

Arun Rao and Piero Scaruffi, *A History of Silicon Valley: The Greatest Creation of Wealth in the History of the Planet* (Redwood City: Omniware, 2011), ISBN: 0976553182.

An emerging area of interest in the second half of the Nineties, the study of the mysterious engine that makes Silicon Valley the place where high technology meets business, flourished for a few years and then collapsed. Of course, the startups that went bust in the tech boom and the following downsizing did not help to again attract the interest of scholars and practitioners. Plus, and this is an important point that is often forgotten, after the year 2000 Silicon Valley stopped transferring the advantages of technological innovation to other industrial sectors and inevitably became less relevant as an object of study as well as a place for making money. More recently, the success of Facebook and the coming wave of mobile and cloud technologies are putting Silicon Valley back on the map.

‘The first history of Silicon Valley’, as the two authors present their work, is the result of the partnership between an Italian artificial intelligence scientist, Piero Scaruffi, and a venture capitalist, Arun Rao. The eclectic, hippie soul of the cognitive scientist, who crossed the boundaries between science, poetry and music, is coupled with the analytical, disciplined mindset of the money maker. Together, they have written a book that is more than just a sequence of events and people at the intersection of business and technology; it is a good story that tries to uncover the secret that protects Silicon Valley and its mysterious ability to produce wealth. This book is the first history of Silicon Valley from 1900 to 2010.

The book has two parts. One series of chapters provides a chronological narrative that covers one century, from the establishment of Stanford University to the age of

Facebook. A parallel series of chapters follows significant stories within the story, covering radio, Hewlett Packard, microchips, Fairchild, venture capital, Xerox PARC, software, Apple Computer and the internet. In the tradition of other books on the same topic, especially the celebrated AnnaLee Saxenian's *Regional Advantage: Culture and Competition in Silicon Valley and Route 128* (Cambridge: Harvard University Press, 1996), the less famous but still crucial Chong-Moon Lee, William Miller, Marguerite Hancock, and Henry Rowen (eds), *The Silicon Valley Edge: A Habitat for Innovation and Entrepreneurship* (Stanford: Stanford Business Books 2000), and finally the poetic Michael Lewis', *The New New Thing: A Silicon Valley Story* (New York: Penguin, 2001). Rao and Scaruffi's book also explores the surrounding social and cultural environment of the Bay Area. However, this is not where the book's strength lies.

Rather, the books' real strength lies in the update that covers the post-financial crash of March 2000, the dotcom bubble burst and the disappearance of \$4.2 trillion of wealth. The authors put this event in context and tell the story that happened after the disaster. They detail the path that led Facebook to relocate from the East Coast to the San Francisco Bay Area, and the consequent rise of social and digital media, and carefully explain how Silicon Valley survived the bubble burst and retained its role as a tech hub. They also describe the rise of the cloud technology and mobile internet. Finally, they pay homage to the new technologies that affect materials and fabrics (nanotech), food and healthcare (biotech and stem cells) and clean and alternative energy sources. The authors take advantage of their role as insiders and their connections inside the Valley's community to offer the reader valuable technological insights and original stories of businesspeople and scientists who want to change the world. Actually, the authors' core assumption is that the present Silicon Valley has nothing to do with the mythological Silicon Valley that captured the social imagination of the tech and business community in the United States and around the world in the Nineties. If the latter was the archetypal

place for risk-taking investors, adventurous engineers and entrepreneurial renegades, the former is a financial-industrial complex that invests in 'safe' serial entrepreneurs, as opposed to disruptive technologies, cheap companies with bright potential and yet limited potential success. The gate to IPO (initial public offering) is closed, and the only way start-up owners can become rich is to sell their companies to big corporations such as Google, Microsoft and Oracle. The young entrepreneurs no longer pursue the demise of the incumbent, but rather the courting of the incumbent. The old metaphor of the Gold Rush is still in place, but rather than attracting immigrants from all over the world and facilitating their relocation to the Valley, it makes them struggle with growing bureaucracy, immigration visas, and defense and security issues. What was an uncontested position of primacy in tech innovation is now challenged by other contenders in China, India, the United Kingdom and Israel. Even the Chilean government is trying to develop an indigenous Silicon Valley.

The authors argue convincingly that a new generation of entrepreneurs, engineers and investors have taken the place of the previous one; the celebrated dotcom generation. What Rao and Scaruffi do not investigate at length is the permanent legacy of the latter and how it affects the former. They do not investigate how the new generation is culturally and demographically different from the previous one, or if there are some points of contact between the two and eventually some constants. Despite this, the book is a courageous and brilliant investigation of the most mysterious and successful tech hub in the world.

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