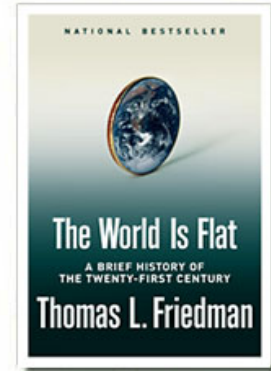


Review of The World is Flat– Thomas Friedman

This book has been on the bestseller lists since it came out in 2004. Friedman does an excellent job of explaining some of the trends that are affecting world economies and how technology may help usher in more prosperous times on a global scale.

Work is now being performed wherever it can be done most effectively. Friedman details how the supply chain of manufacturing a product might now involve over 25 countries. He claims that we have nothing to fear from China and India. As they prosper, America will prosper. It is a race to the top.



Friedman lists 10 Flatteners that have facilitated interdependence with other world economies:

1. 11/9/89– This is the day the Berlin Wall fell and the world tipped towards democracy.
2. 8/9/95- When Netscape went public. The internet-based platform surpassed the PC-based platform.
3. Work Flow Software– work can be divided from the overall work flow and completed separately anywhere in the world 24 hours a day/ 7 days a week/ 365 days per year.
4. Open-Sourcing– communities gather online to collaborate (such as Wikipedia).
5. Outsourcing– using cheaper intellectual labor to complete segments of workflow (India).
6. Offshoring– taking the whole process of manufacturing to a place where labor, taxes and benefits are lower.
7. Supply-Chaining– suppliers, retailers and customers get together to create value; Wal-Mart has used its supply chain to the point where it is difficult to compete with them on price and convenience.
8. Insourcing– a company like UPS designs, sets up and manages all aspects of your supply chain for you. This allows small companies to act like large ones and compete effectively.
9. In-Forming– MSN, Yahoo and Google have created a world where anyone who has a computer has access to information. This has leveled the playing field.
10. The Steroids– digital, mobile, personal and virtual have enhanced all of the other nine flatteners to further flatten the world.

Friedman reassures the reader that the fears of lower wage economies destroying the US economy are misplaced. As the standard of living increases in emerging third-world economies, everyone benefits. Friedman writes that there is no limit to the number of idea-generated jobs in the world. People always assume that everything that is going to be invented already has been. This is wrong. As communication and free trade have increased in world history, economic activity and the standard of living have also increased.

Friedman seems fixated on a theory that oil is the cause of much of the world's problems. He believes that Bush missed a great opportunity to make energy reform his major issue. If the US and other countries were able to wean themselves off oil, Friedman believes that countries like Saudi Arabia, IRAN and Venezuela would be forced to reform. This reform would lead to economic prosperity. He uses Bahrain as an example of an economy that had to transform from oil dependent to service oriented. It is now one of the most prosperous countries in that region.

Friedman takes plenty of shots at the Bush administration. This is not surprising given the fact that he is a reporter for the *New York Times*. Despite his political rants, this book is clearly written and great reporting. It is an optimistic book in a world that needs a healthy dose of someone pumping sunshine. As a Christian, I can't help imagine a world where innovation and creativity can be fostered without the hindrances of sin and terrorism. When Christ returns...

Ashley Hodge, CFP® 8/20/2006