

**“LEZIONI CINESI” UN ANNO DOPO. VINCITORI E VINTI DOPO UN ANNO DI PANDEMIA.**

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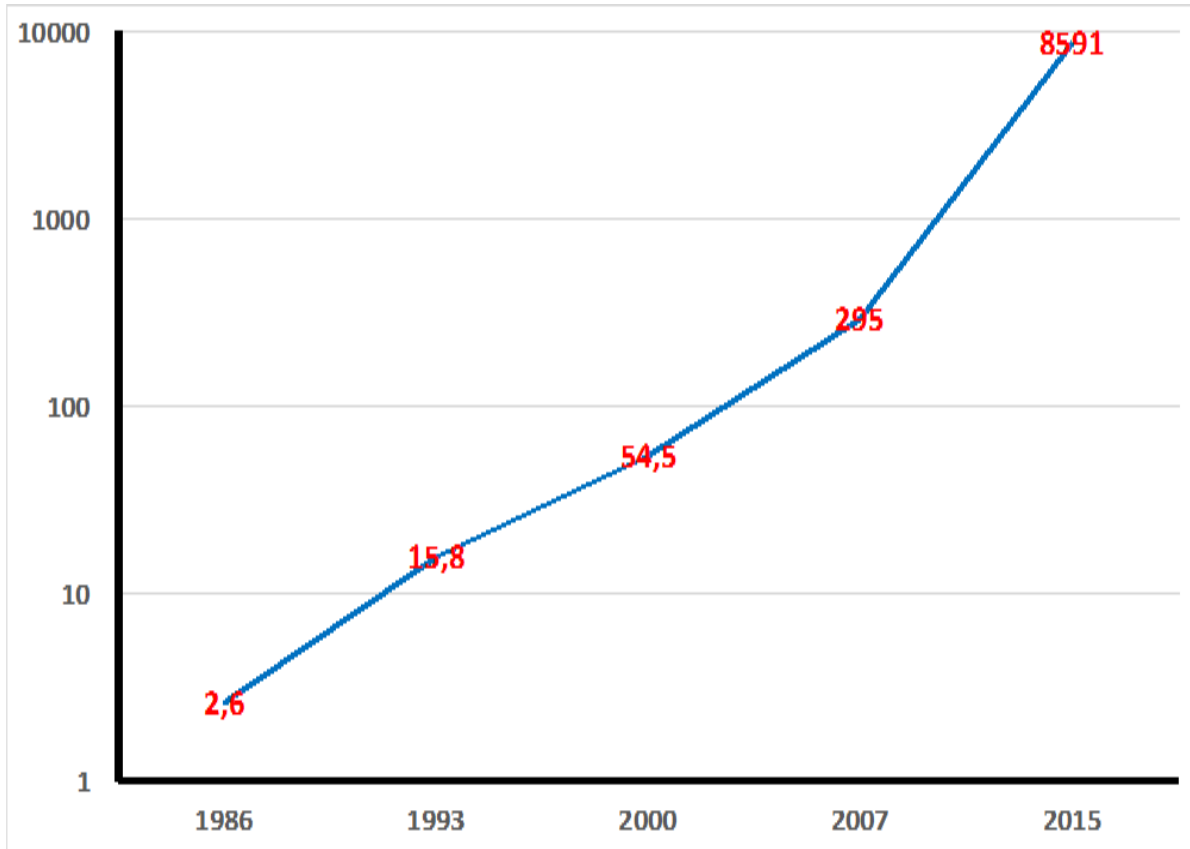
**POLITECNICO DI MILANO  
SCHOOL OF MANAGEMENT  
4 MARZO 2021**

# THE PARADOX OF INNOVATION

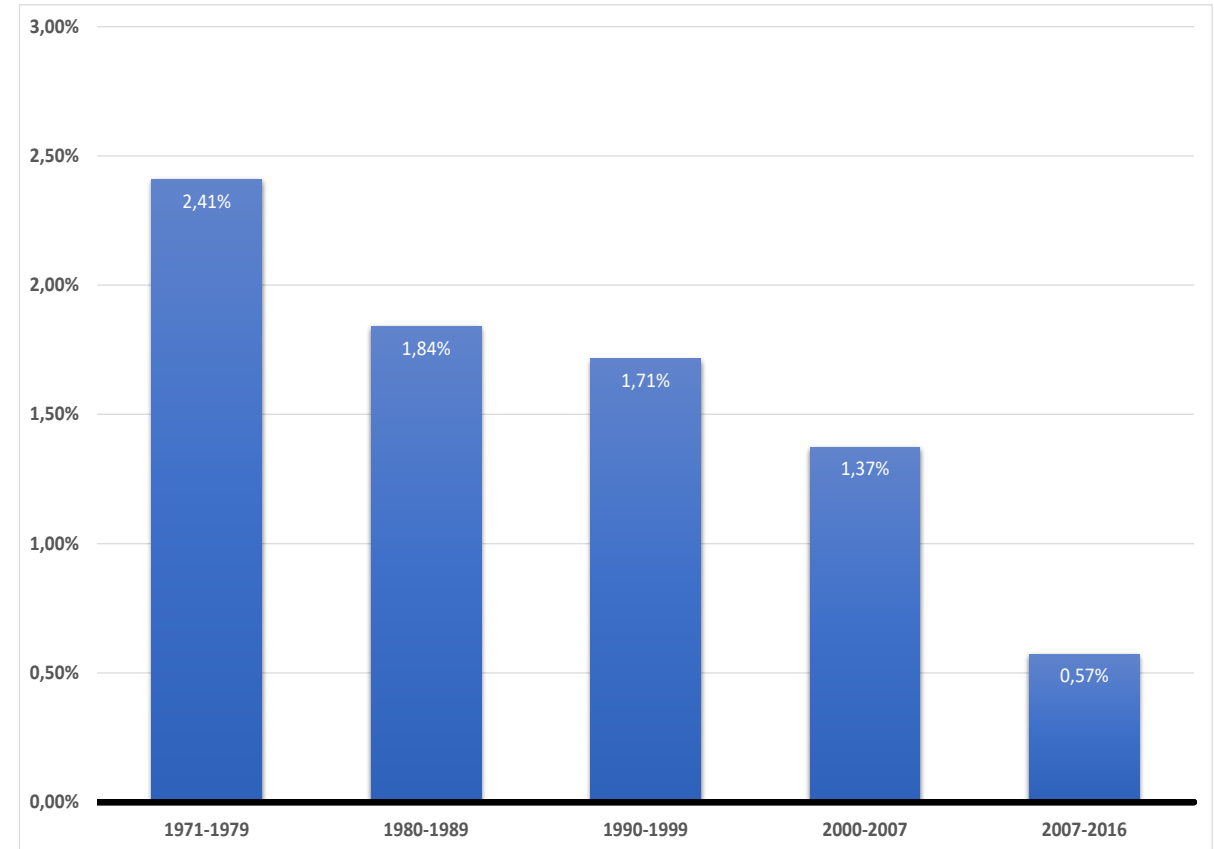
*You can see computer everywhere but in the productivity statistics*  
(R. Solow, 1986)



**CAPACITY TO STORE INFORMATION OF EXISTING DIGITAL AND ANALOG DEVICES (WORLD, EXABYTES)**



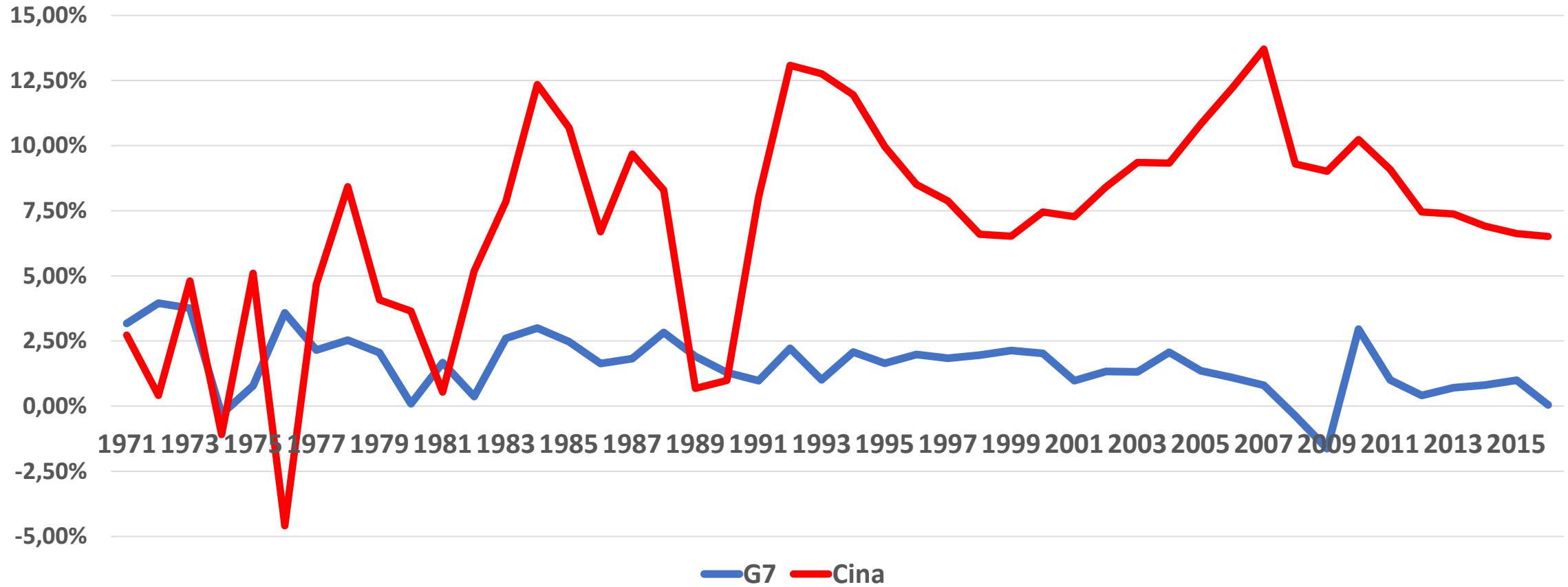
**PRODUCTIVITY GROWTH RATES (G7, %)**



# .. WHICH DOES NOT EXIST IN CHINA

In the last ten years of relative slow-down, China has doubled its economy (+102%) employing the same number of individuals (757 million people).

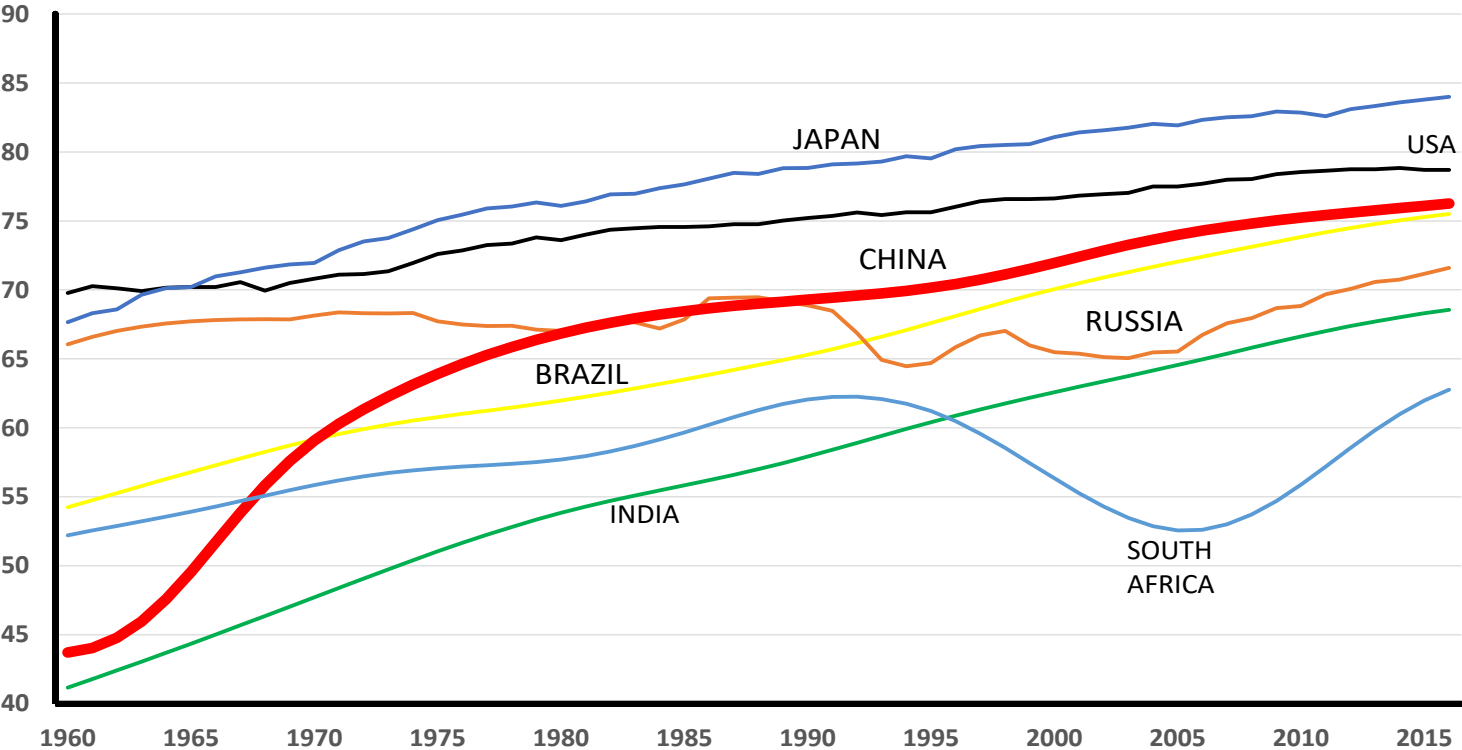
LABOR PRODUCTIVITY GROWTH RATE (IN USD 2010)



SOURCE: "DEMOCRACY AND GROWTH IN THE 21<sup>st</sup> CENTURY" (2019)  
ON WORLD BANK DATA

# BEYOND THE GDP: LIVING LONGER AND ACTIVE AGING...

## LIFE EXPECTANCY, YEARS

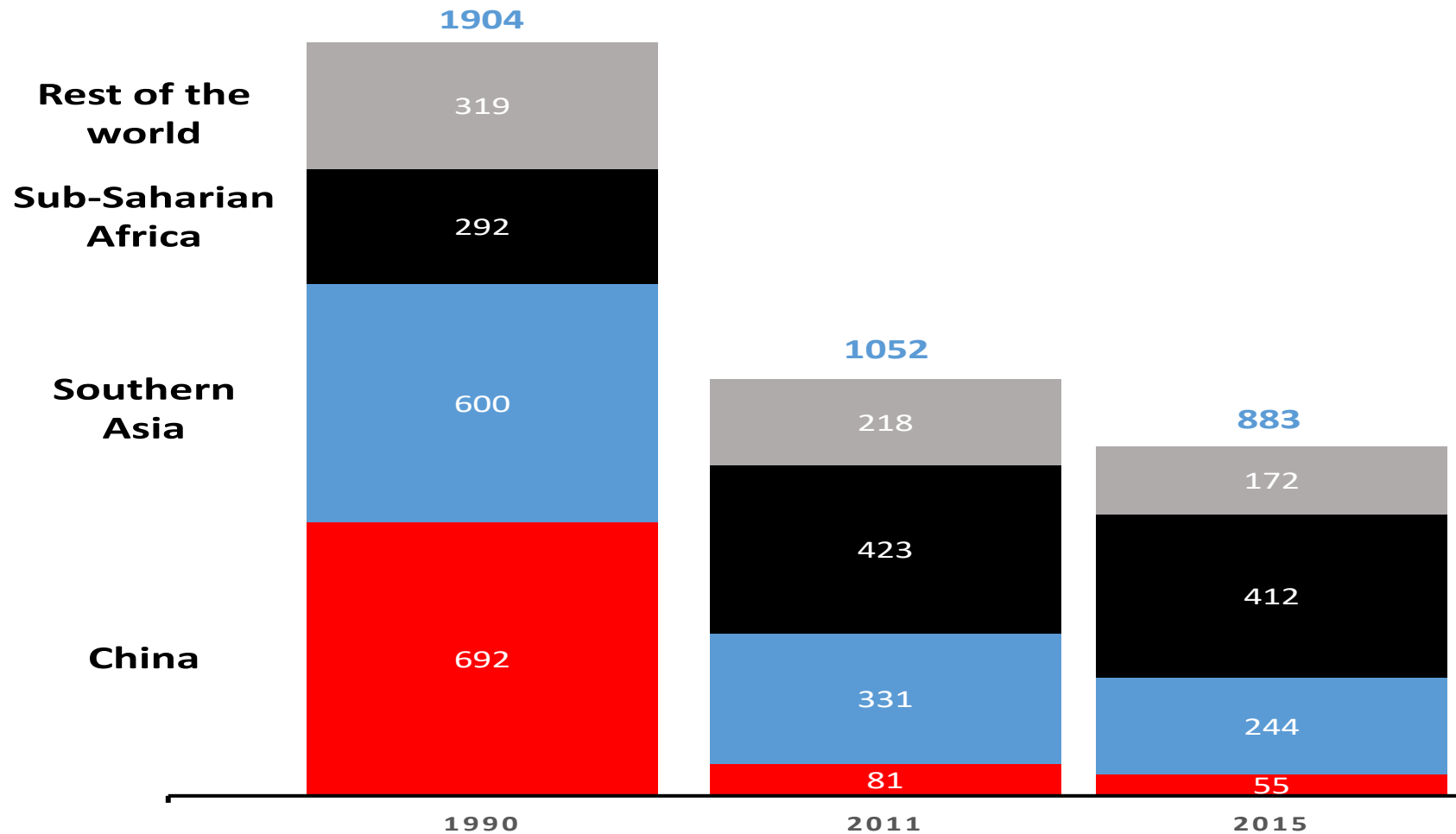


IN TERMS OF DISABILITIES ADJUSTED LIFE EXPECTANCY (DALE) A CHILD BORN IN CHINA IN 2019 WAS EXPECTED TO LIVE LONGER THAN ONE BORN IN THE USA

Source: "Democracy and Growth in the 21<sup>st</sup> Century" (2019) ON OMS DATA

# .. THE FIGHT TO POVERTY..

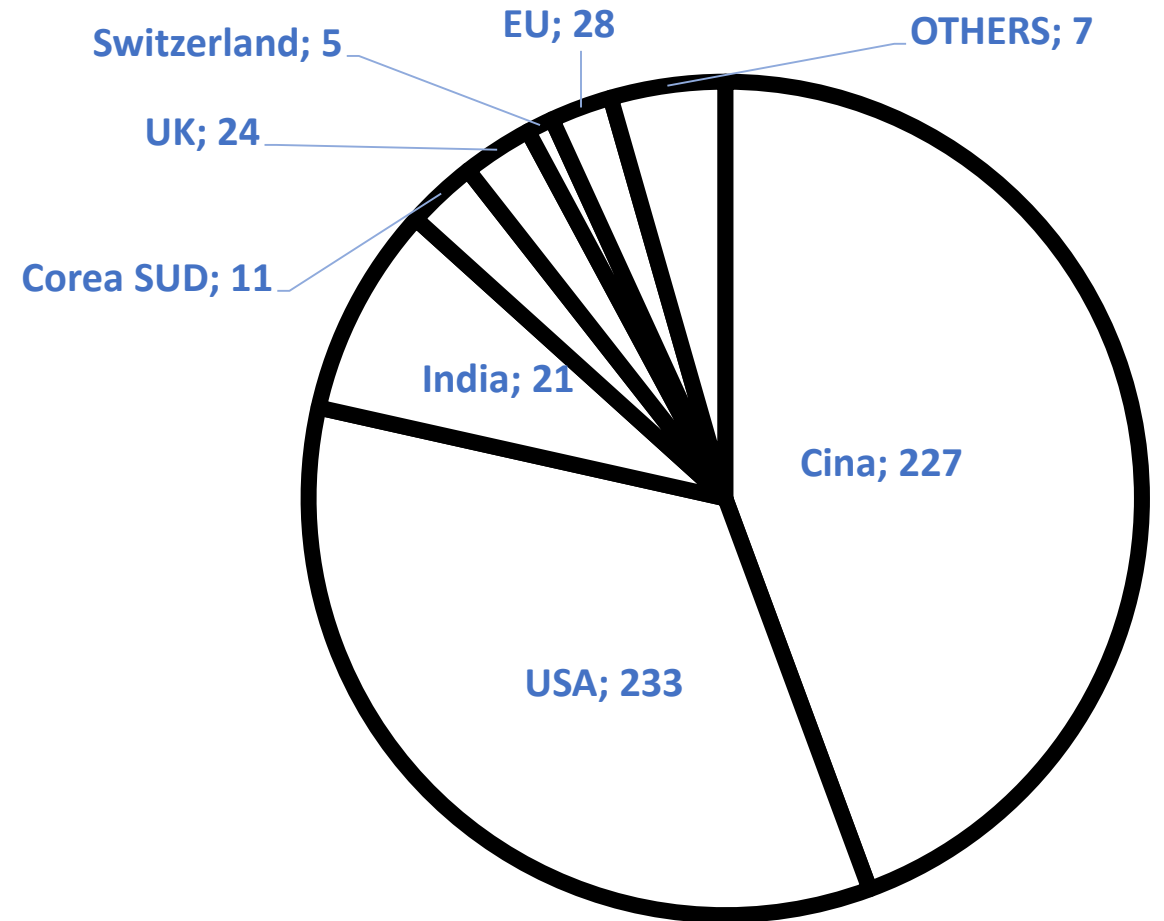
NUMBER OF PEOPLE LIVING UNDER THE POVERTY LINE (2 USD PER DAY)



# THE BATTLE FOR GLOBAL DIGITAL LEADERSHIP

FIRST TEN CORPORATIONS FOR MARKET CAPITALIZATION (LEFT) AND DISTRIBUTION OF UNICORN (START UP WHOSE VALUE IS HIGHER THAN ONE BILLION USD, 2020) PER COUNTRY (RIGHT)

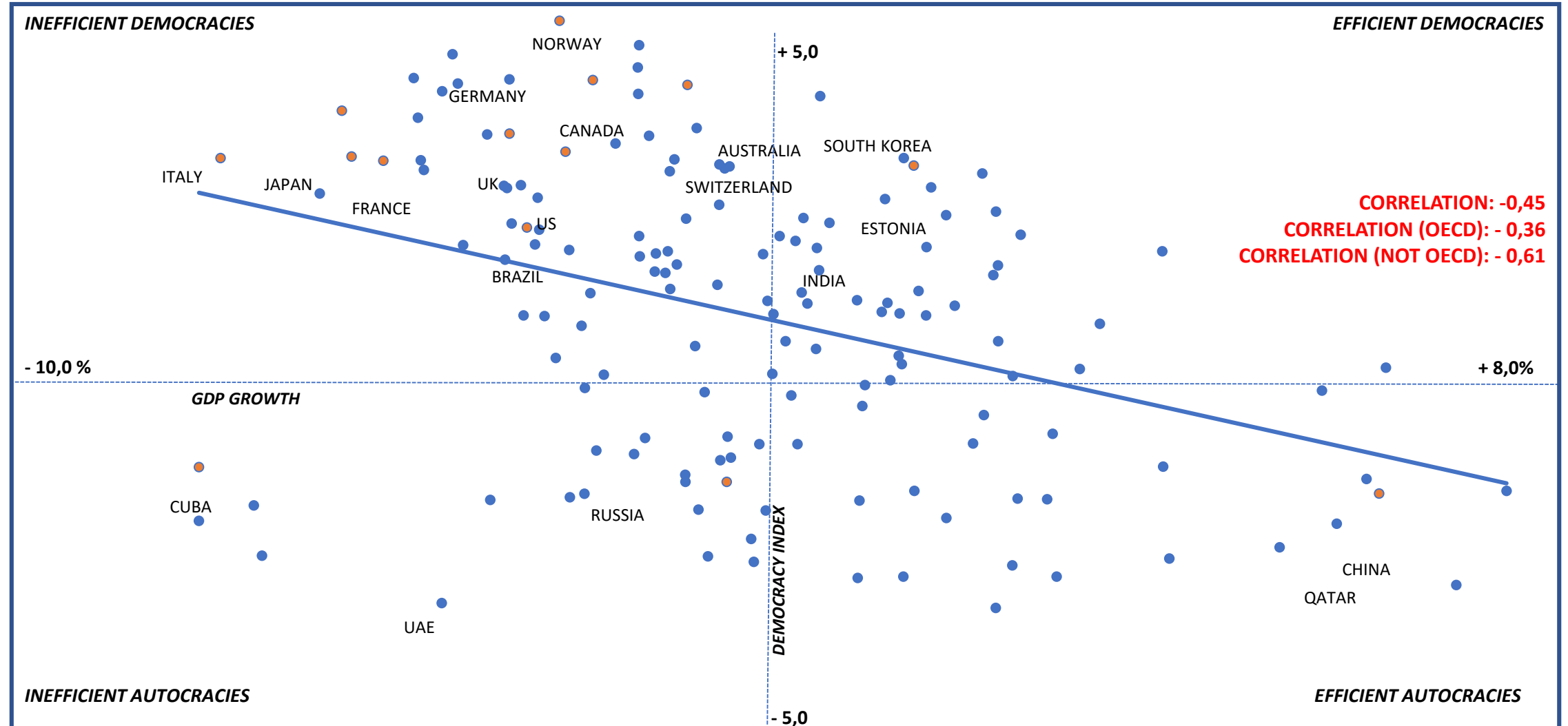
COMPANY	30 SEP 20	30 SEP 2019	CHANGE
SAUDI ARAMCO	2029	1987	2,1%
APPLE	1981	1012	95,8%
MICROSOFT	1592	1062	49,9%
AMAZON	1577	859	83,6%
ALPHABET/ GOOGLE	1000	838	19,3%
ALIBABA	795	435	82,8%
FACEBOOK	746	508	46,9%
TENCENT	647	399	62,2%
BERKSHIRE HATHAWAY	509	511	-0,4%
VISA	426	385	10,6%



SOURCE: “Lezioni Cinesi” (2019) Bloomberg and TechCrunchDATA, HURUN

# THE PUZZLE OF LIBERAL DEMOCRACY

GROWTH RATES (1996–2018) AND DEMOCRACY INDEX (2015) (DIFFERENCES VERSUS AVERAGE)



SOURCE: "DEMOCRACY AND GROWTH IN THE 21<sup>ST</sup> CENTURY" ON WORLD BANK AND EUI DATA

# THE FALLACY OF THE «CATCH UP» ARGUMENT

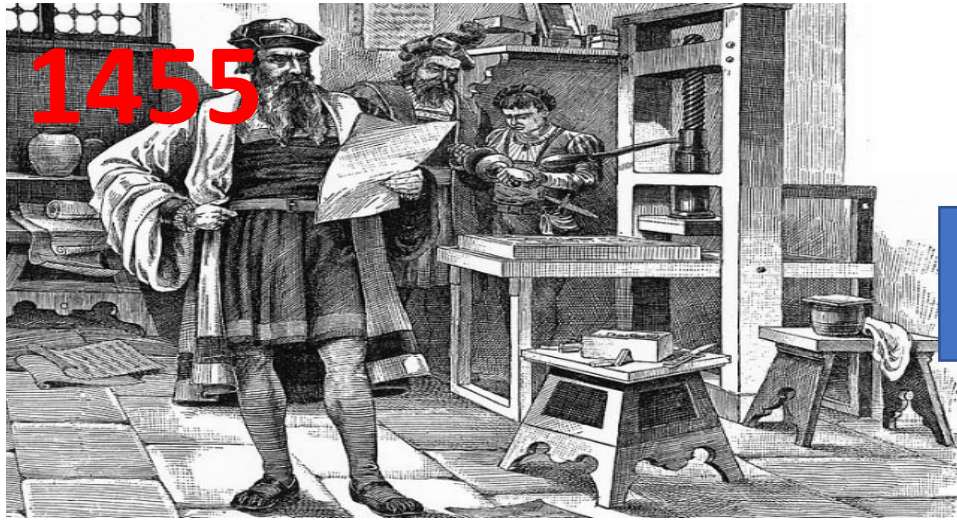
REAL INCOME PER HABITANT, GROWTH RATES (IN USD 2011)

	G7	Asia	Eastern Europe	Africa	South America	Middle East
1989 - 2016	1,9%	5,3%	2,1%	2,5%	2,7%	2,2%
1900 - 1988	2,2%	0,8%	2,0%	1,6%	1,8%	2,2%
1850 - 1900	1,4%	0,3%	1,5%	0,6%	0,8%	0,5%
per capita income in 1850	1.960	909	1.398	1.199	841	1.192

SOURCE: MADDISON PROJECT DATABASE, VERSIONE 2018. BOLT, JUTTA, ROBERT INKLAAR, HERMAN DE JONG AND JAN LUITEN VAN ZANDEN



# .. INTERNET AND THE GUTENBERG GALAXY

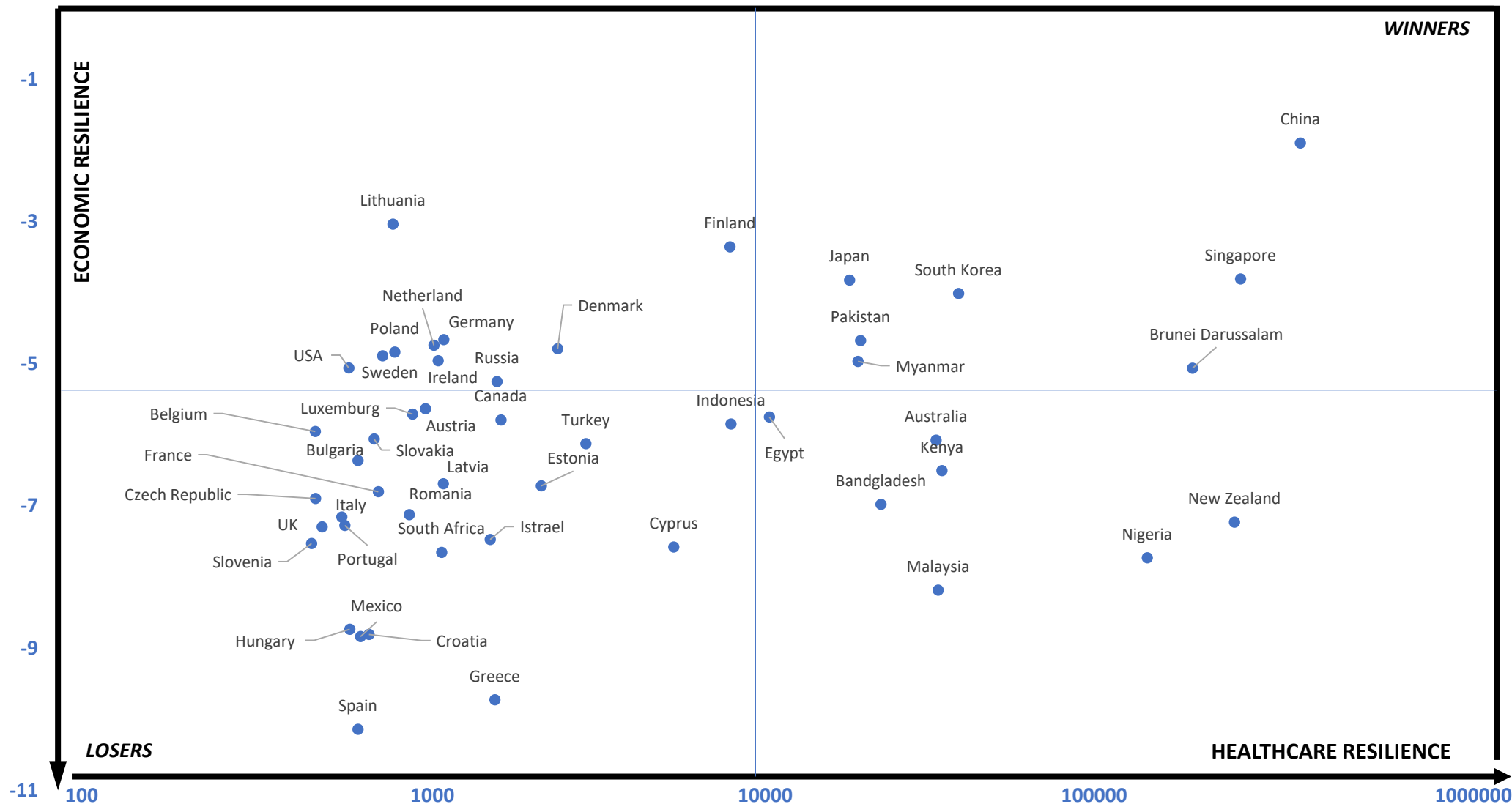


2031

?

# LEZIONI CINESI UN ANNO DOPO

GDP IMPACT INDEX 2020/2021 (ON HORIZONTAL AXIS) AND COVID POPULATION/DEATH (ON VERTICAL AXIS) (ALL EU COUNTRIES PLUS MAJOR ECONOMIES)

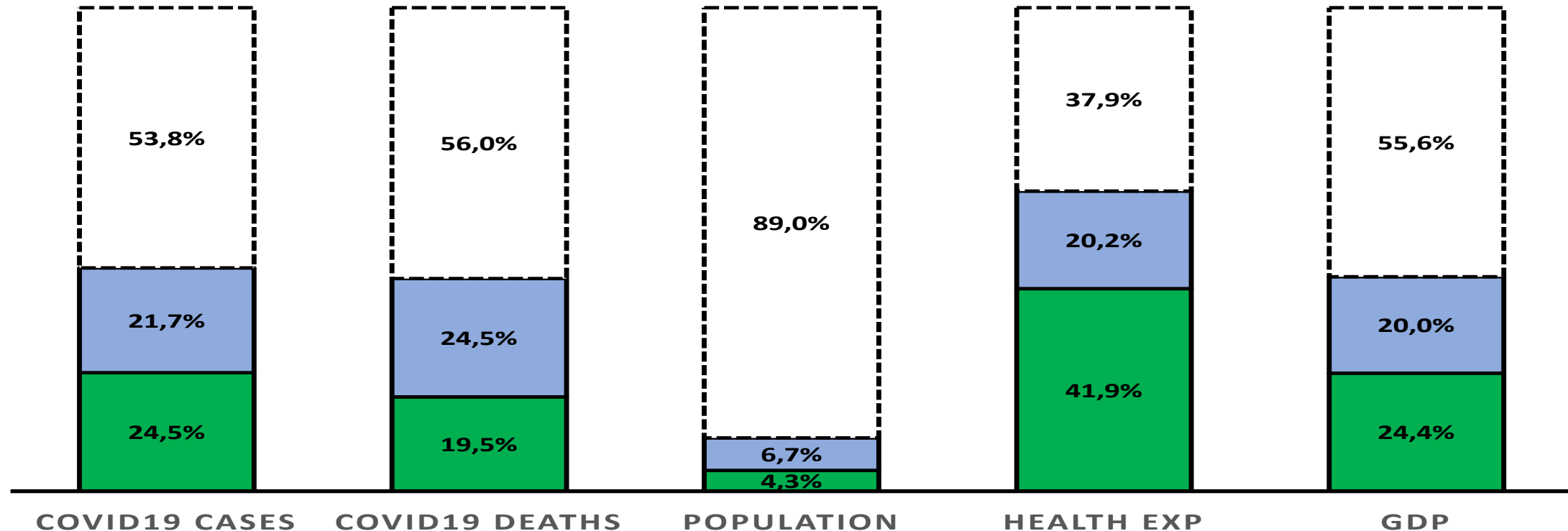


SOURCE: PAPER VISION "WINNERS AND LOSERS", 2021 (ON IMF AND WHO DATA)

# THE PANDEMIC AS THE GREAT FAILURE (OF THE WEST) IN THE «BIG DATA» ERA ?

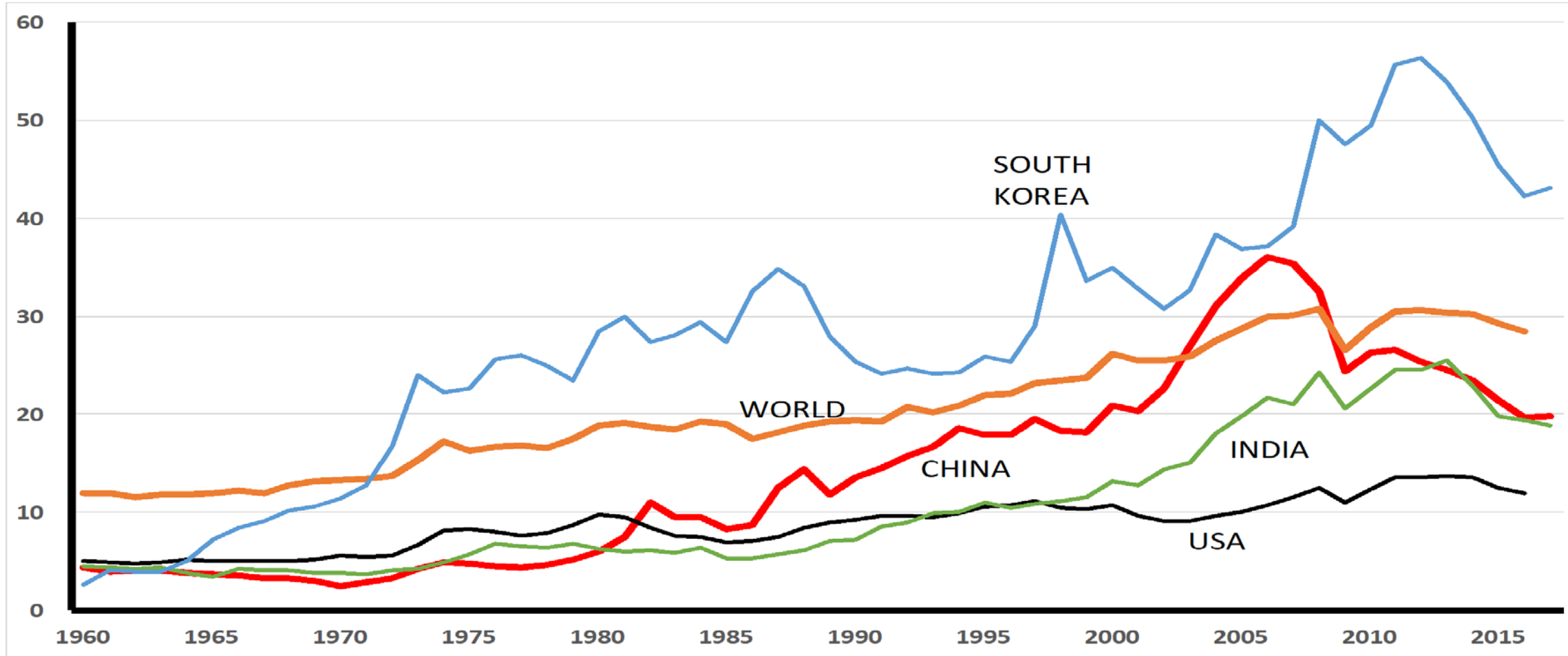
SHARE OF WORLD MACRO REGIONS ON COVID19 CASES, DEATHS, POPULATION, GDP AND HEALTH EXPENDITURE TOTAL (%. AS OF 6 NOV 2020)

■ North America    ■ EU28    □ Rest of the World



# IT IS NOT JUST ABOUT “GLOBALIZATION”...

EXPORTS ON GDP (%)

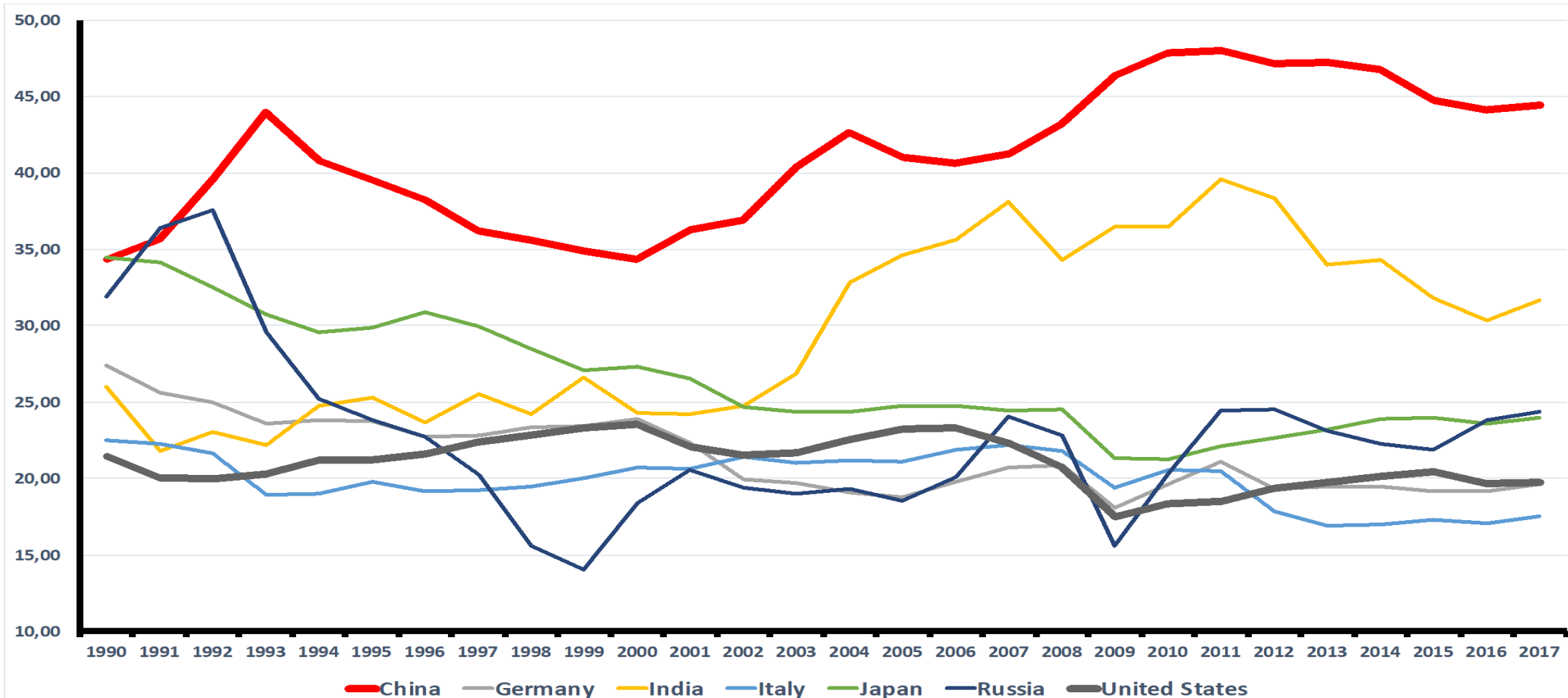


SOURCE: “DEMOCRACY AND GROWTH IN THE 21<sup>st</sup> CENTURY” (2019) ON WORLD BANK DATA

# .. IT IS THE ENTREPRENEURIAL STATE..



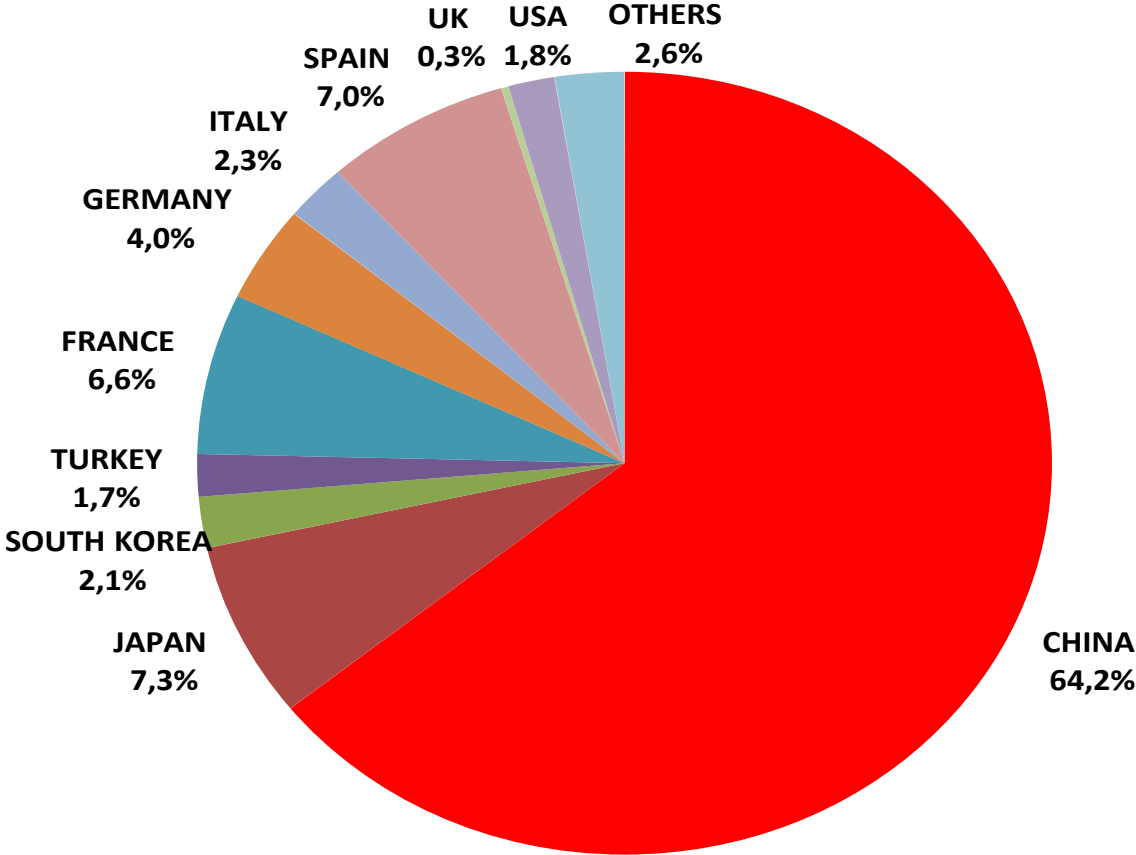
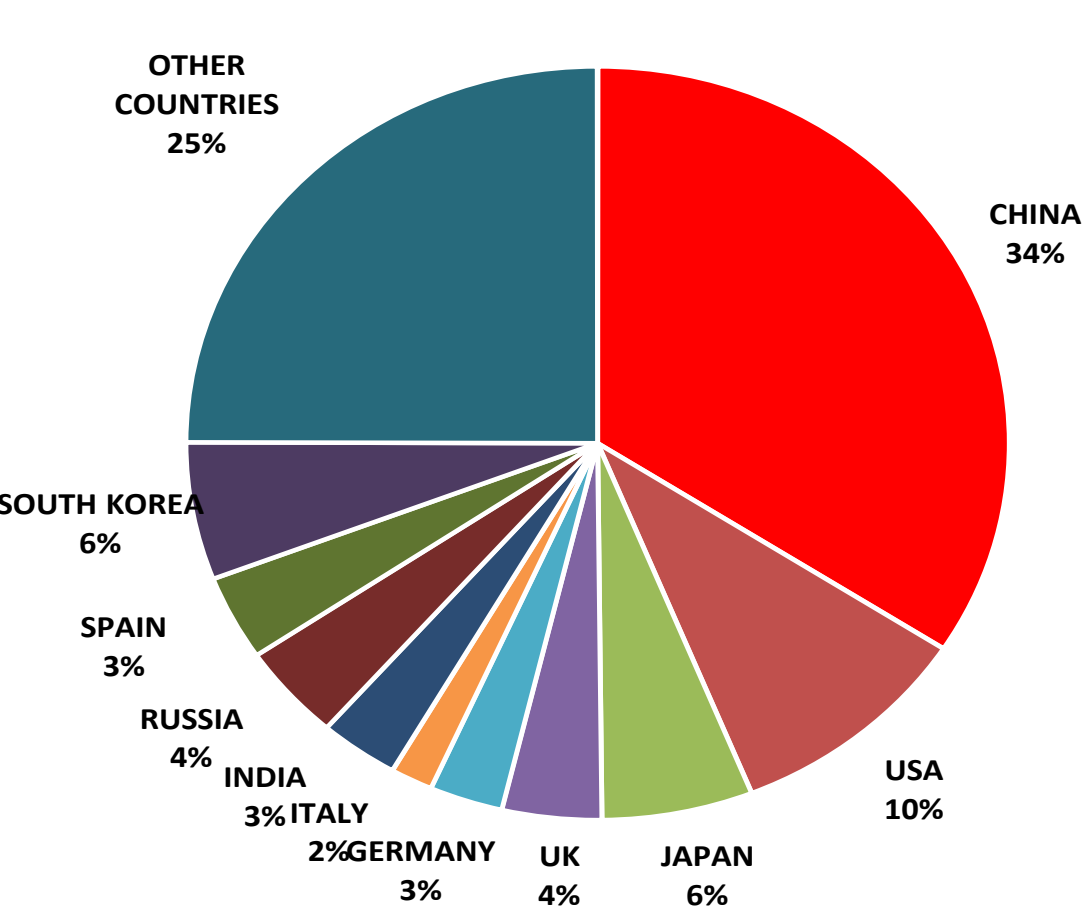
## INVESTMENTS ON GDP (%)



SOURCE: "DEMOCRACY AND GROWTH IN THE 21<sup>st</sup> CENTURY" (2019) ON WORLD BANK DATA

# ... THE INFRASTRUCTURE ...

DISTRIBUTION OF KM OF SUBWAY (dx) AND HIGH SPEED TRAIN (LEFT), WORLD (2016)



SOURCE: "DEMOCRACY AND GROWTH IN THE 21<sup>st</sup> CENTURY" ON UIC (UNION INTERNATIONALE DES CHEMINS FER) AND INTERNATIONAL ASSOCIATION OF PUBLIC TRANSPORT DATA

# .. AND A DIFFERENT APPROACH TO “TIME”

Fifteen years old chinese students score first in all three OECD PISA standard tests (maths, science and reading comprehension)



# THE INFORMATION ADVANTAGE ..

- INTERNET COME **SISTEMA NERVOSO**
- UTILIZZAZIONE DI **START UPS** E DEI PREZZI COME SEGNALI
- RIFORME ATTRAVERSO LA **SPERIMENTAZIONE** («CROSS THE RIVER, FEELING THE STONES»)
- **INNOVAZIONE** COME «FIGLIA DELLA **NECESSITÀ**» (E AUMENTO DI EFFICIENZA)
- **DIVERSA CONCEZIONE DELLO SPAZIO E DEL TEMPO**



**SUPERIORE CAPACITÀ DI POLICY  
DESIGN E DI POLICY  
IMPLEMENTATION**



# .. AND THE ULTIMATE CHALLENGE

- DISEGUAGLIANZE
- DEMOGRAFIA
- DEBITO
- INQUINAMENTO
- ACCERCHIAMENTO



**RAPPORTO TRA LIBERTÀ  
PERSONALE E INNOVAZIONE IN  
UNA SOCIETÀ DI SVILUPPO  
ELEVATO ?**

# FURTHER READINGS

- Grillo, F., & Nanetti, R. (2020). Innovation and democracy: the twin paradoxes. *Area Development and Policy*, 5(3), 233-255.
- Grillo F. (2020). COVID19: a checkmate of the WEST, OpenDemocracy (<https://www.opendemocracy.net/en/can-europe-make-it/covid19-checkmate-west>)
- Grillo F. (2019). Lezioni Cinesi. Solferino (<http://www.solferinolibri.it/libri/lezioni-cinesi>)
- Grillo, F., & Nanetti, R. Y. (2018). *Democracy and Growth in the Twenty-first Century*. Springer International Publishing.
- Grillo, F., & Nanetti, R. Y. (2016). *Innovation, democracy and efficiency: Exploring the innovation puzzle within the European Union's regional development policies*. Springer.
- (Jackson T. Grillo F and Nanetti RY, Innovation, democracy and efficiency: Exploring the innovation puzzle within the European Union's regional development policies. *Local Economy*. 2016;31(8):922-925).

# FOLLOW UP



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