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In 1271, Marco Polo took the Silk Road en route to China. After 17 years in China, Marco Polo returned to Venice. He brought back to Western civilization silk, compass technology, and, more importantly, knowledge about the East. Now Marco Polo’s path from the West to the East is reversed. Every year, thousands of East Asian students apply for F-1 visas to study in the United States. In The New Argonauts, AnnaLee Saxenian traces these people. The story is not about how “smart brains” from poor countries sell tech-junkies and get rich overnight. Instead, Saxenian stages an enriched debate about cultural and regulatory conditions that are conducive to regional championing of once-peripheral economies in the digital era.

Saxenian defines an Argonaut in terms of three criteria: (1) a group of foreign nationals, (2) U.S.-educated engineers, and (3) businesspersons spending “more time in airplanes than at home” for flying across the East and the West. For Saxenian, the Argonauts represent the very spirit of entrepreneurship in the knowledge economy. The role of Marco Polo as a 13th-century messenger of transfer of technology and culture is revived here. The Argonauts transfer what they learned in the United States to their countries and spill over their “know-how” in business models, while maintaining professional ties to the United States. The central proposition by Saxenian is that a global network of professionals embodies “knowledge transfer” of entrepreneurship in and out of their nations. In short, viability of the network economy depends upon whether or not a nation can produce, encourage, and incorporate dynamics of such transnational labor forces in a national economy.

The book consists of three illustrative cases. In Chapters 4 and 5, the Taiwan venture capital industry is described as a regional incubator. In Chapter 6, the China case is offered in relation to the Taiwanese economy. The question is whether China leaps beyond the role of subservient suppliers for the Taiwan IT sector. The India case in Chapter 7 has a different take. What is highlighted is the ironic contrast between immigrants’ successes in Silicon Valley and decades of economic downfalls entrenched in the domestic market. Each case offers journalistic accounts of individual entrepreneurs, but the anecdotes build toward a coherent social network theory. If Taiwan functions as the ideal “Silicon Valley Sibling” that creates miniatures in the region, the China and India cases are offered with more caution, given constraints of government-oriented regulatory legacies in institutionalizing entrepreneurship in the domestic sector.

Two premises underlie Saxenian’s proposition. First, the network economy differs in its flexibility and adaptability from the industrial mode of hierarchical production. Second, viable flow of innovative knowledge is maximized in networks of individuals who are adaptive, flexible, and self-programmable. Innovation policy, then, should be confined to nurture conditions for championing educated minds of global citizens. Thus, Saxenian recommends developing nations with a policy model that approximates the Silicon System—alternative to the dichotomy of “the state versus the market.” In other words, socio-individual forces are the conditional variable for developing nations in surviving the network economy. If Hollywood is characterized by “one-way” domination of the world, the Silicon Valley system generates centrifugal forces that diffuse knowledge and wealth to its adoptee.

In this sense, Saxenian is implicitly updating viability of a Weberian bureaucratic state (e.g., Evans, 1995). The premise was that the highly organized fashion of
administration, embedded in the minds of elites, resulted in system efficiency of the East Asian developmental model in the 1990s. Put differently, it was the role of technocrats in alliance with big business like Chaebol or Keiretsu who brought advantages of state involvement. Note that Saxenian proposes the opposite. Hierarchical organizations hardly catch up with efficiency of the Argonauts coordinating in small but global scales. Indicative of a majority of elites taking guaranteed paths of success in Chaebol or Keiretsu is lack of dynamics in labor forces. For Saxenian, the very state apparatus that brought success to industrialization plays far less role of a in the network economy. The largest contribution of the New Argonauts is evidencing this force of change.

Nevertheless, as in most other pieces, this work has areas of contention where future scholarship may challenge. First, the category of Argonauts seems dichotomous rather than continuous. Keynesians in East Asian nations would be quick to point out the co-presence of technocrats and entrepreneurs in the continuous success of planned economy. Policymakers in underdeveloped nations cannot afford the opportunity cost of experimental innovations. For those in the early stage of infrastructure development, straight leapfrogging from industrialization to network economy may be a fantasy. Second, the role of culture is less specified for explaining entrepreneurship. In other words, certain cultures value technical innovation or risk taking more than others. It is critical to ask “why” certain nations generate more mature environments that embrace entrepreneurship to begin with. Regulatory support is a necessary, but not sufficient, condition to explain variations. Third, the United States functions as the ideal against which to measure the effectiveness of innovation policy. Each case of three nations is presented and evaluated depending upon the degree of deviation from or approximation to the Silicon Valley system. In this case, it is logical to ask how long the Silicon Valley system will sustain and whether or not we already have a hybrid model within which other models can survive.

Broad implications of this book will make their way in course readings in the field of information economics and management as well as in adjacent disciplines such as comparative policy and communication studies. Policymakers will also be fascinated by Saxenian’s question of whether the East Asian model can transform itself to incorporate the agent of change that resists the path-dependent impulse of industrial success. After all, what Saxenian offers is the modern history of Marco Polos—how those who wait in a long line in front of U.S. embassies for American visas can create wealth across the West and the East.

REFERENCE