The Real Cost Of This Recession

By Mike Rainone, Co-Founder, PCDworks

It’s finally gotten to me. I have given up on innovation, invention, small business, hard work and sacrifice as a means of rescue, and I don’t mean from our current economic tribulation; I mean rescue from the economic and social misery which has frayed the fabric of our country.

From the current tenor of discourse in this society, it has become obvious that it is only the shrillness of the shout, or the image on the Facebook page that carries the day. It is not the facts, nor the truth, but only how virulent the outrage that one side can concoct that is important.

I used to believe we could be a society of innovators, of entrepreneurs, of small business folk all working together to better our lives and the lives of others. I am astounded at my own delusions. It seems we have become a society of carpers, petty grabbers after limited resources and companies and groups who live a Zero-Sum Game, a game of “If you win, I lose.”

Think about the conditions that drive us toward innovation. It’s hard to be innovative when the spirit is not right, when one seeks a life too easy, or when one's drive or imagination is focused on becoming famous by doing something stupid on reality television or YouTube. We have a populace more interested in image than substance.

More people are enamored with the idea of instant celebrity than with hard work, determination and higher education. When pundits, along with the paid tools of lobbyists, are able to convince an increasingly gullible public that health care reform is going to pull the plug on grandma’s respirator, you know that there is not an ounce of critical thinking going on. That’s what we have become, and I am beginning to feel hopeless.

This bitter hostility has brought us full circle. When we started declaring war on America in 1980 with the Contract “On” America, we were taught to hate our government. When we hate our government, we hate ourselves, and that is patent nonsense. Our government is a reflection of us as a people, it has good actors and bad, efficient, hard working, smart folks and clunks, just like the whole of society. It has the ability to do great good, and do harm, be efficient, or be inefficient, no different than Corporate America.

Forty years ago, people were willing to negotiate and understand that government had a part to play in our lives. That thought process helped lead us out of the Great

Depression and triumph in the Second World War. It organized the great thrust into world dominance through the Marshall Plan, revitalized technical education after Sputnik scared us and led us to the moon. We did that, we the people through the government, our government.

We accepted the fact that we are a social democracy, that's why we can go out and get an SBIR or STTR or NIH or NASA or DARP or DOE or EPA or whatever grant to fund our innovation. That's why we have a monetary system, a judicial system that upholds our laws of commerce, a system of roads that transports our goods, an educational system that educates (albeit poorly these days) our work force, and a wonderful military, with all four of my sons, to protect our collective butts.

These things we have because we are a social democracy, not a socialistic planned economy; and nothing any nutcase could ever say will convince me that this or any other administration wants to make us a planned, socialist economy. Even national health care does not bring us to socialism; it simply extends our social democracy, and possibly lowers my burden as a small business owner.

The great dilemma is that we are now suspicious of anything the government does, any kind of spending, stimulus or otherwise. Those who listen to the far right scream about set asides, and yet accept the wonderful largess that funds everything from bridges-to-nowhere to H1N1 flu prevention, do not even understand the depth of their hypocrisy (Oh, I forgot, the Senate killed 80 percent of funding for swine flu preparation, and how many of us will then die over the next winter because of that cut?).

There is talk about cutting NASA's Constellation moon program because it's too expensive and perhaps untenable, but for every dollar NASA spends we get multiples back in technological benefits. Killing space exploration or even putting it in the hands of the "for profit" crowd just puts another nail in the coffin of our imagination. Defense contractors are no more efficient at converting my taxpayer dollars into something useful than is the NASA bureaucracy. Some extravagance, especially an extravagance that keeps us leading something technologically, is worth our nation's effort.

So here is the bottom line, when we begin to think that the recession is over and start to clamor that we're spending too much and must pull back on stimulus spending, we are cutting our own collective throat. We're going to kill innovation, because in a recession innovation is hurt first and foremost.

Instead of gutting the stimulus package, we need to be putting more money into innovation. We need more money in the SBA, more in SBIRs , more in the NIH, NSF, DARPA. We need more money set aside for small businesses innovators. We need another great thrust of money and effort into education, especially in science and math. Most of all, we need to stop deluding ourselves.

Repeat this over and over again until you really get it: There is no such thing as a free lunch. If we want good education, we have to pay for it. If we want to maintain a technological lead, we have to invest in it. If we want to have a stable society, we

all have to share in the burdens and the wealth. If we want a decent lifestyle, we have to work for it, not wish for it. If we want a decent planet to live on, we have to preserve it. If we want good government we have to listen to each other, bargain in good faith and make sure we all get something, even if it means giving something up. If we want that bright future, we have to invent it.

You may not like what I have to say, but regardless of your politics the reality is that your innovation is not going to be funded by the free market system. That system is stifling, risk averse and only willing to invest in sure things — it wants easy money.

What we are all left with is our friends, our families, our countrymen and, dare I say, our government, all of whom gain by our success. This is what our social democracy does best — it funds the risky innovation, takes chances for the benefit of all and goes where no free market is willing to go.

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