

**FUTUREtakes**

Transcultural Futurist Magazine

ISSN 1554-7744

## Vol. 5, no. 1 (Spring 2006)

### *Futurist Book Group Discussion*

### *The World is Flat*

by Thomas L. Friedman  
Farrarm Straus and Giroux, 2005  
ISBN-10:0-374-29288-4

*Synopsis of the Futurist Book Group September 2005 meeting, summarized by Ken Harris*

The Chapter's Futurist Book Group kicked off the '05-'06 program year with a discussion of the best seller, *The World is Flat: A Brief History of the Twenty-first Century*, by well-known New York Times columnist Tom Friedman. **FUTUREtakes** readers will find this book an easy-to-read explanation of the forces causing globalization of the world economy. Although the writing style is journalistic rather than scholarly, the book is well researched, and its content is thought provoking and serious. In fact, the journalistic style consisting of lengthy examples and "laws" formulated by Friedman (e.g., the Dell theory of conflict resolution) drive home Friedman's views to the average reader far better than a more scholarly tract ever could.

The first four chapters are devoted to a discussion of the 10 forces that have flattened the world (i.e., those that have made globalization possible). They are:

- **The Fall of the Berlin Wall** facilitated the fall of Communism; permitted thinking about the world as a single market, a single ecosystem, and a single community; and paved the way for an information revolution characterized by networked interoperable PCs using Windows software.
- **Netscape went public.** The emergence of the Netscape browser made the Internet truly interoperable. This led to the laying of much more fiber optic cable than was initially needed and provided capacity for exchange of massive amounts of digitized information.
- **Work Flow Software: Let's do lunch; have your application talk to my application.** Software applications became able to talk to each other and made outsourcing possible.
- **Open sourcing, self-organizing communities:** An intellectual commons developed including open source software and self-organizing communities such as the citizen journalist and Wikipedia free encyclopedia movements.

- **Y2K.** Indian engineers gained software expertise and credibility by modifying software systems to prevent a Y2K calamity.
- **Offshoring: Running with gazelles, eating with lions:** Offshoring means transferring a whole factory of operation from one country to another. China's joining the World Trade Organization created new incentives for offshoring.
- **Supply-chaining: eating sushi in Arkansas:** Wal-Mart spurred a revolution in supply chain efficiency.
- **Insourcing: What the guys in the funny brown shorts are really doing:** Companies like UPS and FedEx turned from being strictly delivery companies to managing the entire logistics operations of their customers.
- **Informing Google, Yahoo, MSN Web Search:** People got the ability to find large amounts of information on their own. Individuals could be their own self-directed, self-empowered researcher, and editor.
- **The steroids; digital, mobile and virtual:** Growing computer capacity lets us digitize more and more words, music, data and entertainment.

Around 2000, three convergences occurred. First, all ten of the flattening forces began to work together to create a newer flatter world. Second, billions of people entered the global economic playing field for the first time from China, India and the former Soviet Union. Third, some of them were able to use the new tools and compete and cooperate with everyone else.

Friedman believes there will be a "great sorting out" of the world created by these new flatteners—a world in which we could either move to a frictionless perfect market or resist forces pushing that way for the sake of preserving other values; in which governments will have to decide how much to de-regulate; and in which individuals have to sort out their identities as consumers, employees, citizens, taxpayers and shareholders.

Chapters 5-8 deal with how America should confront this new flat world. According to Friedman, who is convinced that America should still continue its free trade policy, we should not erect barriers to outsourcing, supply-chaining and offshoring. Continuation of this free-trade policy will have a major impact on American workers. Above all they will have to continually upgrade their skills because workers in competitor countries will stand ready to take their jobs if they do not. Many, but not all, American workers are in jeopardy of having their jobs outsourced to foreign countries. Friedman considers 4 classes of workers to be untouchable (i.e., those whose jobs cannot be outsourced)

- Workers who are special (e.g., world class professional athletes like Michael Jordan)
- Specialized workers—those knowledge workers whose skills are not fungible and in high demand (e.g., brain surgeons)
- Anchored workers—workers tied to specific locations such as barbers and waitresses. However, even parts of their work, such as making appointments can be outsourced.
- Adaptable workers—those who continually create new value.

Despite what one may read in the press about continual job outsourcing, America has seven major job-producing strengths:

- World-class research universities
- Security and regulation of its capital markets
- An open society
- Flexible labor laws
- The world's largest domestic consumer market
- Political stability
- One of the great meeting points of the world

Friedman is afraid America has become too complacent about the flat world we have created. In particular, he is concerned about the steady erosion of its scientific and engineering base. The base is eroding because fewer young people are studying science and engineering, and its scientists and engineers, who were motivated to pursue their careers by Sputnik, are nearing retirement age. To remedy this situation, he calls for a crash program in science and engineering education.

In chapter 8, Friedman calls for America to adopt a policy of compassionate “flatism.” This would be a program to make every American more employable when there can be no assurance of lifetime employment.

In chapter 9, Friedman addresses challenges the flat world poses to developing countries. He says they must engage in brutally honest introspection. In this introspection, they must ask to what extent they are advancing or being left behind in the flattening of the world and to what extent they are taking advantage of the new platforms for competition and collaboration. He says some countries can easily take advantage of the new world conditions and others cannot. Those who can are those which can easily “glocalize” (i.e., accept the best from foreign cultures while retaining as much as possible of their own). India and China are good at “glocalizing.” Arab countries are not.

Chapter 10 addresses how companies can cope with the flat world. Friedman proposes a seven-element strategy and cites examples of each.

Chapter 11 addresses the less happy side of globalization. Friedman recognizes that hundreds of millions of people have been left behind. Many of these people, especially in Africa, lack hope because they are too sick or their governments are too broke for them to have a pathway forward. Others are caught between the flat and “unflat” worlds; they want to become rich but lack the tools to do so. Friedman argues that because of the circumstances of these people, it is hugely important to consider not whether but how to globalize. The anti-globalization movement he says is fueled by the following five forces:

1. Upper middle class American liberal guilt
2. The rear guard of the Socialist old left

3. An amorphous group of people protesting the speed at which the world has become flat
4. Anti-Americanism
5. A coalition of serious well meaning groups (e.g., environmentalists)

In chapter 12, Friedman traces the supply chain that produced and shipped a new Dell notebook computer to him. The total supply chain included 400 companies in North America, Europe and Asia including 30 key players. The lesson he draws is that countries involved in this global supply chain are unlikely to be in conflict with each other because, once tied to the global supply chain, they cannot afford to be separated from it.

Friedman conclusion is that **human imagination** is the most important quality to have in this new flat world because it can never be commoditized. Moreover, imagination must be positive. It must be an imagination symbolized by 11/9, the date the Berlin Wall fell, not by 9/11.

**POINTS FOR THE CLASSROOM** (send comments to [forum@futuretakes.org](mailto:forum@futuretakes.org)):

- *How will continued offshoring impact one of the US's seven major job producing strengths identified by Friedman – the world's largest consumer market?*
- *If a new peer competitor to the US becomes the next superpower, how are Friedman's observations impacted?*
- *Friedman is concerned about the steady erosion of US science and engineering. Will this impact another of the US's several major job producing strengths (according to Friedman) – world-class universities? Why or why not?*
- *What will employment patterns – and retirement and education patterns – be in 2020? What will the typical workday be like? What will be the relation between a college degree and one's career(s) – and with what implications to higher education as we know it?*
- *In 2025, what other types of workers will be "untouchable" (that is, whose jobs will not be subject to outsourcing)?*
- *Given the concern by Friedman (and many others) with science and engineering education, what are the implications to education in the liberal and fine arts?*
- *To what extent is anti-globalization sentiment fueled by envy, resentment, and being left behind? To what extent is it fueled by a clash of values and lifestyles?*
- *After globalization, what is next?*