

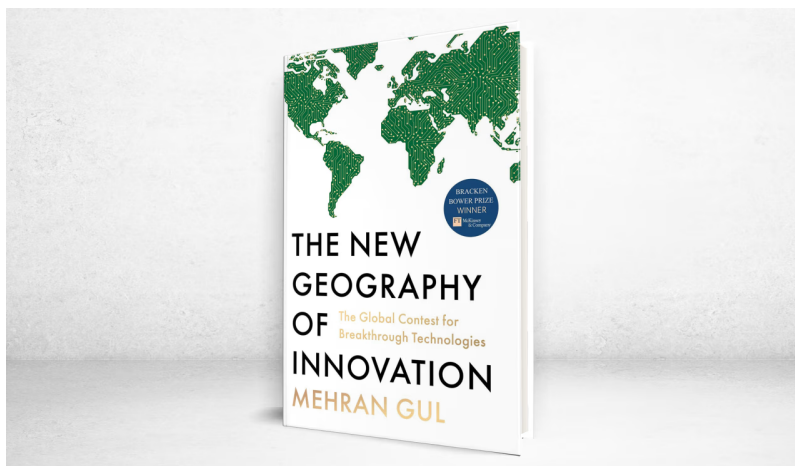
ARTS & CULTURE | BOOKS | BOOKSHELF [Follow](#)

# ‘The New Geography of Innovation’ Review: An Atlas of Riches

High-value tech companies are growing in a lot more places than ever before. The U.S. and China still enjoy certain advantages.

By *Marc Levinson*

Jan. 27, 2026 2:15 pm ET



Mehran Gul’s “The New Geography of Innovation” started out as a study of whether U.S. technological dominance is waning. His research convinced him that he was asking the wrong question. While he found that “predictions of American decline, at least in the realm of new technologies, are vastly exaggerated,” he also determined that the U.S. no longer reigns unchallenged. As he describes his findings, “the world has a lot more high-value tech companies than ever before, growing a lot faster than ever before, in a lot more places than ever before.”

---

GRAB A COPY

---

## The New Geography of Innovation: The Global Contest for Breakthrough Technologies

By Mehran Gul

Avid Reader Press



Mr. Gul, a first-time author who has worked on technology issues for international organizations, takes us on an ambitious tour of technological innovation, from Singapore to Switzerland, introducing us to dozens of academics, entrepreneurs, investors and government officials along the way. While his interviewees are hardly disinterested observers, several persistent themes emerge from their comments.

One revelation is that a U.S. degree is no



longer an essential entry ticket to the high-tech economy. Universities around the world now provide outstanding technical and scientific education; the most widely cited paper on artificial intelligence, Mr. Gul

reminds us, was written in Beijing by four Microsoft researchers who had never studied or worked outside China. Cracking down on foreigners who aspire to study in the U.S. may not be the punishment some in Washington seem to think it is, as top-notch students have many good alternatives elsewhere.

A second theme, closely related to the first, is that innovation isn't bounded by geography. Vibrant communities of technology researchers and entrepreneurs are at work far from Silicon Valley. Some find places where the lifestyle is more appealing. "In Finland we have a social system and a community which has enabled us to be successful," says Ilkka Paananen, the chief executive of a videogames company in Helsinki. Others appreciate the buzz (and the job opportunities) in precincts that host a dense concentration of tech companies, such as the formerly decaying area around King's Cross station in London. Aspiring tech entrepreneurs need not come to America to find collaborators.

A third important point is that there is no magical formula for state support of innovation. Singapore's government offers grants, tax exemptions and equity investments to new companies, making the city-state "one of the most generous benefactors of tech entrepreneurs anywhere in the world," Mr. Gul asserts. South Korea's experience of the 1997 Asian financial crisis prompted its government to offer low-interest loans to startups and make it easier for them to list their shares on the stock market. In Canada, home to 31 private technology companies each valued at more than \$1 billion, the federal government funnels money into leading-edge research and welcomes skilled immigrants to conduct it. "The knowledge, infrastructure, and talent that go into building companies are now much more dispersed," Mr. Gul writes.

China, with a large and growing supply of scientists and engineers, has outdone all of these countries. Startups have proliferated, and no fewer than 1,300 foreign companies operate Chinese research laboratories. But in recent years, Mr. Gul writes, the government's priority has shifted away from supporting basic research: "The new playbook is to swiftly adopt new technologies, even if they're developed elsewhere, and deploy them at scale before they have been put in play anywhere else in the world."

Strains in China's relationship with the U.S., Mr. Gul says, have helped change the technology landscape. For years, American venture capitalists invested heavily in Chinese startups, even as Chinese firms invested in young technology companies abroad. But "as the world's two largest economies reduce their exposure to each other, much of the capital that was previously being exchanged between them is now being redirected elsewhere." European regulators view investment to and from China skeptically as well. As tech investors turn away, they are paying more attention to companies based in places that they previously overlooked.

According to Mr. Gul, the U.S. retains one overwhelming competitive advantage: the ability to

quickly turn new ideas into large, profitable businesses. While governments can do a great deal to encourage young companies pursuing new ideas, they seem less effective when it comes to building world-beaters. Access to risk capital is the critical issue.

This is a subject to which Mr. Gul returns again and again. Many of the midsize manufacturers for which Germany is famed are innovators in highly specialized technologies, but they lack the expertise to broaden their product lines, and private ownership limits their ability to finance expansion. South Korea's technology scene is still dominated by the conglomerates known as *chaebols*, with startups playing a marginal role. While some of the many startups based in Singapore serve regional markets, none has global reach. Britain has a history of growing medium-size tech companies that end up in foreign hands for want of risk capital at home.

Aside from the U.S., where tech entrepreneurs are prone to envision global conquest before their first product is out the door, only China has succeeded in establishing an environment that enables startups to grow large quickly. "China is the only competitor," Mr. Gul writes.

Contrary to some scholars, Mr. Gul sees no letup in innovation. He does, however, identify a shift in momentum. "The most consequential developments in technology are no longer happening in universities or government labs or corporations but within the context of fast-growing startups," he contends. One implication is that governments should focus both on supporting research and providing a framework within which young companies can grow quickly.

"The New Geography of Innovation" is an enjoyable book as well as a thoughtful discussion of how economic geography is changing. If you're concerned that the U.S. is losing its capacity for innovation, Mr. Gul suggests, you shouldn't worry. But if you're concerned about maintaining U.S. technological dominance, maybe you should.

—*Mr. Levinson is the author of "Outside the Box: How Globalization Changed From Moving Stuff to Spreading Ideas."*

*Appeared in the January 28, 2026, print edition as 'An Atlas Of Riches'.*

---

## Videos