

Perhaps More Than You Ever Wanted to Know About *The World is Flat*

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E. P. (Gene) Visco is one of the founders of the Cornwallis Group. Most of his 55 plus years of research and analysis have been spent dealing with military operations research. He is retired from full-time endeavors, provides consulting services to US defense agencies, and conducts independent analyses on subjects such as the etiology of fratricide, primacy of Clausewitzian friction on the modern battlefield, operations other than war, and the history of the Ninth and Tenth Cavalry Regiments. He is a lifetime Fellow of the U.S. Military Operations Research Society.

INTRODUCTION

One of the admirable features of Cornwallis meetings (are they symposia?) is that they are held at locations which provide room and board along with conference facilities and services. Generally, all participants live together (private sleeping and bathing rooms, of course), including dining and drinking, for the meetings days. It is often noted, regarding the value of participating in professional meetings, seminars, workshops, and symposia that it is the time spent away from the scheduled programs that offers the greatest return. The social and casual interchanges and discussions are believed to provide the major value to the experience.

In addition to the opportunities for personal and small unit interactions, by keeping the attending body together for meals and social bar-breaks, the arrangement also keeps the evenings open for additional formal or informal presentations. Often, when the Cornwallis Group met at the Pearson Peacekeeping Centre in Nova Scotia, evening sessions were scheduled in the neighborhood of the Peacekeepers Lounge, providing comfortable arrangements as well as fine beverages to help maintain the quality and relevance of the ensuing discussions.

During the planning for Cornwallis XI, it had been suggested that we include a discussion, possible a panel or round-table, of the impact on world peace and stability of globalization as presented in the book *The World is Flat* by Thomas Friedman. Subsequently, as the day program became quite full, an evening session was proposed for the discussion on the book's premises.

THE DISCUSSION

The evening session was held on 11 April in the lounge-bar of the Allenberry Inn. Approximately 20 participants of the Cornwallis meeting sat in on the discussion.

Considerable freedom of interchange ensued. Unfortunately, no detailed record of the discussion was made so a useful analysis of the session cannot be provided. Some general comments, based on the best recollections at this time, are made in conjunction with a listing of the principal contents of the book. Some brief attention was paid to the work of Jared Diamond, *Collapse. How Societies Choose to Fail or Succeed*, in the sense that, while Friedman's argument is optimistic, Diamond's is potentially pessimistic.

THE WORLD IS FLAT

The full identification of the book is Thomas L. Friedman, *The World Is Flat. A Brief History of the Twenty-First Century*, published by Farrar, Straus and Giroux, 2005. The book remained on the best sellers lists for many weeks last year. Its flavor is captured in brief by the summary on the book's jacket: "When scholars write the history of the world twenty years from now and they come to the chapter 'Y2K to March 2004,' what will they say was the most crucial development? The attacks on the World Trade Center and the Pentagon on 9/11 and the Iraq war? Or the convergence of technology and events that allowed India, China, and so many other countries to become part of the global supply chain for services and manufacturing, creating an explosion of wealth in the middle classes of the world's two biggest nations and giving them a huge new stake in the success of globalization? And with this 'flattening' of the globe, which requires us to run faster in order to stay in place, has the world gotten too small and too fast for human beings and their political systems to adjust in a stable manner?"

The jacket comment continues: "In his brilliant new book, the award-winning *New York Times* columnist Thomas L. Friedman demystifies this brave new world for readers, allowing them to make sense of the often bewildering global scene unfolding before their eyes. With his inimitable ability to translate complex foreign policy and economic issues, Friedman explains how the flattening of the world happened at the dawn of the twenty-first century; what it means to countries, companies, communities, and individuals; and how governments and societies can, and must, adapt. *The World Is Flat* is a timely and essential update on globalization, its successes and discontents, powerfully illuminated by one of our most respected journalist."

The approach used for the group discussion, in order to bring in participants who had not read the book (estimated at about one-third of the attendees), each major section of the book was introduced with a brief summary of the content. Subsequent discussion ranged far and wide, some remarks right on target and some quite far off, as is the nature of a free-form colloquium. As noted, no record was kept of the discussion so the balance of this paper is the identification of the book's sections, as a teaser for others who have not yet been exposed to the book. It is very much worth reading.

THE OUTLINE

HOW THE WORLD BECAME FLAT

One: While I Was Sleeping

Two: The Ten Forces That Flattened The World

- 1: 11/9/89 [breaching of the Berlin Wall]
- 2: 8/9/95 [when Netscape went public]
- 3: Work Flow Software [Let's do launch; Have your applications talk to my applications]
- 4: Open-Sourcing [Self-organizing collaborative communities]
- 5: Out-Sourcing Y2K [Benefits of overcapacity of fiber optics]
- 6: Off-Shoring [Running with gazelles, Eating with lions—Note: An African proverb, translated into Mandarin and posted on the factory floor of a fuel pump factory in Beijing (owned by an American auto parts manufacturer in China).]
- 7: Supply-Chaining [Eating Sushi in Arkansas—(Wal-Mart)]
- 8: Insourcing [What the guys in funny brown shorts are really doing—(UPS)]
- 9: In-forming [Google, Yahoo!, MSN Web search]
- 10: The Steroids [Digital, Mobile, Personal, and Virtual]

Three: The Triple Convergence [1. The 10 flatteners began to converge (ca. 2000); 2. Businesses and individuals began to adopt new habits, skills and processes; and 3. Several billion new workers walked onto the playing field from China, India and the former USSR.]

Four: The Great Sorting Out [India vs. Indiana: who is exploiting who?; Where do companies start and stop?; From Command and Control to Collaborate and Connect; Multiple identity disorder; Who owns what?; Death of the Salesman.]

AMERICA AND THE FLAT WORLD

Five: America and Free Trade: Is Ricardo Still Right? [English economist (1772-1823), David Ricardo developed free-trade theory of competitive advantage.]

Six: The Untouchables

Seven: The Quiet Crisis

Dirty Little Secret 1: The Number Gap [Weakening of numbers of scientists and engineers in the US; retirement looming.]

Dirty Little Secret 2: The Ambitious Gap [Outsourcing not only is cheaper and efficient; quality and productivity are greater.]

Dirty Little Secret 3: The Education Gap [Technical education in China and India is burgeoning: “Remember in China when you are one in a million, there are 1,300 other people just like you.”]

Eight: This Is Not A Test

Leadership
Muscles

Good Fat [Cushions worth keeping.]
 Social Activism
 Parenting

DEVELOPING COUNTRIES AND THE FLAT WORLD

Nine: The Virgin of Guadalupe [re: statuettes of Mexico's patron Saint, the Virgin of Guadalupe, imported into Mexico from China.]

Introspection
 I Can Get It For You Wholesale
 I Can Only Get It For You Retail [Two days to start a business in Australia; 203 days in Haiti; 215 days in the Democratic Republic of Congo.]
 Culture Matters: Glocalization
 The Intangible Things

COMPANIES AND THE FLAT WORLD

Ten: How Companies Cope ["...just in the last couple of years..."]

Rule 1: When the world goes flat—and you are fully flattened—reach for a shovel and dig inside yourself. Don't try to build walls.

Rule 2: And the small shall act big...One way small companies flourish in the flat world is by learning to act really big. And the key to being small and acting big is being quick to take advantage of all the new tools for collaboration to reach farther, faster, wider, and deeper.

Rule 3: And the big shall act small...One way that big companies learn to flourish in the flat world is by learning how to act really small by enabling their customers to act really big.

Rule 4: The best companies are the best collaborators...In the flat world more and more business will be done through collaborations within and between companies, for a very simple reason: the next layers of value creation — whether in technology, marketing, biomedicine, or manufacturing—are becoming so complex that no single firm or department is going to be able to master them alone.

Rule 5: In a flat world, the best companies stay healthy by getting regular chest X-rays and then selling the results to their clients.

Rule 6: The best companies outsource to win, not to shrink. They outsource to innovate faster and more cheaply in order to grow larger, gain market share, and hire more and different specialists—not to save money by firing more people.

Rule 7: Outsourcing isn't just for Benedict Arnold. It's also for idealists.

GEOPOLITICS AND THE FLAT WORLD

Eleven: The Unflat World: No Guns or Cell Phones Allowed

Too Sick [Where people have hope, you have a middle class.]
Too Disempowered
Too Frustrated
Too Many Toyotas

Twelve: The Dell Theory of Conflict Prevention: Old-Time vs. Just-in-Time.

Infosys vs. Al-Qaeda
Too Personally Insecure

CONCLUSION: IMAGINATION

Thirteen: 11/9 vs. 9/11 [Bring down the Wall and bring down the World Trade Center.]

E-Bay
India
The Curse of Oil
Just One Good Example
From Untouchables to Untouchables

FINAL OBSERVATIONS

It is worth noting, when thinking of optimistic vs. pessimistic views, that Friedman devotes something more than 360 pages of his book to the positive view of globalization and about 100 pages to the section on Geopolitics and the Flat World—the conditions that may interfere with globalization.

Finally, his last words in the book, the ultimate paragraph is quoted in its entirety:

“I cannot tell any other society or culture what to say to its own children, but I can tell you what I say to my own: The world is being flattened. I didn’t start it and you can’t stop it, except at a real cost to human development and your own future. But we can manage it, for better or for worse. If it is to be for better, not for worse, then you and your generation must not live in fear of either the terrorists or of tomorrow, of either al-Qaeda or of Infosys. You can flourish in this flat world, but it does take the right imagination and the right motivation. While your lives have been powerfully shaped by 9/11, the world needs you to be forever the generation of 11/9—the generation of strategic optimists, the generation with more dreams than memories, the generation that wakes up each morning and not only imagines that things can be better but also acts on that imagination every day.”