**Date: 9/29/2013**

**To: James Reinnoldt**

**From: Misha Ward**

**Subject: Assignment 1: Globalization and the Flat World**

***Question 1****: What is spearheading the current era of globalization? Companies? Countries?*

**Answer 1**: The current force spearheading the current era of globalization is individuals. These individuals, through four key forces (talked about below), will be able to transform the world in a way which was never possible before via the internet.

***Question 2:***  *What were the four key forces that “flattened” the world?*

***Answer 2:*** *According to Thomas Friedman, t*he four key forces that are flatting the world for the current era of globalization are:

1. The PC – the personal computer allowed individuals to author their own content in a digital form and upload their content for other to see. Unlike any other time in history, they could easily author their own content in the form of computer bytes which could be easily and cheaply be transmitted everywhere.
2. Netscape’s IPO and the ensuing Technology Bubble became the second biggest basic flatteners. This revolution brought about the innovation of the browser which brought the internet to life for the common person. Because Netscape’s IPO was so successful, many technology companies would garner tremendous funds from investment bankers and pension funds. Although this rush to acquire tech stocks created a trillion dollar bubble, it also created the seeds for an age of information sharing like never before.
3. Revolution in transmission protocols (such as http). This third flattener allowed everyone’s computers to be connected despite the fact that they could have different software. According to Friedman, the innovations in transmission protocols created a “workflow revolution” where everyone could become collaborators in the global economy.
4. Individuals could now upload their contributions. Due to the advent of open source software and the other three flatteners, anyone could upload their ideas and create value. Two great examples of this would be Facebook and how users can upload their own ideas or thoughts or Wikipedia where users can upload information. Both internet sites provide users with the opportunity to upload documents and have created tremendous value.

***Question 3:*** *What are the three Iron Rules of Business on the Flat World Platform?*

***Answer 3:***  The three Iron Rules of Business on the Flat World Platform are as follows:

1. The first Iron Rule is “Whatever can be done, will be done”. This statement will apply to anyone participating in the economy and will ultimately decide how well you or someone does. The premise is that if you have an idea, act on it or someone else will act on it. The internet will provide individuals with unprecedented opportunities at creating value and could help create a new metric for economics: Gross Individual Product (GIP).
2. The second Iron Rule is “It’s not against countries verses countries or companies verses companies but you verses your imagination”. This rule states that the most creative individuals will be the most successful. This statement most likely has been true throughout history but the movement towards individuals might make it even more so. Going forward, governments and companies should focus on empowering their citizens/employees to develop ideas in an effort to create value. Additionally, individuals will be able to complete with large multinationals due to specialization, the cost effectiveness of the internet, and networking.
3. The third Iron Rule is “How well you can collaborate or make your idea horizontal, in other words, how well you can make your idea possible”. This rule mainly lies on the premise that a great idea can only go so far but the individual needs to be able to make it happen either by great talent or networking. The individuals that can be creative and network to make their ideas possible will ultimately be the most successful.

***Question 4:*** *How would you describe Friedman’s opinion on whether or not the U.S. economy is adequately prepared for an increasingly “flat world”?*

***Answer 4:*** His opinion is that America has many things that work for the new order but lost our grove after 9/11. He does not believe that China will dominate the 21st century. He believes that American government is being “brain dead”. He believes that this country has the talent but not the leadership. Who will control this century will be whoever controls the clean energy challenge. He believe that if we do not change how we use energy, we will cause irreparable damage to our world. Change your leaders, not your light bulbs. If you don’t change your rules that will inspire your innovation then it won’t happen. Green is the new red white and blue.

***Question 5:*** *In your opinion, what are some forces that will continue to flatten the world?*

***Answer 5:*** I believe there are many forces that will continue to flatten the world. Continuing developments in technology (especially environment and computer sectors), along with investments in infrastructure, healthcare, and education will be the main drivers which will help individuals reach new heights in the current era of globalization. Specifically, these developments in technology will help individuals gain opportunities to compete on a global stage while also allowing more efficient utilization of our resources. Furthermore, by allowing market forces to continue to develop current technologies such as the computer (or tablet/smartphone), individuals can expect more efficient ways of communicating their ideas and making connections. Additionally, by investing in infrastructure, healthcare and educations, the county will be able to foster the creative knowledge of the population and give them avenues for success.

***Question 6:*** *Do you think that there are issues, trends or barriers that threaten these global trends?*

***Answer 6:*** There are definitely many issues, trends and barriers that threaten these global trends. Such issues, trends, and barriers include a very poor political environment in the United States, marginalization of the socio-economic lower and middle classes (in America), and potential opposition from major corporations as individuals will have unique advantages. These factors are currently highly systemic in American culture which might be one of the major reasons that America is not quite ready for the next era of globalization. Fortunately, the global financial crisis and the ever widening of the income distribution in America could help usher in a new American psyche with emphasis on the collective good while giving every individual an opportunity to succeed.

***Question 7:*** *In*[*this article about*](http://www.nytimes.com/2013/09/20/business/us-textile-factories-return.html?adxnnl=1&ref=global&adxnnlx=1379799202-2MviAftZA1gK4xo/7LHMvQ)*U.S. textile factories, what were some of the key forces that drove manufacturing out of the U.S.?  What are the key factors behind the resurgence of this industry in the USA?*

***Answer 7:*** The biggest key factor for moving the textile mills out of the U.S. was the cost advantages of cheaper labor in Asia. Surprisingly, it was found that despite the still lower wages, the movement for bringing the textile mills back is gaining momentum. Key factors in this development can be attributed to the cheaper transportation costs, better control over production, higher quality, low labor costs due to automation, and the added benefit of branding your product “made in America”.

***Question 8:*** *What was the key learning outcome from this assignment? (At least 50 words)*

***Answer 8:*** The key learning outcome from this assignment is the notion that the world is moving to an economically equal playing field where the most creative individuals will be the most successful. Although this makes sense economically as the internet will allow individuals to create economic value, it was surprising to note the transformation between eras and the decreasing role of collective organizations (governments/companies) and the trend towards the importance of individual roles in the economy. Unlike in the past where governments or companies controlled the progress for globalization, individuals will be able to create tremendous value for others via their computers.