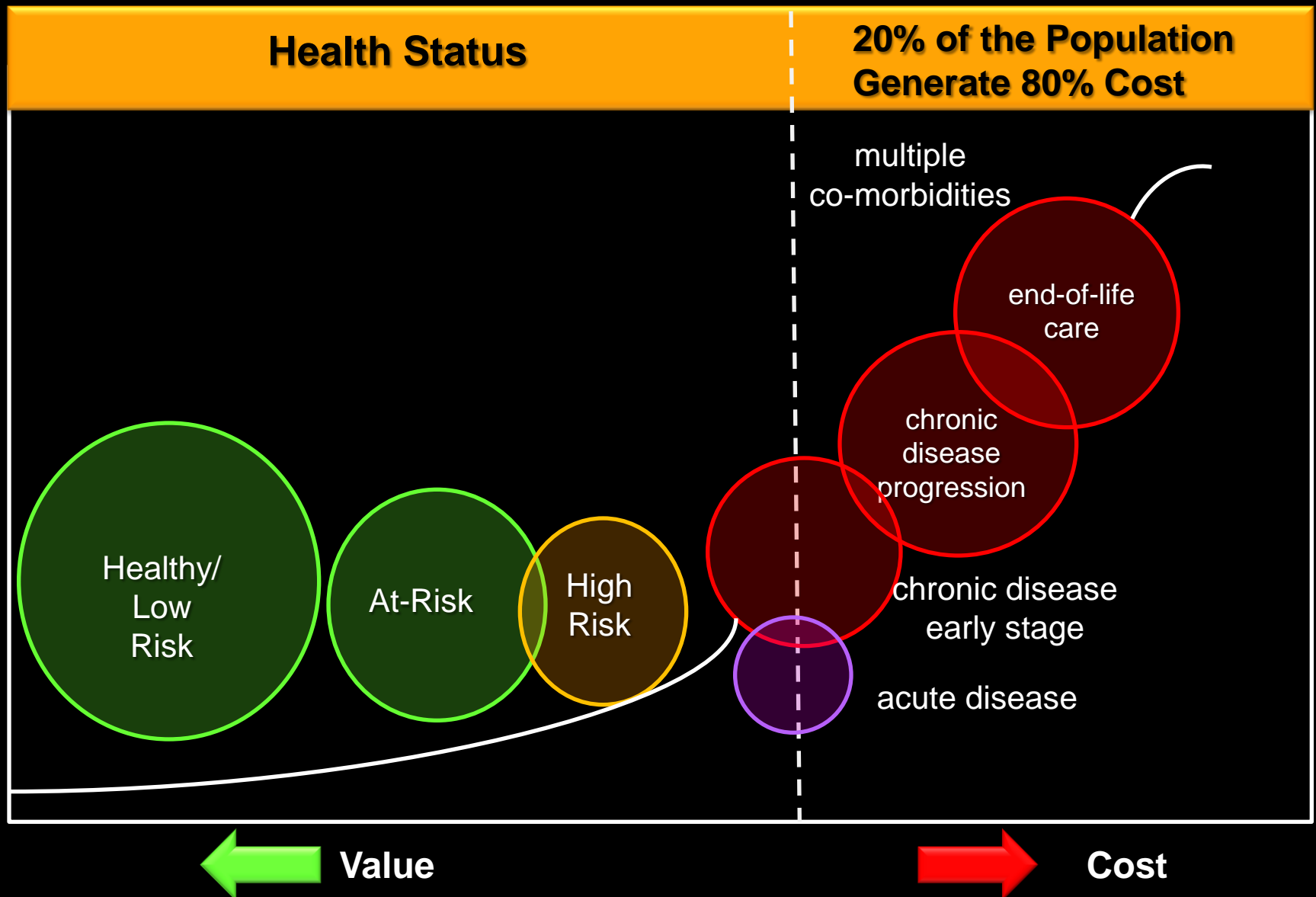
**Competition  
and Espionage**



**Massive Computing Power and Analytical Parsing**

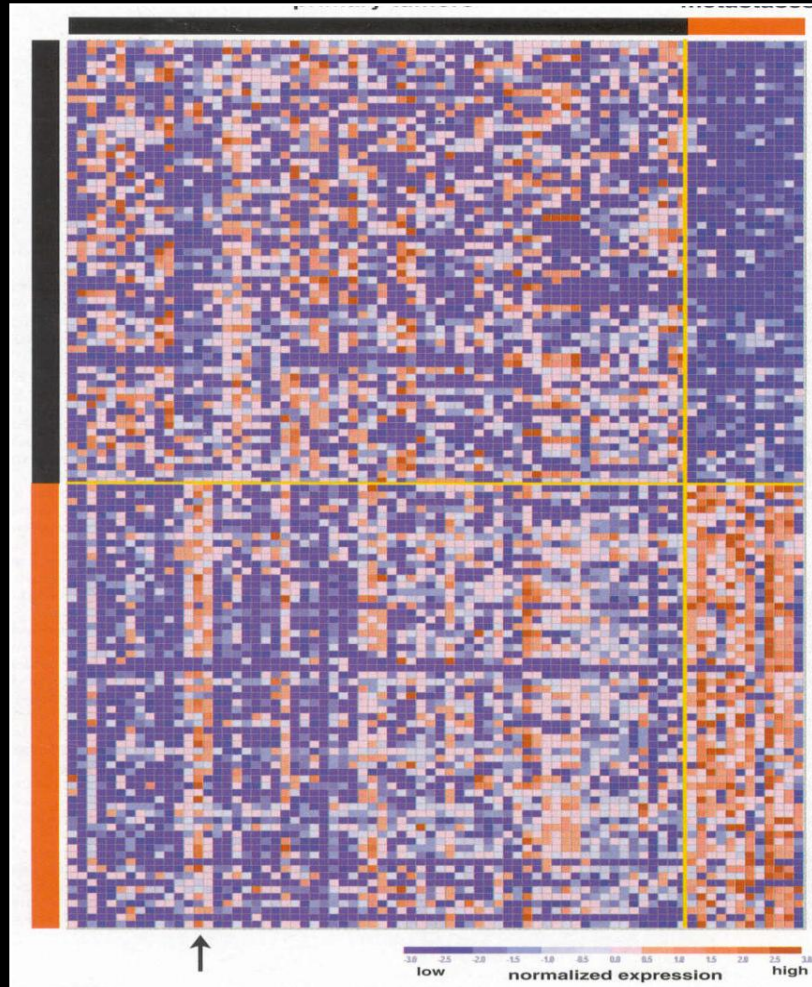


# The Economic, Social and Clinical Benefits of Proactive Mitigation of Disease Risk and Chronic Disease Co-Morbidities



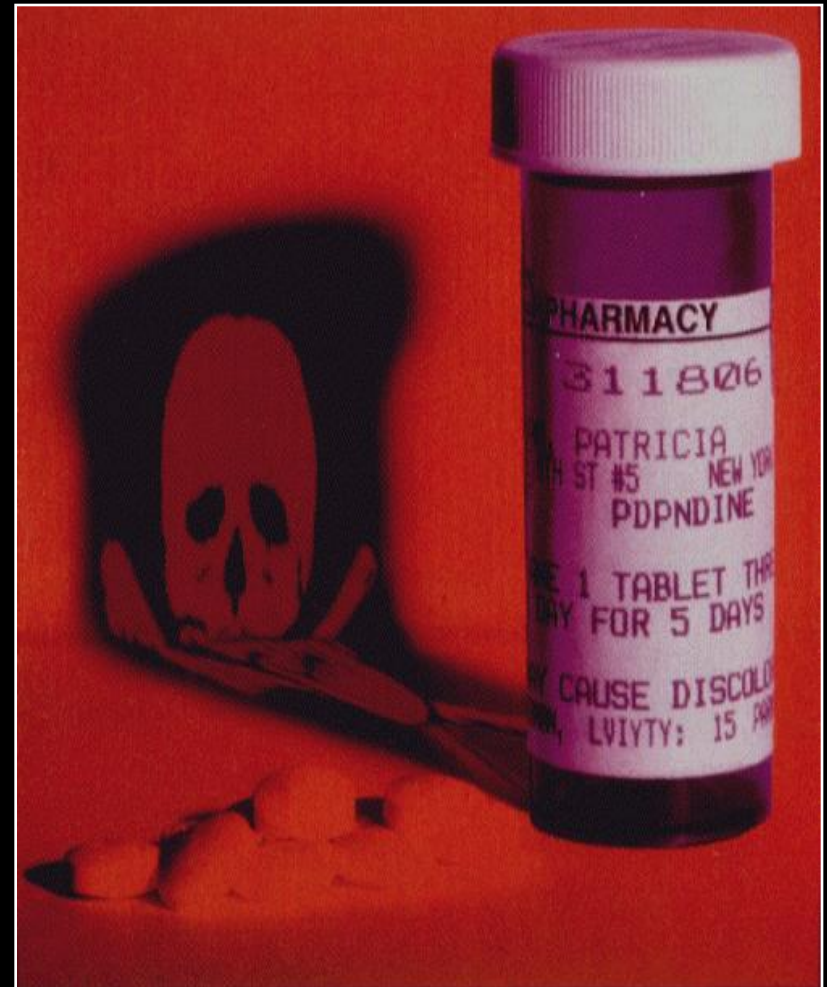
# From Pharmaceuticals to Pharmasuitables

**Disease Subtyping:**



**Right Rx for Right Disease**

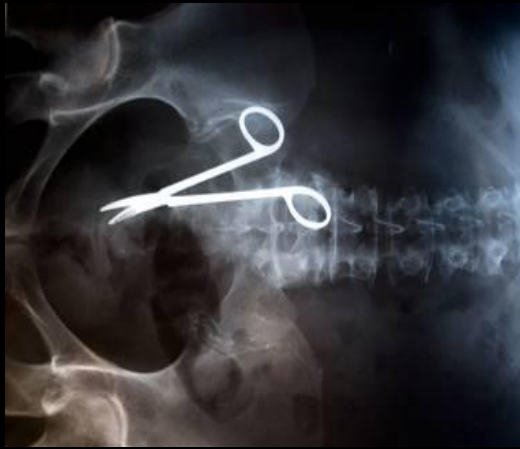
**Individual  
Variation and AE risk**



**Right Rx for Right Patient**

# Tracking and Mitigating The Major Cost of Inefficiencies in Healthcare

**Overt Error**



**Non-Compliance**



**Adverse Rx Events**



**Hospital-Acquired Infections**



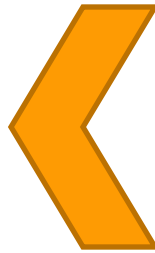
**Cost of Hospital Re-admissions**



**Inaccurate, Inaccessible or Ignored Information**



# m.Health



**Remote  
Health  
Monitoring  
and  
Chronic  
Disease  
Management**

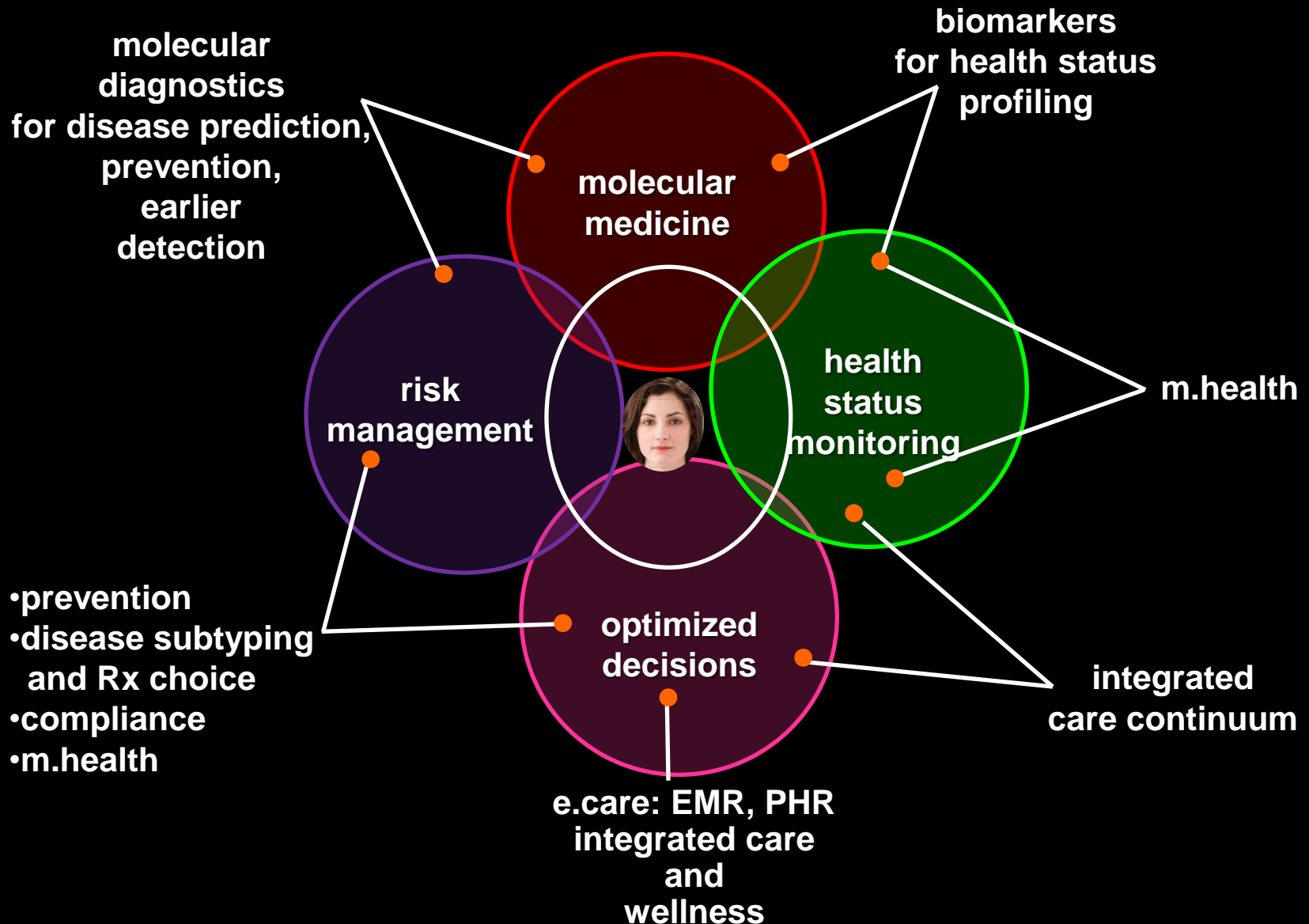


**Lifestyle  
and  
Fitness**



**Information  
for  
Proactive  
Health  
Awareness  
(Wellness)**

# The Key Strategic Elements in the Evolution of Healthcare





# How Much New Technology Can We Afford?



# Global Demographics

- **sustaining a population of 9 or 10 billion**
- **urbanization**
- **non-renewable resources**
- **almost 90% of world's youth is growing up in countries that can't support them**
  - **infant and maternal mortality**
  - **education**
  - **access to capital**
  - **physical security**
  - **good governance and legal systems**



# **The Global Public Health Challenge Posed by Rapid Urbanization in Developing Countries**

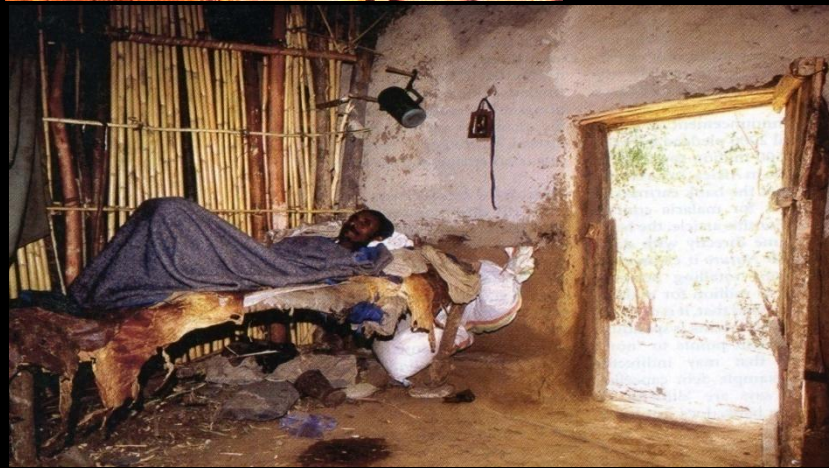
## **High Disease Transmission**



## **Lack of Safe Water**



## **Toxic Waste**



## **Major Deficits in Health Infrastructure**



## **Expanded Eco-niches and Increased Zoonotic Risks**



# The Global Food Supply: A Major Choke Point in Sustaining a Future Population of a 8-9 Billion People





# The Economist

The battle of Bangkok  
America's surprising primaries  
Does Facebook know too much?  
Labour after Gordon Brown  
How to plug an oil well

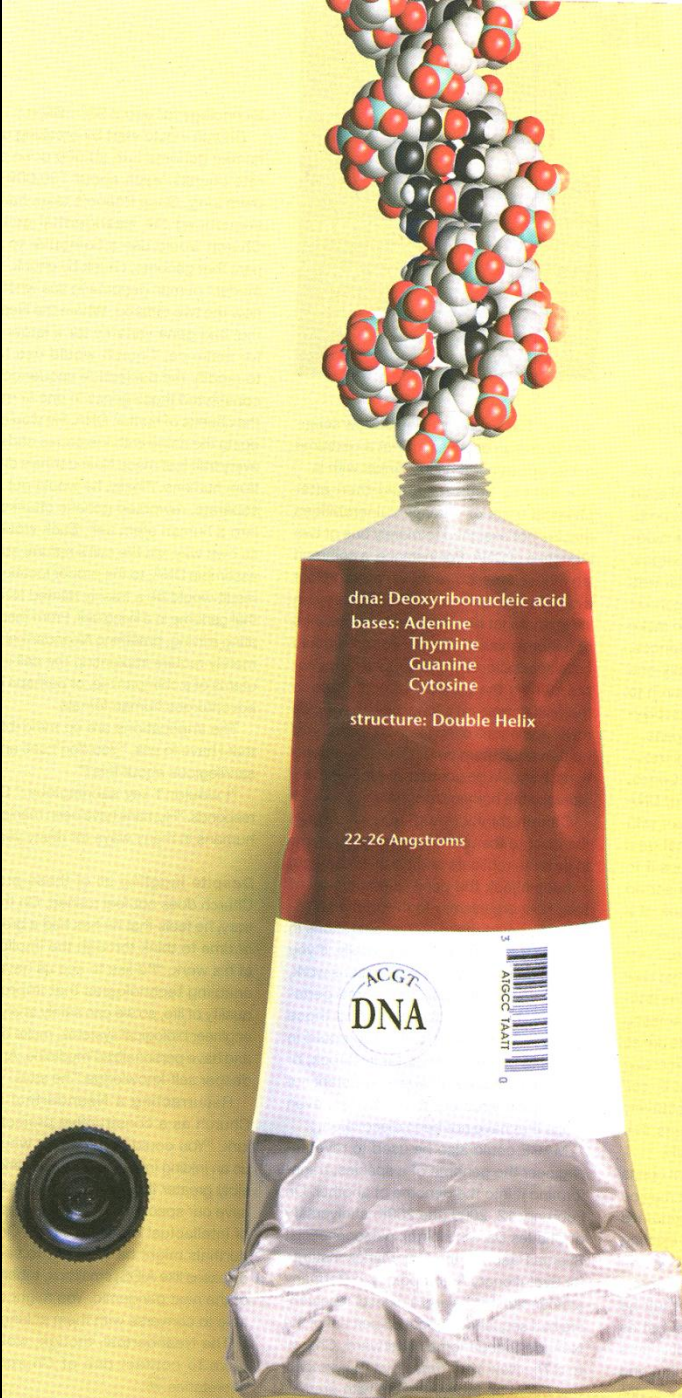
MAY 22ND - 28TH 2010

Economist.com

## And man made life



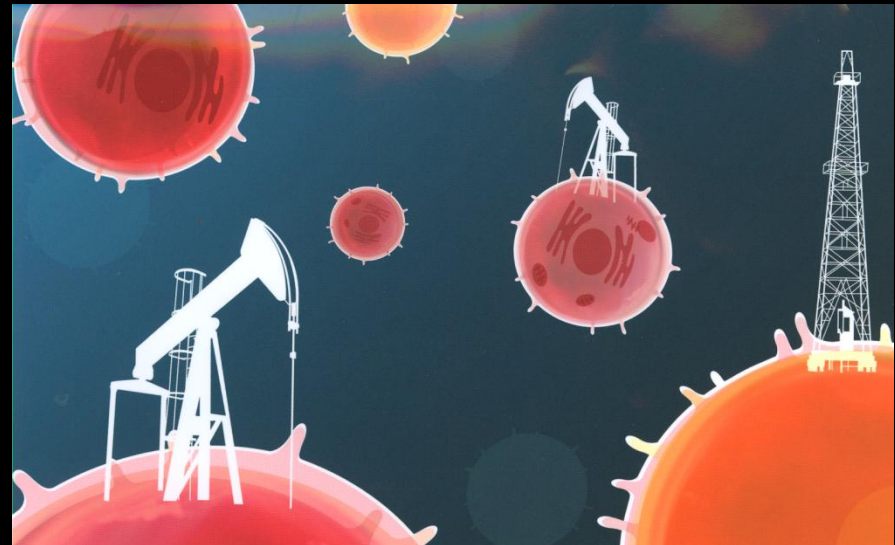
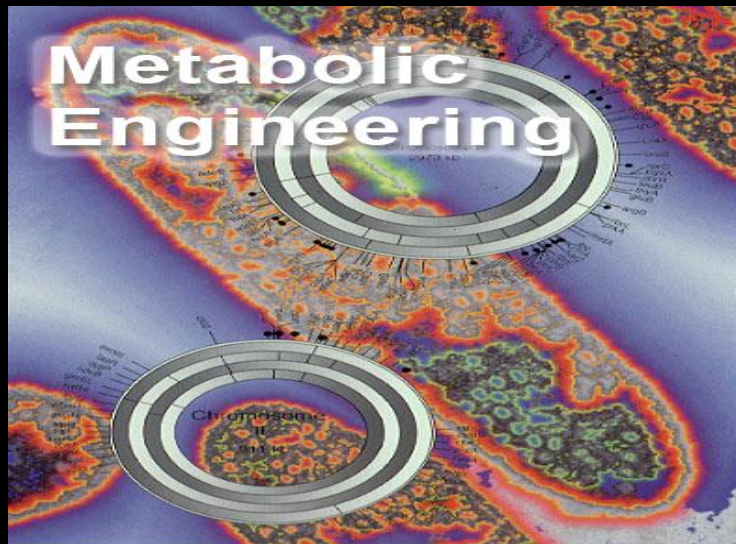
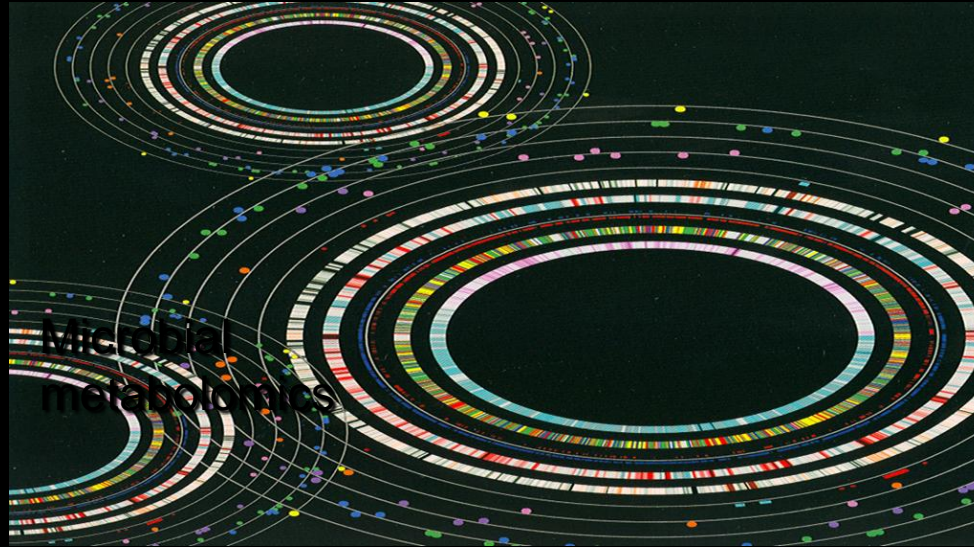
The first artificial  
organism and its  
consequences





# Synthetic Biology and Building A New Industrial Ecology

## Engineering Novel Organisms with Novel Functions



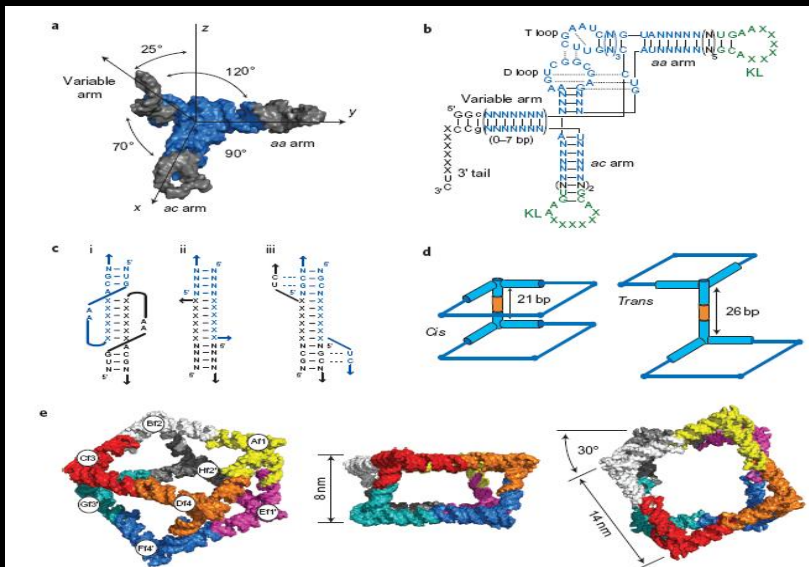
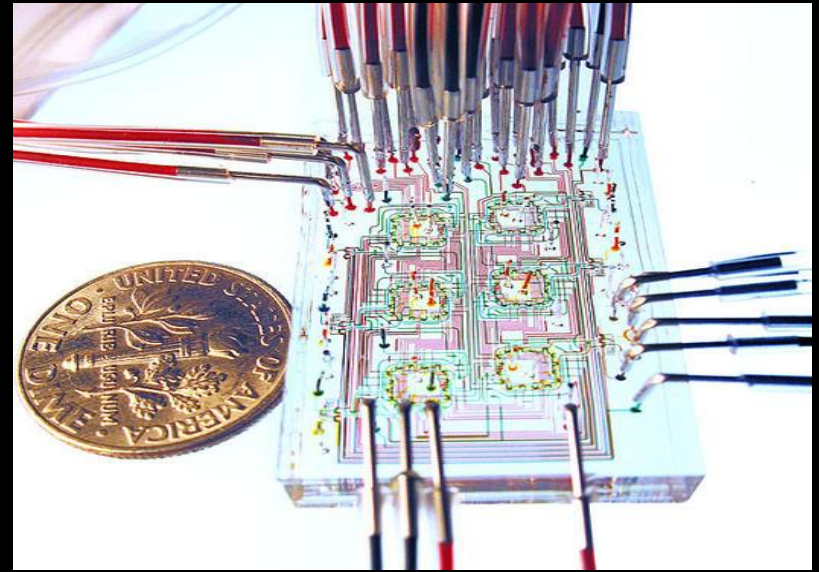
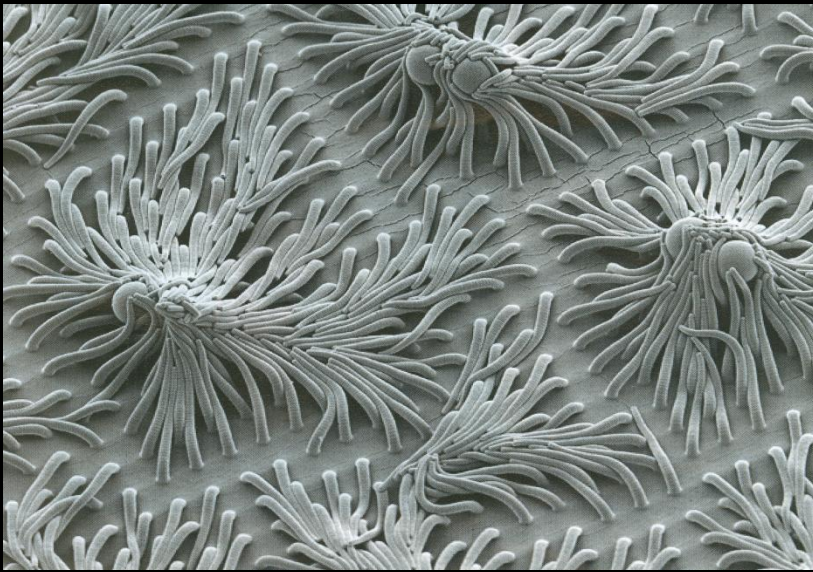
# Bio-inspired Systems Engineering

- **high performance materials made in completely different ways**
- **mimic resource efficiency of natural ecosystems**
  - **self-sustaining renewal resources**
  - **limit/eliminate waste stream**
- **manufacturing at room temperature in water versus high temperatures and toxic solvents**
- **highly distributed manufacturing units**





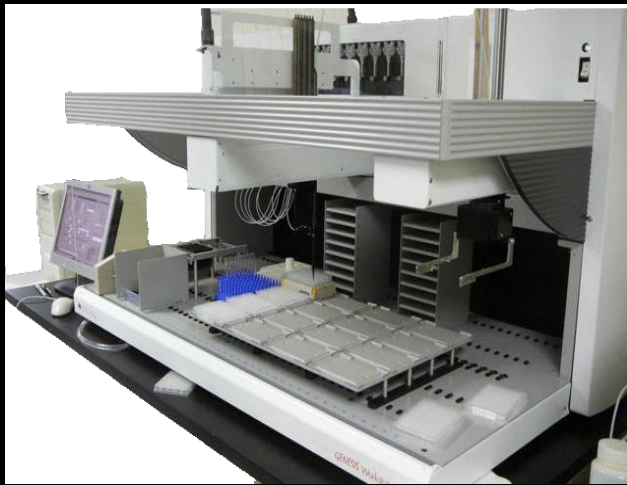
# Nano- and Meso-Scale Engineering and Directed Molecular Assembly for Novel Materials, Sensors and Self-Assembling Devices





# Robotics

## 4D Jobs: Dull, Dirty, Detailed and Dangerous







**“Every age has its own kind of war,  
its own limiting conditions  
and its own peculiar preconceptions.”**

**Claus von Clausewitz**

- **security policy is determined by changing threats and their deployment**
- **there is no single security policy that serves all needs equally well**

# Revolutions in Military Affairs (RMAs)

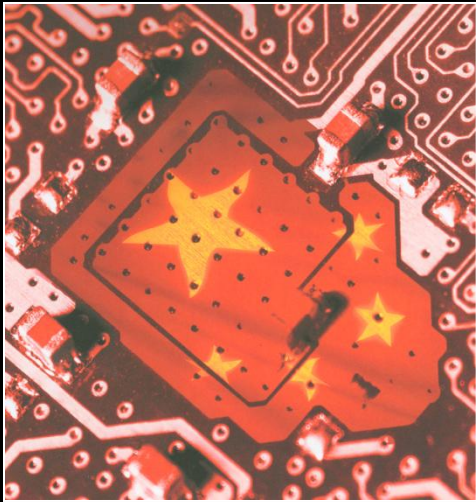
- “discontinuities in warfare”
- disruptive, transformative technological innovations
  - stirrup, long bow, machine gun, tank, aircraft
  - nuclear weapons, ICBMs, satellites
  - precision-guided munitions, UAVs, advanced C4SIR
  - extending the battlefield in time and space
- but battlefield not reshaped until military culture and doctrine can assimilate
  - “fighting the last war”: denial and delay
- ever greater need to think holistically about CONOPs impact
- cultural variances and the complexities of cooperation

# Convergence and Complexity in National Security

- new doctrine(s) for new threats
- asymmetric warfare, terrorism and non-state actors
- homeland defense
- WMD proliferation
- cyberspace
- militarization of space
- instabilities generated by natural phenomena
  - climate change
  - disease, food production, water scarcity
  - depletion of natural resources
- openness and stability of global common spaces/resources (the commons)



# The PRC Strategy for Cyberwar



- “to cut off the enemy’s ability to:
  - obtain, control and use information
  - influence, reduce and destroy decision-making and command decision”

Wang Houqing and Zhang Xingye, Eds.  
Science of Campaigns  
National Defense University Press, 2000

## Capability of the People's Republic of China to Conduct Cyber Warfare and Computer Network Exploitation

Prepared for  
The US-China Economic and Security Review Commission



Information Systems Sector  
7575 Colshire Drive  
McLean, VA 22102  
October 9, 2009

**NORTHROP GRUMMAN**



## China's Use of Perception Management and Strategic Deception

Prepared for the U.S.-China Economic and Security Review Commission  
by  
Dr. Eric C. Anderson with Mr. Jeffrey G. Engstrom  
Science Applications International Corporation



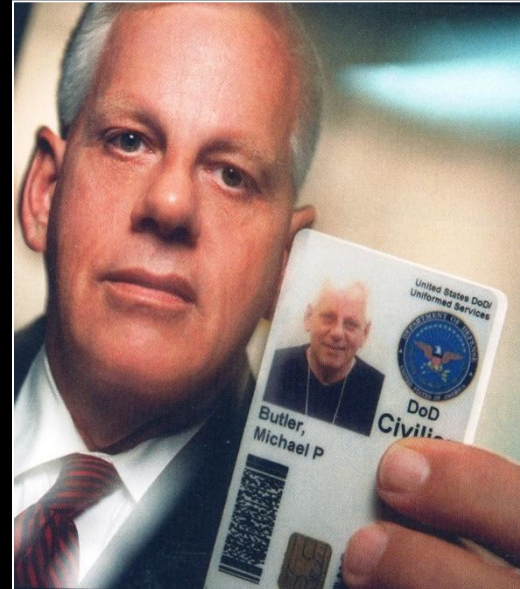
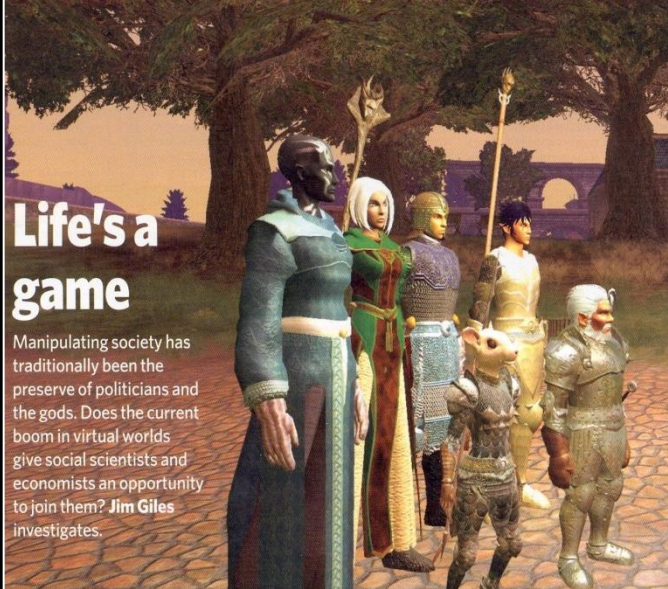
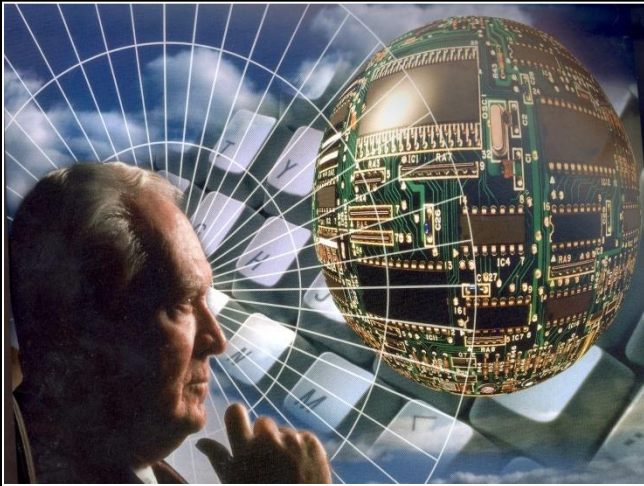
Revised November 2009

# Cyber-Attacks and Vulnerable Infrastructure: Compromising Critical Systems





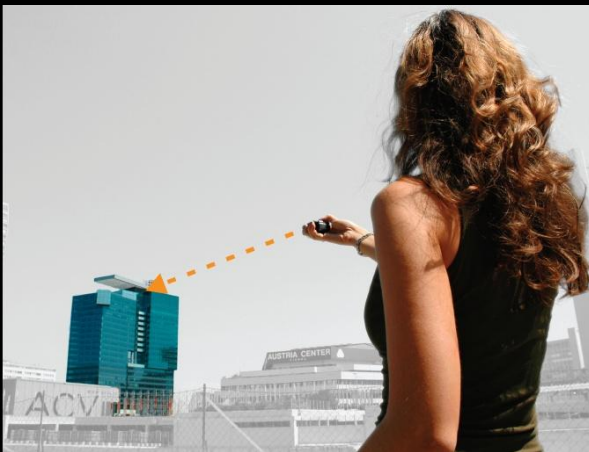
# The Infocosm: Emerging Networks of Global Connectivity





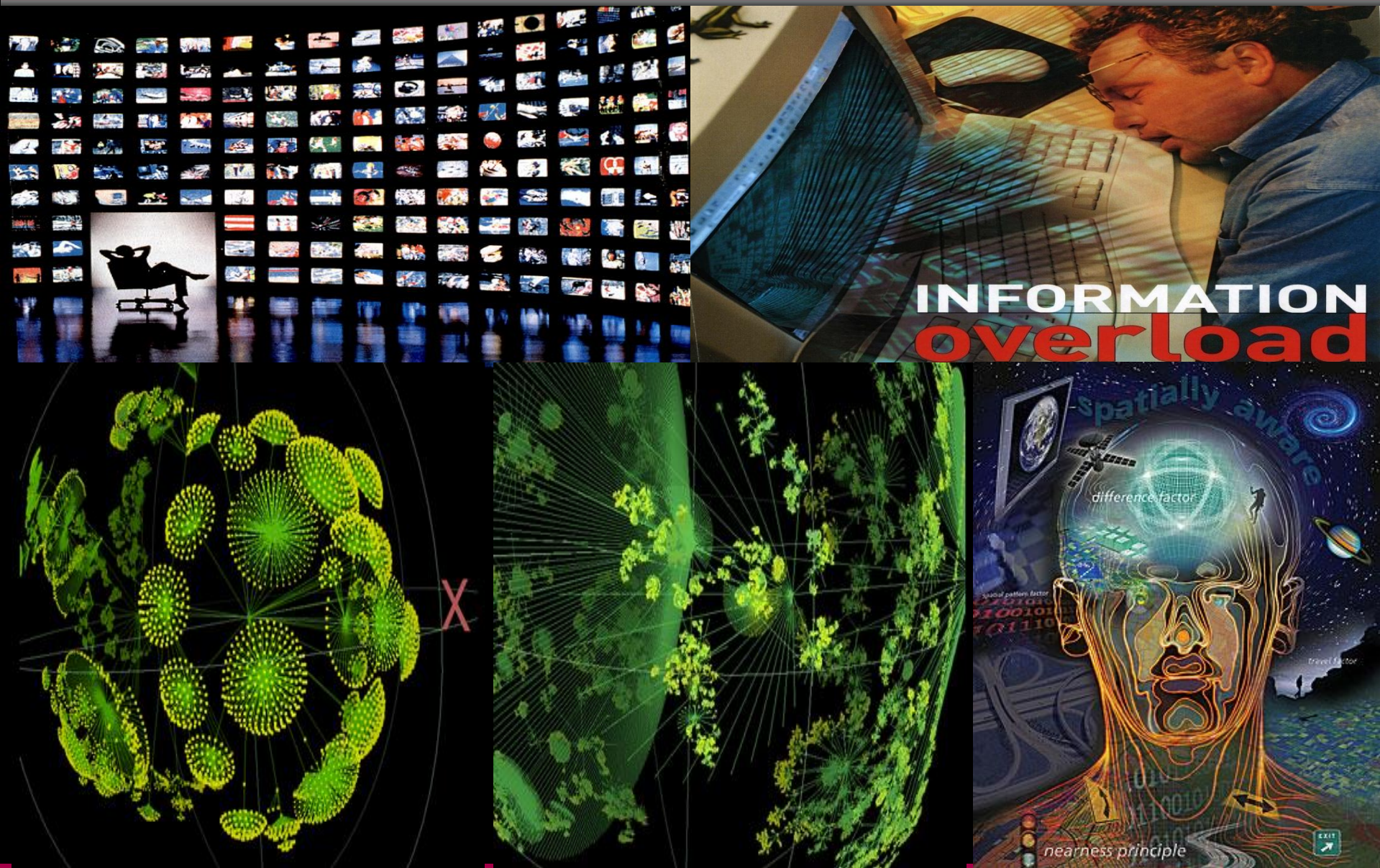
# Mobile Spatial Interaction (MSI)

- new interfaces between mobile handheld devices and physical, natural and urban surroundings
  - spatial sensing, smart lenses, magic wands
  - geo-referenced digital content in objects
  - tactile and auditory cues without switching gaze between the environment and the device



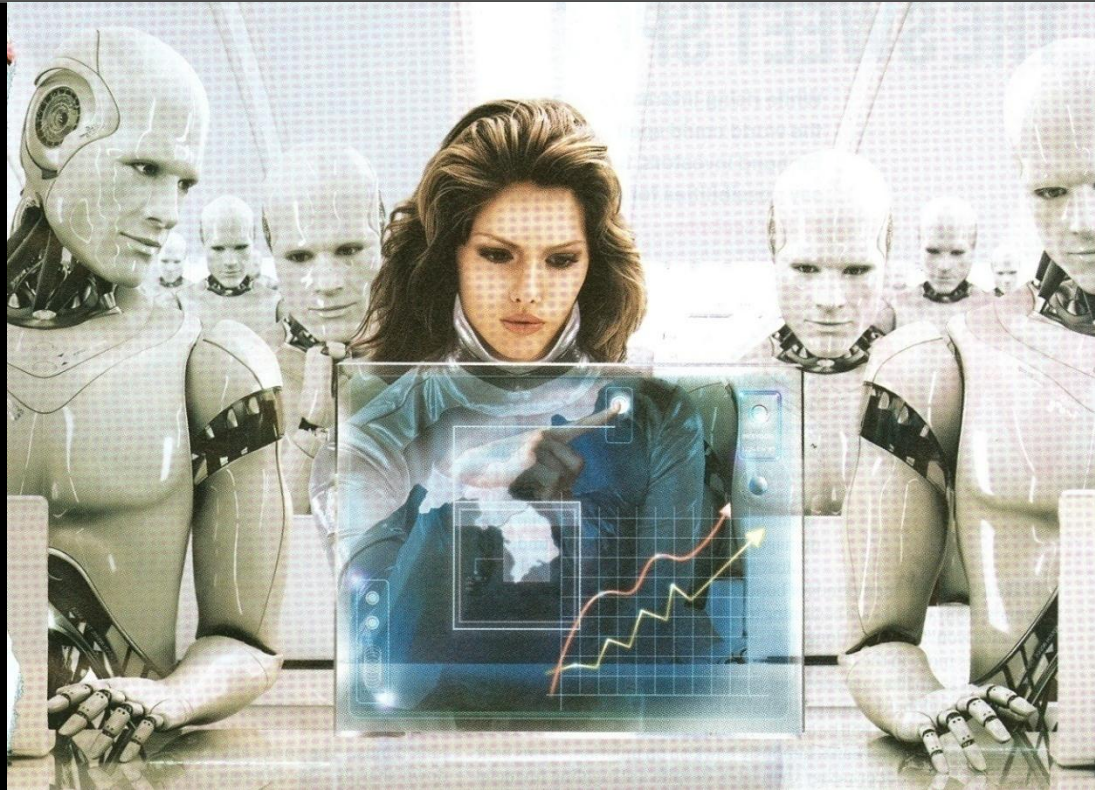


# Enhancing Human Capabilities to Use the Increased Volume, Diversity and Complexity of Information Flows





# Touch the Future: Computing Platforms as Socio-Biological Systems



- modification of social patterns
- modification of cognitive process/brain structures
- “the brain(s) in the cloud”
- brain: machine interface technologies and machine intelligence

# USG National Industrial Policy

- a ‘no-touch’ subject in USG policy
  - “the taboo of picking winners”
  - sustained political support financial subsidy of bloated/sunset industries (agriculture, banking, oil, automobiles)
- Pervasive and dangerous timidity to support high risk research in emerging research fields

# National Industrial Policies



- 863 Program
- State-Owned Assets Supervision and Administration Commission (SASAC)
- world's largest sovereign wealth fund



- Council on Economic Planning and Development
- Green Silicon Island



- Singapore Development Authority
- A\*STAR



- Ministry of International Trade and Industry





- explicit industrial policy via national development bank (BNDES)
- loan interest less than half market rates for targeted industries
  - biotechnology (agriculture), pharmaceuticals, IT
- support of M&A activity by Brazilian companies
  - Brasil Foods
  - Braskem( petrochemicals)
  - Eletrobras (electricity)
- Petrosal
  - new sovereign wealth fund to develop *pre-sal* off-shore oil reserves
  - \$224 billion over next five years
  - 65% of equipment must be purchased from Brazilian companies

# **“Fortress America”: NRC Report**

- **outdated USG export controls created market niche for foreign competitors**

## **aerospace**

- **European Aeronautic Defence and Space Company**
- **Swiss Propulsion Laboratory**

## **satellites**

- **Thales Alenia Space**

## **carbon composites**

- **M. Torres (Spain)**

## **miniaturized electronics**

- **multiple countries**

- **off-shoring by US companies to avoid export controls and access foreign markets**

# The Fundamental Question

**“Has our capacity to build complex systems transcended our evolutionary cognitive abilities and agilities to comprehend multidimensional and non-visual data and devise ways to mitigate the intrinsic risks generated by escalating complexity?”**





# **The Imperative to Develop New Analytics for Design Parameters in Complex Systems and Predictive Modeling of Non-Linear Dynamics**

- **dangerous knowledge void in relation to rapid evolution of large scale networked systems**
- **poor prediction of precursors of critical transition or cascading system collapse**
  - **tipping point, critical thresholds, catastrophic bifurcations**
  - **“normal accidents” (C. Perrow)**
- **evolution of systems too complex to be understood and too important to be turned off**

**EARLY WARNING SIGNALS  
OF  
CRITICAL TRANSITIONS**

## **“Plug the Damn Hole”**

**President Obama  
Alleged commentary to staff  
Washington Post 25 May 2010**



**THE 29 July 2010**

# **Ignorance lays Parliament open to ‘nonsense debates’**

**Andrew Miller admits that busy MPs avoid science  
policy as it is too challenging. Paul Jump reports**

Many MPs do not even bother to read the science and technology bill.

ties and science minister David Willetts, preferring to get a sense of his “general philosophy”.

He was impressed by the minis-

He dismissed criticism that the committee was light on direct scientific expertise, adding that “there is also merit in any committee being



# A Deficit of Trust

- **deep disenchantment and corrosive cynicism about government and corporations**
- **lobbying, pork and overt corruption**
- **partisan divisiveness and vitriol**
- **an ignorant political elite**
- **quick fixes for cosmetic actions and sound bites that play out within elected terms**
- **corporate short-termism to 'meet the Street's expectations'**

# Back to the Economic Future

## Why Is the Newest Thinking in Economics Decades Old?

**John Maynard Keynes**



**Friedrich Hayek**

Modified from Bloomberg Business Week 17 Jan. 2011

# Legislative Burdens and Regulatory Uncertainties

## Financial Reform Law 2010

- 23,000 pages
- 243 explicit new rules yet to be written
- 67 studies to be done by 11 Federal Agencies

## Health Care Reform 2010

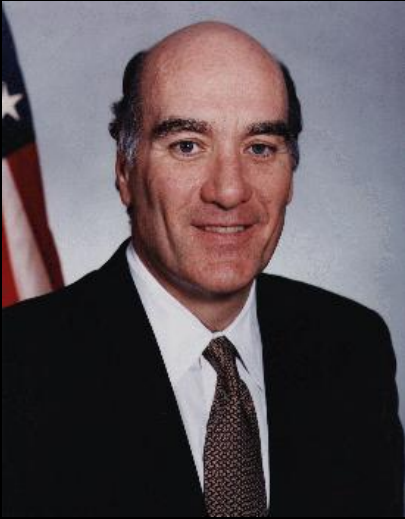
- 2300 pages
- patient protection section as typical
  - 38 new studies and 59 evaluations to be conducted by Federal Agencies



# The Fragmented Silos of USG: A Dangerous Vulnerability

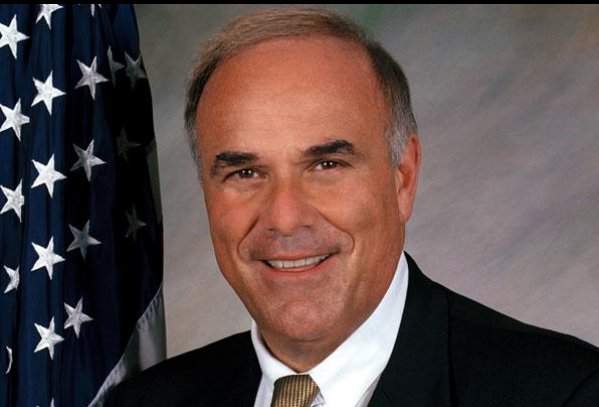


# Two Recent Perspectives on USG Dysfunction



**“Optimizing the Federal innovation enterprise  
might require “reorganization of agencies.”  
You can’t understand how screwed up it is.”**

**William Daley  
White House Chief of Staff  
cited in Science 14 January 2011**



**“The Federal government buys paper clips,  
which have a 35 day life span,  
the same way it finances bridges  
that have a 30 or 40 year life span.  
It makes no sense at all.  
No business would do it.”**

**Hon. E. Rendell  
Governor, Commonwealth of Pennsylvania**



# The Retreat from Complexity



**BIG IDEAS  
GO  
UNEXPLORED  
AND  
UNFUNDED**

**TIMIDITY AND PRESERVATION  
OF STATUS QUO (TURF, BUDGET)  
TRUMP BOLDNESS AND  
DISRUPTIVE INNOVATION**



# The Imaginot Line

- leadership delusion that current pre-eminence can be sustained with existing (historical) approaches
- comfort, complacency and catastrophic hubris
  - legislature, governance institutions, corporations, sports teams, countries, Individuals
- the poverty of imagination and agility
  - ideas (timidity)
  - incentives (protecting the status quo)
  - institutions (sclerosis)
  - ideology (myopia)



# **BOLDNESS!**

## **CIA Recovery of Soviet Submarine K-129 at Depth of 16,500 feet (August 1974)**

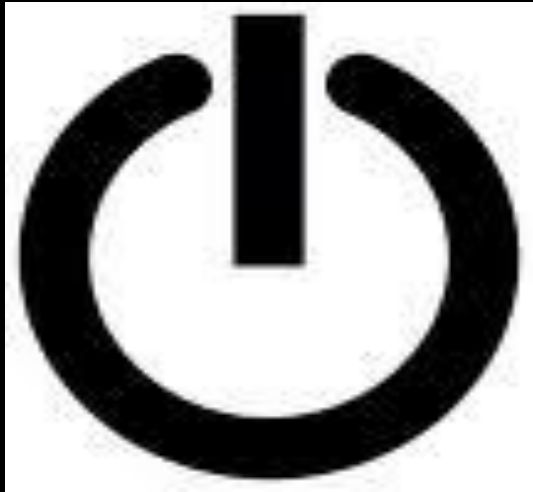


**“A government or organization too timid  
to undertake calculable risks  
in pursuit of proper objectives  
would not be true to itself  
or to the people it serves.”**

**CIA Studies in Intelligence Failure 1985  
National Security Archive  
Declassified 13 Feb. 2010**



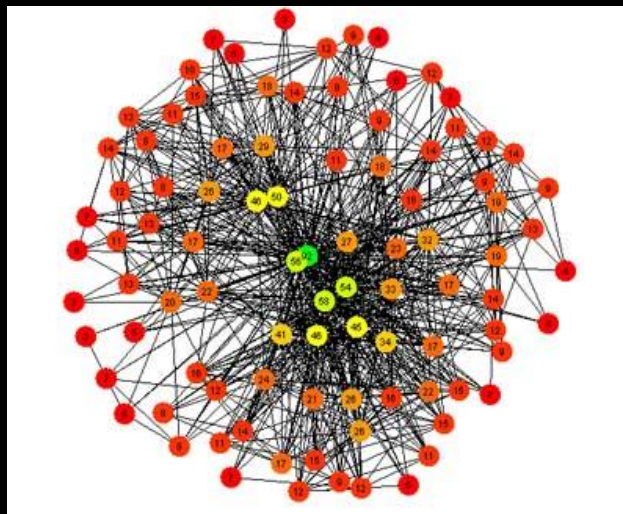
# Things That Still Matter



**Reset**

# The Core Challenges in Out-Innovate, Out-Educate, Out-Build: Understanding Complexity and Complex Systems

- financial markets
- information networks, grids and global systems
- knowledge networks and education
- healthcare delivery
- ecosystems and environmental sustainability
- food and water resources
- distribution logistics
- epidemics and other large scale disasters
- national security (connecting the dots)



# **The Core Challenges in Out-Innovate, Out-Educate, Out-Build: Understanding Complexity and Complex Systems**

- **financial markets**
- **information networks, grids and global systems**
- **knowledge networks and education**
- **healthcare delivery**
- **ecosystems and environmental sustainability**
- **food and water resources**
- **distribution logistics**
- **epidemics and other large scale disasters**
- **national security (connecting the dots)**

## **COMMON DESIGN PRINCIPLES**

- **scale-free networks**
- **highly-optimized tolerance/robustness**
- **novel convergence and trigger of cascading instability**



# **Mega-Trends: Things That Still Matter**

- **innovation**
- **strategy**
- **policy**
- **aspiration and incentives**
- **ethics**
- **creating a better future**
- **operational excellence**
- **accountability**
- **competitive performance**
- **educational standards**
- **individual competence**

thr mst b a futr, rt?



**“Why Johnny Can’t Read”**

**Rudolf Flesch 1955**

**“Why Johnny Can’t Write”**

**Newsweek 8 Dec. 1975, pp 58-65**

**“Why Johnny Now Speaks Like His Texts  
and His Tweets”**

# RIISING ABOVE THE GATHERING STORM, REVISITED

Rapidly Approaching Category 5

By Members of the 2001  
"Rising Above the Gathering Storm" Committee

Prepared for the Presidents of the  
National Academy of Sciences,  
National Academy of Engineering,  
and Institute of Medicine

NATIONAL ACADEMY OF SCIENCES,  
NATIONAL ACADEMY OF ENGINEERING, and  
INSTITUTE OF MEDICINE  
OF THE NATIONAL ACADEMIES



REPORT TO THE PRESIDENT  
JUNE 2005

## COMPUTATIONAL SCIENCE: ENSURING AMERICA'S COMPETITIVENESS

PRESIDENT'S  
INFORMATION TECHNOLOGY  
ADVISORY COMMITTEE



One Hundred  
Thirty-Three  
Thousand  
H-1B Visa  
Applications Submitted  
In Two Days



# The Gathering Storm: The USA is Losing Scientific and Technical Leadership



- Annual Competition in algorithm coding
- 4200 competitors (2009)
- finalists
  - China (20)
  - Russia (10)
  - USA (2)



- rapid growth in number and nationalities competing
- major presence of PRC teams
- contest winners now largely non-US



# Educational Kryptonite

**“By 2010 of the 123 million jobs available for highly skilled, educated people the US education system at best might be able to provide 54 million qualified applicants.”**



**Bill Gates  
Waiting for “Superman”  
David Guggenheim Documentary 2010**



## REPORT TO THE PRESIDENT

# PREPARE AND INSPIRE: K-12 EDUCATION IN SCIENCE, TECHNOLOGY, ENGINEERING, AND MATH (STEM) FOR AMERICA'S FUTURE

Executive Office of the President

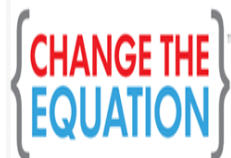
President's Council of Advisors on  
Science and Technology

SEPTEMBER 2010

PREPUBLICATION VERSION



Source: <http://www.whitehouse.gov/sites/default/files/microsites/ostp/pcast-stemed-report.pdf>



"It's time to restore science to its rightful place, and . . . to wield technology's wonders to meet the demands of a new age." *President Barack Obama*

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### President Obama Launches Change the Equation

At a White House Ceremony, President Obama is announcing the launch of Change the Equation (CTEq), a CEO-led initiative to cultivate widespread literacy in science, technology, engineering, and math (STEM) as other countries are leaving us in their wake. Now, more [Learn More](#) companies are joining forces to work with schools and communities to change the equation for our youth and [Learn More](#).

[CLICK FOR MORE](#)

[CLICK FOR MORE](#)

1 2 3 4

### Great Teaching



Improving STEM teaching at all grade levels, with a larger and more diverse cadre of highly-capable and inspirational STEM teachers.

### Inspired Learners



Inspiring student appreciation and excitement for STEM programs and careers to increase success and achievement in school and opportunities for a collegiate education, especially among females and students of color.

### A Committed Nation



Achieving a sustained commitment to improving STEM education from business leaders, government officials, STEM educators and other stakeholders through innovation, communication, collaboration and data-based decision making.

Source: <http://www.changetheequation.org/>



# Reset and Redesign

- **commit to radical reform of educational systems to embrace emerging career requirements**
  - professional incentives
  - standards, metrics and accountability
  - K-12, higher education (not just STEM)
  - cultural recalibration of ‘success’ and ‘what matters’ (rewards)
- **rationalize immigration policies**
  - current challenges
  - attracting foreign talent to expand knowledge-based capabilities

# The Academy

- **house of mirrors (Dr. Michael Crow)**
- **adaptive agility or denialism and decline?**
- **how to use scientific knowledge not accorded sufficient attention**
- **reconceptualize science as path to outcomes rather than as outcome in its own right**
- **radical redesign of the structure and sociology of the enterprise**
  - **from knowledge compartments (silos) to knowledge networks (systems)**
- **new metrics**
  - **groups versus the individual hero**

# **Business Education: Have MBA Programs Distorted Priorities and Metrics for Business Performance?**

- **aspiration of best graduates to join major financial and consultancy houses**
- **ranking of B.schools by graduate starting salaries**
- **primary source of now discredited financial market prediction models**
- **narrow, disproportionate focus on finance/economics versus analysis and management of the trends shaping escalating complexity**
- **predominant curriculum channeling to non-S&T topics creates dangerous knowledge void in corporations/financial markets**



# Reset and Redesign

- **set national goals for 2025**
  - **grand challenges in education, health, energy and sustainability**
  - **knowledge management**
  - **national security**
  - **high-value jobs and manufacturing capabilities for new industries as 20% total employment**

# Challenges Are Global But Politics is Still Local: The Cultural and Institutional Limits of Governance



## THE PROBLEM WITH PRESIDENTS

WE NEED GLOBAL, NOT JUST  
NATIONAL, LEADERS.

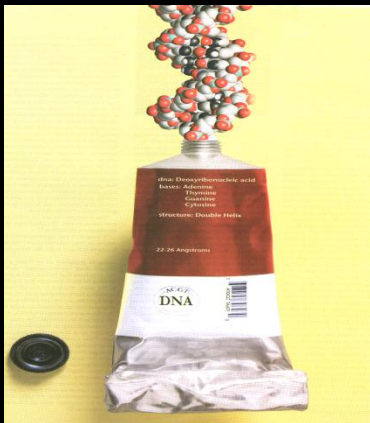
- supranational oversight and harmonized regulation
- global commons
- WMD proliferation
- cyber-vulnerability
- terrorism
- climate change
- infectious disease
- finance and trade

**Building A New International Consensus**

**Rude Shocks and Wake Up Calls**

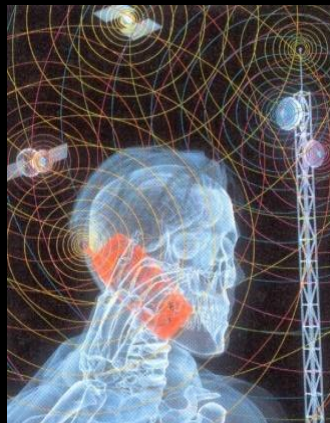
# Understanding New Patterns of Convergence and the Evolution of Escalating Complexity

## Systems and Synthetic Biology



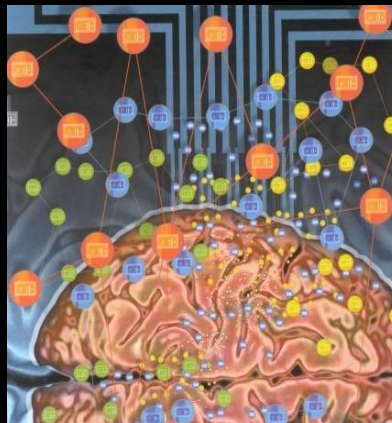
“Bio-space”

## Ubiquitous Sensing



“Connected Space”

## Brain: Machine Interactions



“Smart Space”

## Infocosm and the Metaverse



“Cyberspace”

## Global Governance



“Shared Space”

Constantly Emerging and Evolving  
Multi-Dimensional Matrices  
of Knowledge Ecologies

Global Challenges

Systems of  
Innovation

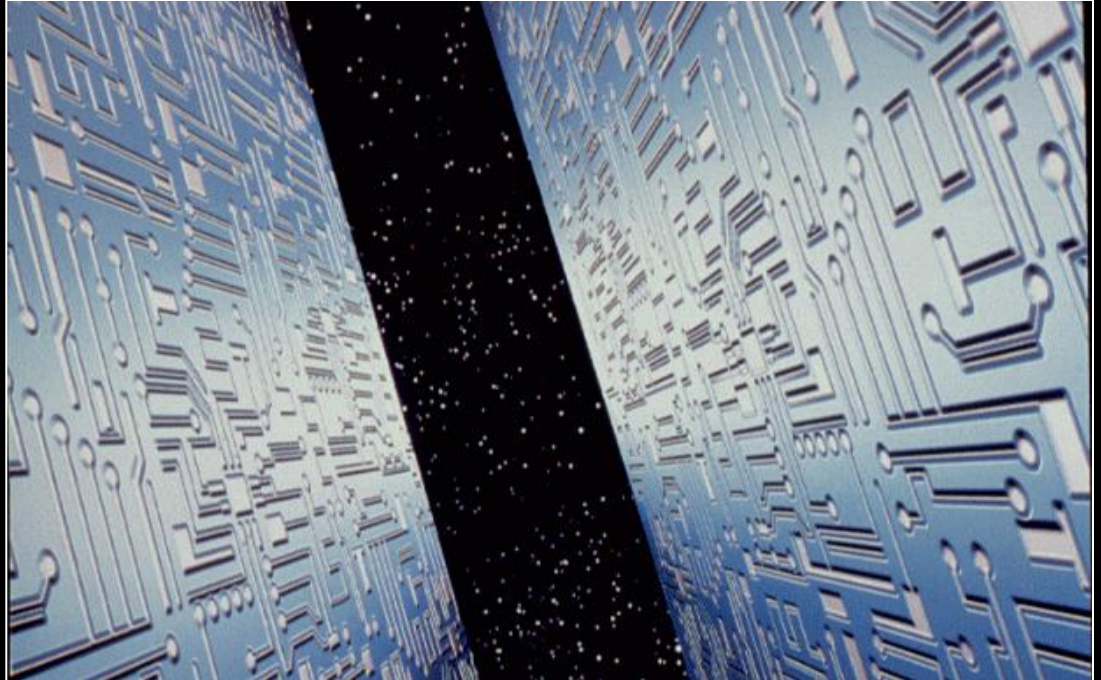




**“What have future generations  
ever done for us.”**

**Groucho Marx**

# Aspiration and Engagement with Grand Challenges



**“The only way of discovering  
the limits of the possible  
is to venture a little way past them  
into the impossible”**

**Arthur C. Clarke  
Profiles of the Future (1962)**





JULY/AUGUST 2010  
AAA.com