



Featured Book Review

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Is America in a State of Decline?

It's Time for a 'New' New Deal, and Another Marshall Plan

by Philip Shropshire

If you traverse the Internet quite a bit, then it can safely be observed that *The New York Times* columnist Thomas L. Friedman finds himself the target of much abuse, perhaps earned, but abuse nonetheless. For example, go to Google and type in "David Sirota and Thomas Friedman" to see what I mean. Yet as someone who has just completed his 600-page opus *The World Is Flat*, let it be said that he has written a comprehensive book that goes beyond the state of international business, providing a snapshot of the state of the multinational world in 2006. It's subtitled "A Brief History of the 21st Century," and he's not kidding.

Not Afraid to Name Names

In fact, Friedman goes even further and lays out not only the problem with American business competitiveness in this brave, flat, new world, but he identifies the solutions. Here's the short version: The United States has a dangerous fixation on oil and terrorism and he thinks the enabler of that problem is President George W. Bush, who he thinks should be instituting a "New" New Deal — involving massive infrastructure investment in both education and broadband — that would radically reform the society and better prepare us for the future. A lot of his online critics, especially the liberal ones, would be shocked to know this.

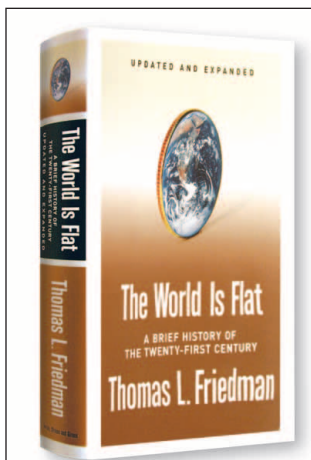
You may not agree with all of his solutions, or even his diagnosis of various problems. For example, he displays a massive blind spot about connecting Europe's superior worker productivity to its extensive socialist welfare programs. The theory here is that people might work better if they have four to six weeks of vacation, health care and state-sponsored childcare services. See T.R. Reid's book on the sub-

ject: *The United States Of Europe: The New Superpower and the End of American Supremacy*. Nonetheless, you will be impressed by the level of thought, depth, breadth and sheer scope of Friedman's ideas. And as a reviewer who has read and abstracted some 50 business books within the last seven years, it can be said that you'll find three or four of the best of those books in *The World Is Flat*.

What Are the Flatteners?

"The global competitive playing field was being leveled. The world was being flattened," writes Friedman. "As I came to this realization, I was filled with both excitement and dread ... what the flattening of the world means is that we are now connecting all the knowledge centers on the planet together into a single global network, which — if politics and terrorism do not get in the way — could usher in an amazing era of prosperity, innovation and collaboration, by companies, communities, and individuals." Friedman continues, "But contemplating the flat world also left me filled with dread, professional and personal. My personal dread derived from the obvious fact that it's not only software writers and computer geeks who get empowered to collaborate on work in a flat world. It's also Al Qaeda and other terrorist networks."

This is powerful stuff. As a former newspaper reporter, I can't describe to you the exhausting amount of work that Friedman must have put into his first big section of the book, titled "How the World Became Flat," which takes up the first third of the book. There are literally hundreds of quotes, and they're not just from functionaries. He includes quotes from Marc Andreessen, the founder of



THE WORLD IS FLAT
by Thomas L. Friedman
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pages, \$30.00

“Just when all of this flattening was happening, a whole new group of people, several billion, in fact, walked out onto the playing field from China, India, and the former Soviet Empire.”

Netscape, Meg Whitman, the CEO of eBay, and even a number of interviews with Bill Gates. It also features worldwide travel, observations and anecdotes from Europe, India and China.

This is also where readers get their money’s worth. This first section of the book is one of the most concise histories of the Internet that I’ve ever read. He includes just about every important player — from World Wide Web creator Tim Berners-Lee, to the founders of Google, to the origins of the Open Source Apache software server, to what the explosion of fiber optic capacity actually means worldwide. Furthermore, he buttresses this very interesting history with an analysis of perhaps the best business practices of the last 15 years. If you missed out on the importance of supply chain management, building the eBay community or tracking point-of-sale information, then you can catch up by reading *The World Is Flat*.

The neat trick Friedman accomplishes is tying all these innovations — from the development of the first browser to instantaneous worldwide broadband communications — together into one narrative whole. By the time you’ve read and understood all 10 flatteners, you have a pretty good understanding as to why outsourcing to India works or why firms like Wal-Mart do a lot of their production overseas, not to mention how a single product can be routed through a dozen or more countries.

The Triple Convergence

There are parts of this book where Friedman sounds more like futurist Ray Kurzweil rather than a staid business columnist for *The New York Times*. This section is one of them. He makes the argument that the 10 flatteners have brought about a kind of Triple Convergence.

1) The world is changing dramatically because the flatteners started to merge right around 2000.

2) Businesses and people started to adopt new skills and habits to get the most out of those changes. Just try to imagine a world without Google or cell phones.

3) Finally, as Friedman writes: “Just when all of this flattening was happening, a whole new group of people, several billion, in fact, walked out onto the playing field from China, India, and the former Soviet Empire.” In fact, because of this, Friedman makes what can only be described as a stunning prediction: This is just the beginning.

The entirety of the IT revolution is just a prologue. He quotes former Hewlett Packard CEO Carly Fiorina, who claims that we are moving into an era where technology will change every aspect of our lives and society. Put in other terms: You haven’t seen anything yet.

Problems and Prescriptions, or ‘The Quiet Crisis’

In a chapter titled “The Right Stuff,” Friedman writes, “Put all the above together and you have America’s secret sauce — a mix of institutions, laws, and cultural norms that produce a level of trust, innovation and collaboration that has enabled us to constantly renew our economy and our standard of living.” He continues, “There is nothing about the flat world — nothing — that Americans cannot handle, as long as we roll up our sleeves, educate our young people the right way for these times, and tend to and enrich the secrets of our sauce.”

Friedman attempts to answer the question: What skills and tools will your children need to excel in this new flattened world? His answers include learning how to learn, understanding social intelligence and nurturing your right brain instincts — where he quotes extensively from Daniel Pink’s book *A Whole New Mind*. The short version of Pink’s book: Learn to do something right-brained and intangible that can’t be reproduced in Bangalore.



In the chapter titled “The Quiet Crisis,” Friedman goes where no business book has gone before. Let’s be honest: most business books don’t make political enemies by naming names. In theory, impartial journalists probably should because, at some point, you need to have an honest assessment of the facts. But, truth be told, even journalists don’t make those calls anymore, which probably explains the rise of the blogosphere. These participants might not be able to spell, but they’ll call a spade a spade. Most business books don’t touch upon the bigger issues of the day, such as the Iraq War, global warming and the use of Chinese slave labor to make market quotas.

But this is not “business book as usual,” and Friedman names both the problems and the people behind those problems in “The Quiet Crisis” chapter, which could be a whole book in itself, bearing the subtitle: “The Coming Decline of the United States.” Friedman describes no less than six dirty secrets behind the coming American decline:

- 1) **There’s a numbers gap:** The scientists who brought us the space age after Sputnik will not be replaced, and that threatens United States hegemony.
- 2) **There’s an education gap at the top:** We aren’t getting enough of our young people interested in math and science.
- 3) **There’s an ambition gap:** Outsourcing not only results in lower costs but it increases productivity as well. The Indians and Chinese are outworking us.
- 4) **There’s an education gap at the bottom:** Poor kids are being short-changed by the public education system.
- 5) **There’s a funding gap:** We’re not investing enough in basic research.
- 6) **There’s an Infrastructure gap:** We’re way behind on broadband penetration.

Friedman makes an argument for a solution that hasn’t been whispered by either political party. “Our fate can be different, but only if we start acting differently ... we should be embarking on an all-hands-on-deck, no-holds-barred, no-

budget-to-large crash program for science and engineering education,” he writes. “Scientists and engineers don’t grow on trees. They have to be educated through a long process, because, ladies and gentleman, this really is rocket science.”

Controversy and Criticisms

According to Friedman, “If societies are unable to manage the strains that are produced by this flattening, there will be a backlash, and political forces will attempt to reinsert some of the frictions and protectionist barriers that the flattening forces have eliminated, but they will do it in a crude way that will, in the name of protecting the weak, end up lowering everyone’s standard of living.”

David Sirota, a vocal critic of Friedman, points out that *The New York Times* columnist has a blind spot when it comes to the rights of working people.

For example, even though Friedman admirably calls for what he terms “compassionate flattism” — where no one is left behind by way of heavily subsidized worker retraining programs — he endorses North American Free Trade Agreement (NAFTA), which has spurred the immigration crisis. A lot of people leaving Mexico are rural farmers who have been put out of work by the new trade agreement, resulting in a number of workers on both side of the border losing their jobs.

Sirota defines this as a race to the bottom.

There are a number of times in the book in which Friedman makes pointed criticisms of both Wal-Mart and Microsoft. But he looks at their faults as some kind of inevitable Third Wave. Friedman never seems to explore the idea that these multinationals may be riding or even creating the waves that benefit them so much by way of their lobbyist armies in Washington. It’s one thing to

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say outsourcing is a reality, so deal with it. It's quite another to lobby the U.S. Congress to reward you for moving jobs overseas. Friedman doesn't seem to address this point.

What About the EU?

Exhibit one in this argument is the book's scant mention of how the European Union does things. It's a massive hole in this otherwise exhaustively researched book. There are just four mentions of the EU in the index on four pages, and they're mostly negative. How can the EU, with its well-educated workforce and rising Euro, not even rate enough for its own chapter?

Here's the miracle of the EU: They're producing a capitalist economy with a collective Gross Domestic Product bigger than that of the United States (see T. R. Reid's book). They do this even though they have massive and subsidized health care, childcare and vacation packages — six mandatory weeks off in France, for example. And there's a bonus: their workers are more productive and happier as well.

Friedman also fails to mention that Europe doesn't do free trade the way the United States does it. While there are income inequities within European states, they usually insist on a minimum standard of civil rights and mandatory income minimums before countries are approved to join the EU. Just look at what Turkey has to do to join.

This leads us to another problem. While Friedman makes accurate critiques about the American decline in technology, he seems to leave out the role of corporate lobbyists and the two-party system in this discussion. It would not be unlike a book, written in 1935, indicating that Germany treats its Jewish population badly, while leaving out information about the Nazi Party.

Isn't there a move to de-fund public education by way of vouchers that would exclude or make impossible the educational Marshall Plan Friedman has in mind for the United States? How can you give people basic health care when the insurance lobbyists destroy politicians who even hint at single payer

The author: Thomas L. Friedman has won the Pulitzer Prize three times for his work at *The New York Times*, where he serves as the foreign affairs columnist. He is the author of three previous books, all of them bestsellers: *From Beirut to*

What Makes This Book Special

The World Is Flat is one of the top bestselling business books of all time and has sold more than 1.4 million copies. It was also awarded the *Financial Times* business book of the year award. As of August 2006, it is number three on *Publisher's Weekly* bestselling nonfiction books list.

The World Is Flat also provides an engrossing and concise history of the Internet age. It touches on all of its facets, from the beginning of the World Wide Web to the meaning of what excess fiber optic cable means.

The World Is Flat not only identifies six danger signs regarding United States' technical preeminence, but Friedman even lays out a number of policy proposals, which include an educational Marshall Plan for the United States, a "New" New Deal and even retaining insurance for unemployed workers who have been displaced.

plans? How can you critique the country's dependence on oil and yet not notice the oil lobbyists' negative influence on alternative fuel research? If you're writing a comprehensive book, as Friedman purports to do, then these issues should be addressed.

Those critiques aside, this is still a very important book. There are faults with Shakespearean plays and the Bible, but to be an educated person you have to read and understand them. Likewise, if you want an understanding of how technology is changing the American business landscape, you would be hard-pressed to find a better book than *The World Is Flat*. It does that rare thing: It not only gives you well written explanations of what has happened and where we've been, but some good ideas on where the country should be going. ■

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Jerusalem, winner of the National Book Award for Nonfiction; *The Lexus and the Olive Tree: Understanding Globalization*; and *Longitudes and Attitudes: Exploring the World After September 11*. He lives in Bethesda, Md., with his family.

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