

**Peter Ester and Arne Maas, *Silicon Valley: Planet Startup: Disruptive Innovation, Passionate Entrepreneurship & High-tech Startups*, Amsterdam: Amsterdam University Press, 2016, 244 pages, ISBN: 9789462982802, €29.95.**

This book is written by two professors of the Rotterdam Business School, and it is aimed at, on the one hand, people who consider starting their own business in ‘the Valley,’ and, on the other, those involved in creating in their own country or region an environment that stimulates innovation and economic growth. After all, Silicon Valley is the region with the highest concentration of “start-up businesses” in the world. The giants that now produce the electronic gadgets and network services that dominate our lives – Google, Apple, and so on – all started as small businesses in “the Valley.” The aim of this book is to understand this success story and to learn from it. Ester and Maas first give a ten page, very lucid history of Silicon Valley, which shows the emergence, in the course of the twentieth century, of several characteristics that today define this “ecosystem” and its entrepreneurial culture. This overview results in an “Innovation and Startup Model,” of which the basic elements are discussed in the subsequent chapters: the creation of new products, marketing, funding, the role of universities and the government, and so on. Each chapter includes sketches of the experiences of twenty-four Dutch entrepreneurs, based on interviews, and focusing on the question why they went to Silicon Valley and how its “ecosystem and culture” have stimulated their work. The book ends with bullet-point-like advice for entrepreneurs, which sounds rather familiar: think big, work hard, cultivate your network, find investors, and so on. It also offers advice for policy makers, which is also not too surprising: schools should be “inviting to the corporate world”, government should help small firms financially, regulations should be entrepreneur-friendly, and entrepreneurs should have a seat in government funding agencies.

So what is in this for historians? As a scholarly work, the book has its limitations. It is not clear how it contributes to our understanding of innovation and business processes and their changes over time. Ester and Maas do not discuss the voluminous literature on innovation. They do contradict two common myths about innovation (on incremental innovation and on the importance of “front end innovation”, but this is not based on their own evaluation of this literature, but on the work of their Rotterdam

colleague Bauwen. There is no bibliography, and the literature referred to in the footnotes is also rather scant. This makes sense, as the goal of the book is very practical, and much of the argument is based on interviews with the entrepreneurs. The observations of these people are spread out over ten chapters, which leads to very brief paragraphs for each of them, rather than an in-depth analysis of their motives and practices.

Nevertheless, the book has some uses as a historical source. First, it documents the language and the underlying ideology of entrepreneurs and their advisors in the early twenty-first century. The language is remarkably romantic. There is much talk about “passion”, “dedication”, “dreams”, and so on: entrepreneurship is a matter of the heart as well as of the brain, we are assured. Quintessentially romantic is the injunction to cross common barriers, to be bold, to go for “crazy plans.” All of these tendencies characterize the Valley, in addition, to be sure, to more hard-nosed objectives such as finding investors and a market. Perhaps this romantic streak entered the language of aspiring businessmen during the 1970s, when hippie types such as Steve Jobs started their businesses. Success and wealth married to high-minded motives are a good sell.

As to ideology, it is very clear what the passion and dedication are directed at: personal success in terms of business results, income and status. There is a strange contradiction between the frequently mentioned virtues of “openness” and “sharing” on the one hand, which suggest that Silicon Valley is an idealistic collective of innovators, and the admonition to be ruthlessly competitive, determined “to outlive the competition,” on the other (204). The fact that “Apple and Google spent more on patents and lawsuits than they did on R&D” (37) does not suggest much generosity either. This also becomes clear in an interesting chapter on “The downside of the Valley”, where Ester and Maas discuss the extreme inequality, the many business failures, the prices of houses which allow only the rich and successful to live there, and the dilapidated state of the roads: one of the richest areas in the world apparently does not succeed in financing basic common goods. The start-ups that fail, which most of them do, are only encouraged to try again, which, as the book makes clear, requires a lot of resources which may not be readily available after failure. If, as the Dutch economist Jan Tinbergen has said, “the profit comes from the sharing” (“Van de verdeling komt de winst”), Silicon Valley is not a success story, but a miserable failure.

The emphasis on cultural and sympathetic elements like openness and

boldness as the crucial factors in the development of a successful industrial region obscures the extreme importance of war and the preparation for war in the rise of Silicon Valley, which Ester and Maas describe so clearly in their brief historical overview: microelectronics owes much of its present-day ubiquity to two world wars and the Cold War. None of these darker sides are discussed in the final, advisory chapter. Whether a more social model of innovative entrepreneurship can be developed, which does not owe its abundant financing to the threat of war, which treats its workers and the less fortunate entrepreneurs in a humane way, and cares for common needs such as roads, public transportation and schools is not addressed.

Finally, the stories recounted in this book recall earlier attempts to emulate successful industrial regions. One is reminded, for example, of the Prussian entrepreneurs and civil servants in the 1820s and 1830s who went to England and France in order to study machinery and business methods there, and apply them to their own country.<sup>2</sup> It would be fascinating to study such projects comparatively over time, including the criticisms that accompanied them then as now. The experiences of Dutch entrepreneurs in “the Valley” described by Ester and Maas would make a good beginning.

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**Barry M. Katz, *Make it New: The History of Silicon Valley Design*, Cambridge MA: The MIT Press, 2015, 280 pages, ISBN-13: 978-0262029636, \$30.95.**

*Make It New: The History of Silicon Valley Design* offers a comprehensive account of how design practice ascended the hierarchical business ladder in the technically driven world of Silicon Valley from 1950s onwards. The book is meticulously structured to recount the increasing centrality of design in the area from a “creative service to engineering” (169) to the “science of the artificial” (190). The designers’ struggle against the privileged engineers of Silicon Valley to win a seat in the product development teams is epitomized through the stories of various hitherto overshadowed designers and products. In this way, Barry M. Katz fairly draws attention to the significance of design for the innovative culture of the world’s centre of

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2. See, for example, W.O. Henderson, “Peter Beuth and the Rise of Prussian Industry, 1810-1845”, *The Economic History Review* 8/2 (1955) 222-231.