NOTE 3 – GLOBALIZATION VIEWS

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3.1 Thomas Friedman - The World is Flat

Review by Fareed Zakaria, The New York Times, May 1, 2005

OVER the past few years, the United States has been obsessed with the Middle East. The administration, the news media and the American people have all been focused almost exclusively on the region, and it has seemed that dealing with its problems would define the early decades of the 21st century. "The war on terror is a struggle that will last for generations," Donald Rumsfeld is reported to have said to his associates after 9/11.

But could it be that we're focused on the wrong problem? The challenge of Islamic terrorism is real enough, but could it prove to be less durable than it once appeared? There are some signs to suggest this. The combined power of most governments of the world is proving to be a match for any terror group. In addition, several of the governments in the Middle East are inching toward modernizing and opening up their societies. This will be a long process but it is already draining some of the rage that undergirded Islamic extremism.

This doesn't mean that the Middle East will disappear off the map. Far from it. Terrorism remains a threat, and we will all continue to be fascinated by upheavals in Lebanon, events in Iran and reforms in Egypt. But ultimately these trends are unlikely to shape the world's future. The countries of the Middle East have been losers in the age of globalization, out of step in an age of free markets, free trade and democratic politics. The world's future -- the big picture -- is more likely to be shaped by the winners of this era. And if the United States thought it was difficult to deal with the losers, the winners present an even thornier set of challenges. This is the implication of the New York Times columnist Thomas L. Friedman's excellent new book, "The World Is Flat: A Brief History of the Twenty-First Century."
The metaphor of a flat world, used by Friedman to describe the next phase of globalization, is ingenious. It came to him after hearing an Indian software executive explain how the world's economic playing field was being leveled. For a variety of reasons, what economists call "barriers to entry" are being destroyed; today an individual or company anywhere can collaborate or compete globally. Bill Gates explains the meaning of this transformation best. Thirty years ago, he tells Friedman, if you had to choose between being born a genius in Mumbai or Shanghai and an average person in Poughkeepsie, you would have chosen Poughkeepsie because your chances of living a prosperous and fulfilled life were much greater there. "Now," Gates says, "I would rather be a genius born in China than an average guy born in Poughkeepsie."

The book is done in Friedman's trademark style. You travel with him, meet his wife and kids, learn about his friends and sit in on his interviews. Some find this irritating. I think it works in making complicated ideas accessible. Another Indian entrepreneur, Jerry Rao, explained to Friedman why his accounting firm in Bangalore was able to prepare tax returns for Americans. (In 2005, an estimated 400,000 American I.R.S. returns were prepared in India.) "Any activity where we can digitize and decompose the value chain, and move the work around, will get moved around. Some people will say, 'Yes, but you can't serve me a steak.' True, but I can take the reservation for your table sitting anywhere in the world," Rao says. He ended the interview by describing his next plan, which is to link up with an Israeli company that can transmit CAT scans via the Internet so that Americans can get a second opinion from an Indian or Israeli doctor, quickly and cheaply.

What created the flat world? Friedman stresses technological forces. Paradoxically, the dot-com bubble played a crucial role. Telecommunications companies like Global Crossing had hundreds of millions of dollars of cash -- given to them by gullible investors -- and they used it to pursue incredibly ambitious plans to "wire the world," laying fiber-optic cable across the ocean floors, connecting Bangalore, Bangkok and Beijing to the advanced industrial countries. This excess supply of connectivity meant that the costs of phone calls, Internet connections and data transmission declined dramatically -- so dramatically that many of the companies that laid these cables went bankrupt. But the deed was done, the world was wired. Today it costs about as much to connect to Guangdong as it does New Jersey.

The next blow in this one-two punch was the dot-com bust. The stock market crash made companies everywhere cut spending. That meant they needed to look for ways to do what they were doing for less money. The solution: outsourcing. General Electric had led the way a decade earlier and by the late 1990's many large American companies were recognizing that Indian engineers could handle most technical jobs they needed done, at a tenth the cost. The preparations for Y2K, the millennium bug, gave a huge impetus to this shift since most Western companies needed armies of cheap software workers to recode their computers. Welcome to Bangalore.

A good bit of the book is taken up with a discussion of these technological forces and the way in which business has reacted and adapted to them. Friedman explains the importance of the development of "work flow platforms," software that made it possible for all kinds of computer applications to connect and work together, which is what allowed seamless cooperation by people working anywhere. "It is the creation of this platform, with these unique attributes, that is the truly important sustainable breakthrough that has made what you call the flattening of the world possible," Microsoft's chief technology officer, Craig J. Mundie, told Friedman.

Friedman has a flair for business reporting and finds amusing stories about Wal-Mart, UPS, Dell and JetBlue, among others, that relate to his basic theme. Did you know that when you order a burger at the drive-through McDonald's on Interstate 55 near Cape Girardeau, Mo., the person taking your order is at a call center 900 miles away in Colorado Springs? (He or she then zaps it back to that McDonald's and the order is ready a few minutes later as you drive around to the pickup window.) Or that when you call JetBlue for a reservation, you're talking to a housewife in Utah, who does the job part time? Or that when you ship your Toshiba laptop for repairs via UPS, it's actually UPS's guys in the "funny brown shorts" who do the fixing?
China and India loom large in Friedman's story because they are the two big countries benefiting most from the flat world. To take just one example, Wal-Mart alone last year imported $18 billion worth of goods from its 5,000 Chinese suppliers. (Friedman doesn't do the math, but this would mean that of Wal-Mart's 6,000 suppliers, 80 percent are in one country -- China.) The Indian case is less staggering and still mostly in services, though the trend is dramatically upward. But Friedman understands that China and India represent not just threats to the developed world, but also great opportunities. After all, the changes he is describing have the net effect of adding hundreds of millions of people -- consumers -- to the world economy. That is an unparalleled opportunity for every company and individual in the world.

Friedman quotes a Morgan Stanley study estimating that since the mid-1990's cheap imports from China have saved American consumers over $600 billion and probably saved American companies even more than that since they use Chinese-sourced parts in their production. And this is not all about cheap labor. Between 1995 and 2002, China's private sector has increased productivity at 17 percent annually -- a truly breathtaking pace.

Friedman describes his honest reaction to this new world while he's at one of India's great outsourcing companies, Infosys. He was standing, he says, "at the gate observing this river of educated young people flowing in and out. . . . They all looked as if they had scored 1600 on their SAT's. . . . My mind just kept telling me, 'Ricardo is right, Ricardo is right.' . . . These Indian techies were doing what was their comparative advantage and then turning around and using their income to buy all the products from America that are our comparative advantage. . . . Both our countries would benefit. . . . But my eye kept . . . telling me something else: 'Oh, my God, there are just so many of them, and they all look so serious, so eager for work. And they just keep coming, wave after wave. How in the world can it possibly be good for my daughters and millions of other young Americans that these Indians can do the same jobs as they can for a fraction of the wages? "

He ends up, wisely, understanding that there's no way to stop the wave. You cannot switch off these forces except at great cost to your own economic well-being. Over the last century, those countries that tried to preserve their systems, jobs, culture or traditions by keeping the rest of the world out all stagnated. Those that opened themselves up to the world prospered. But that doesn't mean you can't do anything to prepare for this new competition and new world. Friedman spends a good chunk of the book outlining ways that America and Americans can place themselves in a position to do better.

People in advanced countries have to find ways to move up the value chain, to have special skills that create superior products for which they can charge extra. The UPS story is a classic example of this. Delivering goods doesn't have high margins, but repairing computers (and in effect managing a supply chain) does. In one of Friedman's classic anecdote-as-explanation stticks, he recounts that one of his best friends is an illustrator. The friend saw his business beginning to dry up as computers made routine illustrations easy to do, and he moved on to something new. He became an illustration consultant, helping clients conceive of what they want rather than simply executing a drawing. Friedman explains this in Friedman metaphors: the friend's work began as a chocolate sauce, was turned into a vanilla commodity, through upgraded skills became a special chocolate sauce again, and then had a cherry put on top. All clear?

Of course it won't be as easy as that, as Friedman knows. He points to the dramatic erosion of America's science and technology base, which has been masked in recent decades by another aspect of globalization. America now imports foreigners to do the scientific work that its citizens no longer want to do or even know how to do. Nearly one in five scientists and engineers in the United States is an immigrant, and 51 percent of doctorates in engineering go to foreigners. America's soaring health care costs are increasingly a burden in a global race, particularly since American industry is especially disadvantaged on this issue. An American carmaker pays about $6,000 per worker for health care. If it moves its factory up to Canada, where the government runs and pays for medical coverage, the company pays only $800. Most of Friedman's solutions to these kinds of problems are intelligent, neoliberal ways of using government in a market-friendly way to further the country's ability to compete in a flat world.
There are difficulties with the book. Once Friedman gets through explicating his main point, he throws in too many extras -- perhaps trying to make that chocolate sundae -- making the book seem slightly padded. The process of flattening that he is describing is in its infancy. India is still a poor third-world country, but if you read this book you would assume it is on the verge of becoming a global superstar. (Though as an Indian-American, I read Friedman and whisper the old Jewish saying, "From your lips to God's ears.") And while this book is not as powerful as Friedman's earlier ones -- it is, as the publisher notes, an "update" of "The Lexus and the Olive Tree" -- its fundamental insight is true and deeply important.

In explaining this insight and this new world, Friedman can sometimes sound like a technological determinist. And while he does acknowledge political factors, they get little space in the book, which gives it a lopsided feel. I would argue that one of the primary forces driving the flat world is actually the shifting attitudes and policies of governments around the world. From Brazil to South Africa to India, governments are becoming more market-friendly, accepting that the best way to cure poverty is to aim for high-growth policies. This change, more than any other, has unleashed the energy of the private sector. After all, India had hundreds of thousands of trained engineers in the 1970's, but they didn't produce growth. In the United States and Europe, deregulation policies spurred the competition that led to radical innovation. There is a chicken-and-egg problem, to be sure. Did government policies create the technological boom or vice versa? At least one can say that each furthered the other.

The largest political factor is, of course, the structure of global politics. The flat economic world has been created by an extremely unflat political world. The United States dominates the globe like no country since ancient Rome. It has been at the forefront, pushing for open markets, open trade and open politics. But the consequence of these policies will be to create a more nearly equal world, economically and politically. If China grows economically, at some point it will also gain political ambitions. If Brazil continues to surge, it will want to have a larger voice on the international stage. If India gains economic muscle, history suggests that it will also want the security of a stronger military. Friedman tells us that the economic relations between states will be a powerful deterrent to war, which is true if nations act sensibly. But as we have seen over the last three years, pride, honor and rage play a large part in global politics.

The ultimate challenge for America -- and for Americans -- is whether we are prepared for this flat world, economic and political. While hierarchies are being eroded and playing fields leveled as other countries and people rise in importance and ambition, are we conducting ourselves in a way that will succeed in this new atmosphere? Or will it turn out that, having globalized the world, the United States had forgotten to globalize itself?


In her introduction to Graham Greene's The Quiet American, Zadie Smith says of Alden Pyle, the American of the title: "His worldly innocence is a kind of fundamentalism." She goes on: "Reading the novel again reinforced my fear of all the Pyles around the world. They do not mean to hurt us, but they do."

Greene has Pyle travelling with books such as The Role of the West and The Challenge to Democracy. A modern-day Greene could substitute the works of the real-life Thomas Friedman - a contemporary quiet American. Like Pyle, Friedman is "impregnable armed by his good intentions and his ignorance". In The World Is Flat Friedman has produced an epyllion to the glories of globalisation with only three flaws: the writing style is prolix, the author is monumentally self-obsessed, and its content has the depth of a puddle.

Even the title of the book rests uneasily on a conceit. Friedman recounts meeting an Indian entrepreneur: "He said to me, 'Tom, the playing field is being levelled.'" A cliché of the business world, but Friedman's brain digests it thus: "What [he] is saying, I thought, is that the playing field is being flattened ... Flattened? Flattened? My god, he's telling me the world is flat!"
This leads Friedman to modestly compare his journey to Christopher Columbus - "Columbus sailed with the Nina ... I had Lufthansa business class" - and lay out a rambling theory about globalisation. It ends with dire predictions of looming international competition, where, in Friedman's terms, industrialised economies will need to produce chocolate sauce rather than vanilla ice-cream.

The dedicated reader - and they will have to be dedicated indeed to slog through 450 more pages - will find a few interesting anecdotes about the rapid growth of China and India, and the intricacies of just-in-time manufacturing processes. But for the most part The World Is Flat is a rewrite of Friedman's 1999 book, The Lexus and the Olive Tree.

In the earlier book, Friedman argued that the world was undergoing a greater degree of globalisation, driven by rapid technological change and the collapse of political barriers such as the Berlin wall. That argument is slightly updated in The World Is Flat, though it contains no surprises for anyone who hasn't been locked in a cupboard for the past five years. Even casual readers of the Economist or the Guardian will be aware of the rapid industrialisation of China and the surge in outsourcing of call centres to India.

Friedman's argument, that these events are a greater threat to western economies than we realise, would make a respectable column for the New York Times, where Friedman is the paper's foreign affairs columnist. But it hardly has the legs to make a book, let alone two, and Friedman's abilities as a writer are taxed too soon to sustain it as reportage.

His limits are obvious as early as page 14, with lengthy quotes from Accounting Today. It is downhill from there, to a nadir in the book's second half when any shred of concinnity disappears and entire emails are reproduced, beginning "Hi Tom. Hope this email finds you well." Has Allen Lane dispensed with its editors? That would explain why every Americanism is left in, including "labor". Readers outside the US may also be puzzled by references to Pedro Martinez and first round draft picks - but then this book isn't aimed at them.

The ultimate example is a detailed report on the computer company Dell's construction of Friedman's latest laptop. Journalists are notorious for interviewing their typewriters, but this must be the longest example of the genre: a typewriter's complete biography.

Throughout the book the metaphor of a flat Earth is reproduced again and again. What was not a particularly useful image to begin with is flogged to death until only the bones remain. At the same time, Friedman's laptop may need the "I" key replacing, such is the hammering it must have absorbed from the author's use of the personal pronoun. In the course of the book we learn much - too much - about Friedman's family, friends and eating habits, culminating in a paean to his school journalism teacher ("I sit up straight just thinking about her!").

Friedman's writing style would still grate, but it would not matter so much if there were any value in his argument. There isn't. He roves the world interviewing the likes of Bill Gates, and concludes that high technology is changing everything. That's like studying the UK labour market by only talking to Premier league footballers.

The problem is that Friedman is attempting to write a book on international economics (which is the essence of globalisation) without knowing much about it. He does talk to a couple of economists, but he soon gets carried away and by page 305 there is a full-blown crisis. "Our kids will be increasingly competing head-to-head with Chinese, Indian and Asian kids," writes Friedman. Actually, they won't, but Friedman then loses it completely. "What can happen is a decline in our standard of living, if more Americans are not empowered and educated to participate in a world where all the knowledge centres are being connected." This is a statement of such vacuity as to be meaningless.

"Pyle was very earnest and I had suffered from his lectures on the Far East," the reader is told in The Quiet American. "Democracy was another subject of his, and he had pronounced and aggravating views on what the United States was doing for the world." So too does our modern-day Pyle.
3.2 Pankaj Ghemawat - *World 3.0*

Review from the author’s website

The Great Crisis of 2008 has forced many of us to reexamine our beliefs about markets and globalization. Do propositions about the gains from market integration survive the reality of market failures? Or might we be better off - as people are particularly prone to suggest in turbulent times - pulling back from, rather than pushing forward with, integration in order to deal with our problems on a smaller, more manageable scale?

Unfortunately, discussion of these and related questions seems to have broken down. This book aims to bring analysis to bear on those fundamental questions - in a way that advances the discussion among people who are interested in building a better world rather than tearing down the present one.

Ghemawat starts by presenting and examining the hard data including:

- The extent to which goods and services, capital resources, information streams, and people actually cross national borders in the world we live in;
- How much GDP is estimated to grow if we open up more;
- How the impact of globalization on labor markets compares to that of technological change;
- Whether connecting up volatile national markets increases risk through contagion or reduces it via diversification;
- Whether trade causes more or less environmental pollution.

Secondly, the author looks at lessons from history, philosophy, and other disciplines, to better understand deeply held convictions. For example, calls for protectionism triggered by the crisis are a modern manifestation of what human beings have done throughout history when faced with a threatening environment. And while economics teaches us that closing ranks does more harm than good, people don't intuitively see it that way, especially when they're scared.

Thirdly, the book seeks to expand policy in dealing with increased integration. More globalization is widely believed to go hand-in-hand with deregulation, and vice versa. Thus, the entire policy space collapses down to a single binary choice, which is referred to as the tug of war between World 1.0 and World 2.0. So, in addition to describing the range of possibilities, Ghemawat articulates a set of propositions for managing the nexus of integration and regulation.

*World 3.0's remapping of the terrain suggests a path to greater prosperity that involves more market integration but also addresses its potential negative ramifications. Although contrary to powerful human instincts, increased integration reinforces the trend through the millennia of increasing prosperity and safety by broadening circles of cooperation. It also has some specific implications for what it means to be cosmopolitan in such a context.*

While the book draws on the work of researchers in many areas, it mainly leans on the following two disciplines:

- **Economics**: Industrial organization economics' analysis of market failures and their regulation and international economics' empirical studies of how differences and distances affect trade and other kinds of flows.
- **Business**: Adds realism in the sense that business firms, not markets, mediate most international exchanges. In addition, it underscores the importance of pragmatism and a focus on value.

Ultimately, this book invites you to reexamine your own views about globalization. While you may not end up in the same place as the author, a willingness to revise your view of the world where it doesn't conform to the evidence should get you somewhere interesting. Smart policies can push us in the right direction, but if we change our mind-sets we can get farther. And a crisis can be the best time to get out of the groove of traditional thinking.
Review from http://pastspeaks.com

Although it has a few flaws, this book is excellent and should be read by anybody interested in globalization. I teach on the history of globalization, so I approached this book from a historical angle. Although some historians will be left dissatisfied with the amount of historical material Ghemawat has included, the author has done a fairly good job of situating present-day globalization in its historical context. Ghemawat’s stylized rendition of the history of globalization is a tolerably accurate generalization. Moreover, he has incorporated into his theory the key research finding of globalization historians, namely that globalization is not an irreversible process and the world economy experienced a long period of de-globalization between 1914 and 1945.

Pankaj Ghemawat is a wunderkind. He was accepted to Harvard at the age of 16. At 19, he was accepted to Harvard Business School’s Ph.D. program at 19, graduating when he was 24. After a stint at McKinsey & Company, he taught for 25 years at Harvard Business School. Since 2006, Ghemawat has been the Anselmo Rubiralta Professor of Global Strategy at IESE Business School in Barcelona.

Ghemawat effectively demolishes the theories of Tom Friedman, the New York Times columnist whose The World Is Flat became a bestseller and influenced countless public thinkers, from Colin Powell to Tony Blair to many business leaders. Friedman argued that we are now living in a fully globalized world in which neither distance nor national boundaries impinge on commercial activity. Friedman, who is a big fan of globalization, regards this development as welcome. Anti-globalization activists have accepted Friedman’s premise the world has indeed become flat, although for them, the emergence of McWorld is something to be condemned.

Ghemawat shows that both sides of this debate are ill-informed. In fact, he calls the Friedman viewpoint “globaloney”. He argues that while the importance of national boundaries has decreased a little bit in recent decades, borders still matter a great deal. He also shows that physical and cultural distance remain major barriers to international trade. Ghemawat describes the world as “semi-globalized”. He does not dispute that trade barriers have fallen dramatically in some countries and some industries, but he argues that in many sectors of the economy, the orientation of firms is still pretty much national rather than global. Relatively few industries are internationalized.

To show that borders still matter, Ghemawat uses the example of the Ganong candy company in New Brunswick, which is located about a mile from the Canada-US border. Ghemawat reports that one can actually see the United States from the office of Ganong’s CEO. Anyway, if Tom Friedman’s theory were correct, then we would expect that the border would have zero impact on the distribution of Ganong’s sales of jelly beans. After all, Canada and the United States have been linked by a comprehensive trade agreement for over 20 years. The reality, however, is that the border continues to impede sales in the US by Ganong and other Canadian firms: slight differences in regulations regarding food additives and the like force Ganong to have separate production runs for the Canadian and US markets. After 9/11, it became more difficult for trucks to cross the border. Currency fluctuations complicate Canada-US trade. Shipments of Ganong jelly beans have been held up for weeks at the border. The result is that Ganong’s sales are still predominantly in the Canadian market.

Ghemawat uses this Canadian example to make a broader point about the nature of world trade: if borders have a major impact on Canada-US trade, notwithstanding similarities in culture and the NAFTA agreement, then borders will matter even more to trade between other pairs of countries. In other words, reports of the death of distance and the death of the nation state have been greatly exaggerated.

Ghemawat’s book is full of interesting statistics that help to prove his point. And he skewers Tom Friedman for not providing data to back up his claims. “The obvious reason for globaloney is that much of the debate about globalization takes place in a data-free zone... something other than data must account for the success of The World is Flat, since its 450-plus pages contain not a single table, chart, or footnote to back up its pronouncements. I still
find that comfort of Friedman’s many fans with this data-free approach the most flabbergasting aspect of this flattening." (pp.34-5).

Ghemawat is a business school professor and is generally sympathetic to capitalism. However, his book contains some powerful criticisms of the free-market ideology that was peddled for many years by Milton Friedman’s acolytes at the University of Chicago. Ghemawat distinguishes the intellectual tradition at the Harvard Business School from that of Chicago. The Harvard tradition, Ghemawat explains, is based on an inductive approach and the case study method, which involves looking at peculiar circumstances of specific firms and industries. The Chicago tradition, is characterized by a far greater faith in the benefits of applying free market principles to all industries in all countries and at all times. Ghemawat suggests that this approach is fundamental ideological rather than empirical. In some circumstances, writes Ghemawat, deregulation and competition may be great means of achieving other ends, but in others it may be counterproductive. He reminds us that the late Alfred Kahn, who was the architect of the deregulation of the US airline industry in the late 1970s, did not believe that deregulation was appropriate for all industries— he just thought it would be a great thing for airline passengers. Everything needs to be examined on a case by case basis.

Similarly, Ghemawat is unwilling to make blanket statements about globalization being either good or bad.

In 1933, John Maynard Keynes wrote: “Ideas, knowledge, art, hospitality, travel – these are things which should of their nature be international. But let goods be homespun whenever it is reasonably and conveniently possible; and above all, let finance be primarily national.”

Ghemawat says that he agrees with two-thirds of this statement. He agrees with Keynes that the international mobility of people and ideas is a good thing. (As an Indian-born academic who was trained at Harvard and now teaches in Spain, he could hardly disagree with this proposition). Ghemawat disagrees with Keynes that protectionism is a good idea: he thinks it would be terrible if we reverted to the days when Americans were forced by tariffs to buy only American-built cars. Ghemawat does, however, agree with Keynes that the deregulation of finance and globalization since 1980 has created instability and more problems than benefits.

Ghemawat also has some important things to say about the relationship between globalization and inequality. The neat thing about this book is that the author is concerned about both equality within countries and equality between countries. He believes that too much inequality within a country is a bad thing and that government’s ought to engage in some redistribution of wealth, if for no other reason than because egalitarian countries tend to grow faster than nations in which there are large disparities in inherited wealth.

I have two minor criticisms of this book.

First, at the end of the book, the author engages in a long and excessively personal essay on rooted cosmopolitanism. In fact, he includes a statement by his teenage daughter in which she discusses her reactions to moving from Boston from Catalonia. The justification for this little digression is that it illustrates Ghemawat’s point about cosmopolitan global citizenship. While Ghemawat is doubtless very proud of his daughters capacity to master a variety of languages, I’m not certain that his editor at HBS Press should have indulged him by including this material.

Ghemawat depicts Canada as some sort of ideal cosmopolitan society— ethnically diverse and open to the world economy. Canadian readers will note that Ghemawat uses a fair number of Canadian examples and seems to regard Toronto and Vancouver as prototypes of what a truly globalized world would be like. He also points out that Canada is the only industrialized country that doesn’t have protectionist tariffs on sugar. Alas, no country is perfect and Canada is quite protectionist in other ways. Dairy products are shockingly expensive in Canada thanks to a system put in place to feather the nests of dairy farmers: although it is too cold to grow sugar cane in Canada, milk cows do quite well. Moreover, anti-immigration politicians have done quite well in Canada recently— a man who denounced the takeover of the country by “Orientals” was recently elected Mayor of Toronto.
An Imperfect, Inadequate Summary of Each Book

Given that Friedman’s book is approximately 470 pages long (I have concentrated largely on his V 1.0 book, but much of the following does not appreciably change in the later versions, and there is a reason for that choice that will be made clear later) and Ghemawat’s book is about half that length, any article that purports to summarize those books must necessarily confess to a limitation of being an imperfect or inadequate summary. I do so up front!

Tom Friedman’s book The World Is Flat: A Brief History of the Twenty-First Century became a best-selling book shortly after it was first published in 2005, and later “releases” followed in 2006 and 2007. Tom Friedman listed 10 flattening influences which, in essentially a 13- to 14-year period, flattened (or leveled) the international playing field. These include:

1. the fall of the Berlin Wall and the walls of regulation in some countries (primarily China and India),
2. the advent of Netscape and other browsers that allowed people from all walks of life to have easy access to the World Wide Web,
3. workflow software that enabled “your computer to talk with my computer,”
4. outsourcing,
5. open sourcing / open source software,
6. off-shoring,
7. supply chaining,
8. in-sourcing,
9. in-forming through the powerful search engines such as Google to which we have access, and
10. “steroids” such as PDAs, cell phones, and the like, which make all of the preceding flatteners work faster.

All of these 10 flattening influences have done much to “flatten” the world.

A few notes on these flatteners: The date on the first flattener—the fall of the Berlin Wall—occurred at the end of 1989. All of the others followed incredibly rapidly in a span of approximately 13 to 14 years! All of these flatteners occurring in a blink of an eye constituted the first of what Friedman calls the Triple Convergence. The next (and related) convergence occurred when “the convergence of the ten flatteners begat the convergence of a set of business practices and skills that would get the most out of the flat world”—also of professions with different skill sets. This meant that a new business model was required to succeed. Instead of collaborating vertically (the top-down method of collaboration, where innovation comes from the top), businesses needed to begin collaborating horizontally—where companies and people collaborate with other departments or companies to add value creation or innovation. And finally, the third element of the triple convergence occurred with the advent of China, India, and other countries into this new world, almost 3 billion people who had been left out of the business climate were now in. So, it is a “triple convergence” that we in America have to deal with—a convergence of 10 flatteners in the blink of an eye, of many diverse skill sets and professions, and of three billion new people in the global market.

Friedman then develops this theme to talk of how we can work towards making our careers and, more significantly, our children, “untouchable” in this new world, and suggests that the only way to do so is to learn how to learn. He further talks of the impact of the flattening world in terms of some home truths (this is my phrase; he calls them “Dirty Little Secrets”) about the gaps that we face: the “Numbers, Ambition, and Education Gaps.” To my mind, Friedman’s book sends important messages to those in the U.S. and in some other Western countries about the impact of what is happening on the other side of the world. Such events “on the other side of the world” were less likely to impact lives of Americans 20 years ago than they are today.

In his book Redefining Global Strategy, Harvard Business School professor Pankaj Ghemawat states that the world is not flat::
With apologies to Thomas Friedman, managers who believe the hype of a flat world do so at their own risk, says HBS professor Pankaj Ghemawat. National borders still matter a lot for business strategists. While identifying similarities from one place to the next is essential, effective cross-border strategies will take careful stock of differences as well.

It asks us to think of the world as partly globalized, or “semiglobalized.” Ghemawat’s book provides an excellent framework for businesses to plan their own global strategy. His approach is called “CAGE”: the analysis of the cultural, administrative, geographic, and economic dimensions of different countries which can help businesses examine barriers to expanding in these countries and how to overcome them, or at least reduce their impact. He also proposes a scorecard that will help businesses with a “comprehensive, rigorous basis for tracking value creation through cross-border moves.”

In his book, Ghemawat makes a significant claim about globalization versus semiglobalization. He uses Theodore Levitt’s quote in “The Globalization of Markets” (1983) to represent the globalization approach:

The multinational corporation operates in a number of countries, and adjusts its products and processes in each, at high relative cost. The global corporation operates with resolute constancy…it sells the same things in the same way everywhere.

In sharp contrast, Ghemawat states that
differences between countries are larger than generally acknowledged. As a result, strategies that presume complete global integration tend to place far too much emphasis on international standardization and scalar expansion. While it is, of course, important to take advantage of similarities across borders, it is also critical to address differences. In the near and medium term, effective cross-border strategies will reckon with both, that is, with the reality that I call semiglobalization.

He provides compelling data to back up his contention, and points out that, in spite of the rhetoric that investment knows no boundaries and much is being by companies outside their home countries, “the ratio of FDI (Foreign Direct Investment) to overall fixed capital formation has been less than 10 percent for each of the last three years for which data are available (2003-2005)” (emphasis added). Further, he presents data on several other dimensions as well, such as the international component of total telephone calling minutes, immigrants as a percentage of population, foreign students as a percentage of total OECD university enrollment, percentage of research papers with a cross-border component, international component of U.S. private giving, and international tourist arrivals as a percentage of total tourist arrivals, and notes that all of these are less than 10 percent. Patents of OECD residents involving international cooperation and the international component of U.S. investors’ stock holdings are slightly higher than 10 percent but lower than 20 percent. Trade, global exports of merchandise and nonfactor services and percentage of global GDP is under 30 percent, the only dimension he studied that exceeds 20 percent. The average of these 10 dimensions is close to 10 percent, which leads him to conclude that it is far more accurate and appropriate to think of the world as semiglobalized, because “most types of economic activity that can be conducted either within or across borders are still quite localized by country.”

Further, Ghemawat makes the case that not all the trends are increasing. For example, “rough calculations suggest that the fraction of the world’s population accounted for by long-term international immigrants was slightly higher in 1900—the high-water mark of an earlier era of migration—than in 2005.” However, he does acknowledge unprecedented growth in international trade as a percentage of GDP—unprecedented, “but hardly apocalyptic," he says.

Ghemawat examines the case study of Coke, which appears, in his opinion, to have taken the globalization message too far. Coke used global strategy of the sort that Ted Levitt might have recommended with an “unprecedented amount of centralization and standardization. Divisions
were consolidated, and regional groups headquartered in Atlanta. Consumer research, creative services, TV commercials, and most promotions... were standardized. "The problems with that strategy took a while to surface, but by the millennium, Coke was adrift in a sea of troubles." He makes the claim that Coke has only recently started to regain its bearings with a strategy that understands and respects inter-country differences. This is closer to the semiglobalized and CAGE strategy that Ghemawat advocates—in part:

Determine which of a range of international differences—cultural, administrative, geographic, and economic—are key in your industry, and look for differences in differences: categorize foreign countries into those that are close to your home base along the key dimensions versus those that are far.

Comparison

In my opinion, the "World Is Flat" vs. "World Is not Flat" difference is a straw man.

First of all, the title of his book notwithstanding, I don’t for a moment believe that the world is flat (i.e., that there is no impact of national borders). No serious reader of his book would claim that Friedman believes that the world truly is flat—I don’t mean physically flat; I mean that I do not believe that he thinks that no differences exist between countries or that no barriers exist between them.

Friedman refers to the title of the book as coming from a conversation he had with Nandan Nilekani, then the CEO of Infosys, an Indian software company. In this context, it implies that the world is level in terms of international competition, as in a level playing field in which competitors have equal opportunities to succeed. Again, let’s look deeper than the title. Friedman talks of the conversation he had in India:

At one point, summing up the implications of all this, Nilekani uttered a phrase that rang in my ear. He said to me, ‘Tom, the playing field is being leveled.’ He meant that countries like India are now able to compete for global knowledge work as never before.... As I left the Infosys campus that evening and bounced along the road back to Bangalore, I kept chewing on that phrase: ‘The playing field is being leveled.’ What Nandan is saying I thought, is that the playing field is being flattened ... Flattened? My God, he’s telling me the world is flat!

Further to this point, Friedman says that, after this pivotal conversation, he wrote down “The world is flat” in his notebook. However, in the very next sentence, he states, “As soon as I wrote them, I realized that this was the underlying message of everything that I had seen and heard in Bangalore in two weeks of filming. The global competitive playing field was being leveled. The world was being flattened.”

Note that in the conversation with Friedman (which led to the title of the book), Nilekani uses the present continuous tense: “being leveled” or “being flattened.” Even Friedman talks of the present continuous tense in the last line of the preceding quote. But, in the title, he leaped from the present continuous to the present tense—“The World Is Flat.” I’m not being critical; speaking as a marketing man, a title that reads “The World Is Being Leveled” has considerably less cachet than “The World Is Flat.” The point is let us recognize it for what it is—a marketing phrase and not let it detract from the excellent quality of the book, any more than we would let the quality of a great car be reduced by a commercial that implies that by buying it, you will attract more members of the opposite gender than you know what to do with!

As an educator, I have used the work of Friedman and others to issue a wakeup call of my own to audiences ranging from community leaders to middleschool students and their parents and teachers. My talks and PowerPoint slides refer to present continuous tense—the flattening world, rather than the flat at world. Again, in spite of his title, I don’t believe that Friedman himself believes that the world is flat. He has traveled in India and China—he knows of the many barriers, problems, and issues that those countries have to overcome to reach
their potential. I interpret his work to be saying that the flatteners and triple convergence described earlier helped make the world more of a level playing field. I do not believe that these changes, and the profound impact of them, are seriously in question.

Ghemawat's book points out—very accurately and legitimately—barriers to the flat world concept. He states, and I agree, that large differences do exist when one crosses international borders. He provides strategies for corporations in the face of: “Adaptation strategies” that must be taken into account as corporations cross borders, “aggregation strategies” that allow corporations to provide some simplification by grouping countries along some similar characteristics, and “arbitrage strategies” that help corporations “exploit” some country differences to their advantage. The message I get from Ghemawat's excellent book is that there continue to exist very important country differences that corporations ignore at their peril.

I read his book as more of a corporate guide book of how to analyze opportunities for growth (in value rather than just volume) for companies seeking to succeed in the new “semiglobalized” world.

This is what Friedman says: “I am not a business writer and this is not a how-to-succeed-in-business book.” The point that I make again, is that these are very different books—both excellent ones. However, a comparison would not be terribly meaningful in my opinion. It's something akin to comparing a book that exhorts us to be more service oriented to our fellow human beings to an operating manual for the Peace Corps. This comparison is not a great one but I hope it conveys the idea.

Having said that, however, Friedman does offer some business pointers in his chapter entitled, “How Companies Cope.” He offers seven “rules” that are not really in conflict with Ghemawat's concept of the semiglobalized world. In fact (though not in the same chapter), Friedman has a section entitled: “Culture Matters: Glocalization” (not a typographical error). In that chapter and section, Friedman repeatedly makes the point that countries are different, and the culture of countries makes a very significant difference. The more outward looking the culture is (open to foreign influences and ideas), the more “glocalized” it is, the greater its advantage in the flat(tening) world. He further makes the point that geography and natural resources can make a difference. Countries that cannot simply get by with counting on their natural resources are more likely as a matter of survival to be open to new and outside ideas. I'm not sure that he is correct in some cases, but he does effectively make the point in the case of Bahrain which was one of the first Arab countries to discover oil and also to run out of oil; but correspondingly, was the first Arab country to hold elections in which women could vote. On the other hand, Saudi Arabia can live off its oil and so does not need to relate to other cultures. Another impressive point Friedman makes is that not only does culture matter, but culture can change—for example, Japan, Germany, Muslim Spain (in times past), and Dubai.

Note that this approach by Friedman is not inconsistent with at least some parts of Ghemawat's CAGE philosophy. Early in his book, Friedman talks of Globalization 1.0, which involved countries globalizing; Globalization 2.0, which was companies globalizing; and Globalization 3.0, which talks of individuals competing and collaborating. This phase is empowered by technology and software and, in turn, empowers a much more diverse set of people all over the world.

For a moment, let us draw on the expertise of a couple of other sources. The first of these is Seven Revolutions: Looking Out to the Year 2025 … and the major forces shaping the world. “The Center for Strategic and International Studies (CSIS) is a nonpartisan think tank based in Washington, D.C. Its mission is to provide world leaders with strategic insights on—and policy solutions to—current and emerging global challenges. Seven Revolutions is directed by Erik R. Peterson, senior vice president, William A. Schreyer Chair in Global Analysis, and director of the Global Strategy Institute at the Center for Strategic and International Studies” (http://www.7revs.org/).

Peterson states that “the benefits of this level of integration apply to developed and developing country alike. In fact, the United Nations Development Program maintains that developing countries have achieved in 30 years what the industrialized nations took 100 years
to accomplish." These benefits are particularly felt in more outward-looking countries. "A recent World Bank report documents how those countries that opened their economies—the 'new globalizers'—experienced a 5 percent increase per year in per capita GDP relative to non-globalizers ...."

However, we must recognize that global inequities persist. He states that "2.8 billion (people) live on less that $2 a day. In fact, 1.2 billion live on less than $1 a day. The evidence suggests that these income gaps are widening, not closing .... The accumulated wealth of the 225 richest individuals in the world is equivalent to the combined annual revenue of 2.7 billion people at the bottom of the global income ladder."


In this report, they compared the BCG 100 with other indices and found that the BCG 100 outperformed the S&P 500 (and others) on Shareholder returns, Revenues, and Profits.

Clearly, country differences do exist. But, the outward-looking countries have a considerable advantage over closed societies. And, progress of countries from the proverbial "other side of the world" will impact corporate life in America and also personal lives of everyone from little kids to their parents and families.

The thinking of the two external sources is consistent with those of the two authors being compared in this paper.

More on marketing—both, the "appeal" aspect and audience aspect of the field are presented below. Having given Friedman some grief and applause for the marketing aspect of his title, let's do the same for Ghemawat's presumed marketing approach as well. The statement made on the HBS site quoted earlier, "With apologies to Thomas Friedman, managers who believe the hype of a flat world do so at their own risk" is a provocative marketing pitch (again, I'm not knocking such a marketing pitch—that's my field, having spent many years in the corporate and academic world of marketing, I wouldn't bite the hand that has fed me); but, that's how I see it. Ghemawat's book is an excellent book but, in the absence of such a marketing approach, the target audience might have been a limited one—perhaps limited to a handful of corporate executives in each company and academic colleagues in the field of global strategy.

It's possible that some clever marketing person determined that the book could have some wider and broader cachet or bestseller value to a larger audience by deliberately drawing a distinction between his book and that of Friedman, which was already a bestseller at that time. I am not, for a moment, suggesting that this is actually what happened; merely that it is possible. And, this is the reason for my concentrating on the 2005 version of Friedman's work, because it clearly predates Ghemawat's 2007 book.

These two books are entirely different ones. Friedman's bestseller, while a serious piece of work from a journalistic perspective, is not the business and academic text that Ghemawat's book is.

My interpretation of Friedman's work (whether Friedman would agree with this interpretation or not, I cannot say)—and indeed, such has been the basis of my many speeches on the topic—is an exhortation to us, particularly in America—including the corporate sector, the education and higher education sector, and perhaps most significantly, parents and families—to get serious about a world that is becoming increasingly flat. I see Friedman's book as a good wake-up call to all Americans and other westerners (even if they simply stay at home). I see Ghemawat's book as an excellent strategic guide book for corporations which are considering expanding to other countries.

Two excellent books, but very different ones. Largely different audiences, in spite of the creative marketing approaches. To summarize:
Is the world flat? - No.
Is it flattening? - Yes.
Do differences matter? - Yes.
Do both authors know that? - Yes.
Should we read both books? - Yes.
Should we compare them? - Only for the sheer academic enjoyment of it!

3.3 Dani Rodrik - *The Globalization Paradox*


It is dogma among economists and right-thinking members of the political and business elite that globalization is good and more of it is even better. That is why they invariably view anyone who dissents from this orthodoxy as either ignorant of the logic of comparative advantage or selfishly protectionist.

But what if it turns out that globalization is more of a boon to the members of the global elite than it is to the average Jose?

What if most of the benefits of the free flow of goods and capital across borders have already been realized, and any gains from additional globalization will be outweighed by the additional costs in terms of unemployment, reduced wages, lost pensions and depopulated communities? What if global markets, to be widely beneficial, require the kind of global governance structure that does not yet exist and that most people would oppose? What if it turns out that the countries that have benefited most from free-market globalization are not those that have embraced it wholeheartedly, but those that have adopted parts of it selectively?

In "The Globalization Paradox," Dani Rodrik demonstrates that those questions are more than hypothetical - that they describe the world as it really is, rather than as it exists in economic theory or in the imagination of free-trade fundamentalists.

A professor of international political economy at Harvard University, Rodrik has become one of the most powerful critics of what he calls the "hyper-globalization agenda" favored by the corporate community and academic economists. Rodrik laid the groundwork for his critique back in 1997, in his first book, which was published before the Asian financial crisis and the big anti-globalization protests. A decade and a monster global financial crisis later, he has now reframed the debate as one between "smart globalization" and "maximum globalization." Although his message is nuanced and rigorous, drawing on history, logic and the latest economic data, he manages to convey it in simple, powerful prose that any reader can follow.

The starting point of Rodrik's argument is that open markets succeed only when embedded within social, legal and political institutions that provide them legitimacy by ensuring that the benefits of capitalism are broadly shared. Defenders of globalization have always noted that the richest countries tend to be those most open to the rest of the world in terms of trade and investment. Rodrik goes a step further by noting that the most open countries are also the ones with the biggest governments, the most extensive and effective regulation, and the widest social safety nets.

The reasons for that should be obvious, says Rodrik. Globalization, by its very nature, is disruptive - it rearranges where and how work is done and where and how profits are made. Things that are disruptive, of course, are destabilizing and create large pools of winners and losers. Any society, but particularly democratic societies, will tolerate such disruption only if there is confidence that the process is fair and broadly beneficial. That's where government comes in: Markets and government, Rodrik asserts, are "complements."
That was true as far back as the earliest waves of globalization, when the rules of trade were set by colonial powers, often operating through chartered trading corporations that became governments unto themselves. It was certainly true during the 19th century, when the bedrock of global commerce rose and fell and rose again with the gold standard. And it was true during and after World War II, when the new arrangements adopted at Bretton Woods, N.H., explicitly recognized that the operation of the global economy should respond to the social and economic needs of individual nations, rather than the other way around.

As Rodrik sees it, globalization began to run off the rails when it got hijacked by the notion that any restrictions on the flow of goods or capital across borders would result in great sacrifice to efficiency and economic growth. Not only was this free-market ideology imposed by the United States on developing countries through the interventions of the World Bank and the International Monetary Fund, but it was also imposed on the United States itself through a succession of free-trade treaties, the deregulation of finance and the retreat from any semblance of industrial policy.

The irony, Rodrik notes, is that the countries that experienced the greatest growth during the heyday of the "Washington consensus" were Japan, China, South Korea and India, which never embraced it. For years, they had nurtured, protected and subsidized key industries before subjecting them to foreign competition. They had closely controlled the allocation of capital and the flow of capital across their borders. And they flagrantly manipulated their currency and maintained formal and informal barriers to imports. Does anyone, he asks, really think that these countries would be better off today if they had played the game, instead, by the Washington rules?

The paradox, as Rodrik sees it, is that globalization will work for everyone only if all countries abide by the same set of rules, hammered out and enforced by some form of technocratic global government. The reality is, however, that most countries are unwilling to give up their sovereignty, their distinctive institutions and their freedom to manage their economies in their own best interests. Not China. Not India. Not the members of the European Union, as they are now discovering. Not even the United States.

In the real world, argues Rodrik, there is a fundamental incompatibility between hyper-globalization on the one hand and democracy and national sovereignty on the other.

Rodrik is at his weakest in trying to come up with a new framework for Global Capitalism 3.0, so I won't bother you with the details. The crucial message to take away from this important book, however, is that the worst thing we could do for the legitimate cause of globalization right now is to push it any further. In most countries, plenty of work still needs to be done to manage the economic integration that has already developed and to ensure that the benefits become more widely shared. Until that is accomplished, pushing things further will only create political backlash and set back globalization's cause.

In his famous treatise "The Wealth of Nations," Adam Smith acknowledged that "the division of labor is limited by the extent of the market." By extending the market as far as it can go, globalization offered the prospect of finally removing all limits to specialization by workers and businesses everywhere in what they do best.

Now comes Rodrik with a much-needed addendum to Smith's famous formulation, one that the Scottish philosopher himself would have admired: The extent of the market is limited by the workable scope of its regulation.

3.4 Daron Acemoglu and James Robison - Why Nations Fail

Review by Paul Collier, The Observer, March 11, 2012

As the turbulence of global economic crisis starts to recede, the two fundamental features of the world economy in our times re-emerge. One is the gap between rich and poor countries. Two hundred years ago, there was no such gap, at least not on the scale we are used to
today; nor, most probably, will there be one in 200 years' time. But the present reality is of 
ad astounding difference: the same people can live in abject poverty in one country, yet be 
prosperous once they move to another.

This book takes the graphic example of the twin towns of Nogales, one on the Mexican side of 
the border, the other on the American side: why does a border make such a difference? Self-
evidently, this question matters, because unacceptable global inequality generates other brute 
facts: the psychologies of guilt and resentment; escalating pressures for migration; and the 
nightmare choices that face the world when some nations do not merely fall behind, but fall 
apart.

Scholars have struggled for decades to find a convincing answer. Often, the direction of 
search has been technocratic. In the 1960s, the dominant explanation was that poor countries 
lacked capital; by the 1980s, it was that they had poor economic policies.

The last decade has appeared to offer a new and potent clue: the ascent of China, which is 
the other fundamental feature of our times. China's growth is an economic phenomenon 
without precedent that has implications both for poverty and geopolitics. It has lifted millions 
out of penury and the country is projected soon to topple America from its position as the 
world's largest economy. The beacon offered by China has been widely interpreted, especially 
by African elites, as demonstrating the benefits of autocracy.

For anyone remotely interested in these issues Why Nations Fail is a must-
read. Acemoglu 
and Robinson are intellectual heavyweights of the first rank, the one a professor of economics 
at MIT, the other a professor of political science at Harvard. Mostly, such people write only for 
other academics. In this book, they have done you the courtesy of writing a book that while at 
the intellectual cutting edge is not just readable but engrossing. This alone would be reason to 
take notice: a vital topic, top scholars, and a well-
written book.

But this is not the half of it. The reason that Why Nations Fail is not to be missed is that their 
thesis pulls apart the two big brute facts of global development. Far from seeing China as the 
clue to spreading prosperity, Acemoglu and Robinson see it as yet another instance of a 
society rushing into a cul-de-sac. China is not, on their analysis, on course for our own level of 
prosperity.

Their argument is that the modern level of prosperity rests upon political foundations. 
Proximately, prosperity is generated by investment and innovation, but these are acts of faith: 
investors and innovators must have credible reasons to think that, if successful, they will not 
be plundered by the powerful.

For the polity to provide such reassurance, two conditions have to hold: power has to be 
centralised and the institutions of power have to be inclusive. Without centralised power, there 
is disorder, which is anathema to investment.

China most certainly ticks this box – it has centralised power and order in spades. Some 
African societies don't; localised power usurps the authority of the state. But China 
resoundingly fails to tick the box of inclusive institutions. Acemoglu and Robinson quote a 
summary of the structure of Chinese political power: "The party controls the armed forces; 
the party controls cadres; and the party controls the news."

That states need order to prosper is important but no longer controversial. That they need 
inclusive institutions is, in view of China's success, wildly controversial. Their argument is that 
order without inclusive institutions may enable an economy to escape poverty, but will not 
permit the full ascent to modern prosperity. Their explanation is that if the institutions of power 
are the elite to serve its own interest – a structure they term "extractive institutions" – the 
interests of the elite come to collide with, and prevail over, those of the mass of the population.

So, if inclusive institutions are necessary, how do they come about? Again, Acemoglu and 
Robinson are radical. They argue that there is no natural process whereby rising prosperity in 
an autocracy evolves into inclusion. Rather, it is only in the interest of the elite to cede power
to inclusive institutions if confronted by something even worse, namely the prospect of revolution. The foundations of prosperity are political struggle against privilege.

A thesis can be summarised, albeit crudely, in a short review. Yet the main strength of this book is beyond the power of summary: it is packed, from beginning to end, with historical vignettes that are both erudite and fascinating. As Jared Diamond says on the cover: "It will make you a spellbinder at parties." But it will also make you think.

Other:

- Friedman – Ghemawat by **Beheruz N. Sethna**
- Acemoglu and Robinson by Boldrin et al. / Bill Gates comment and AR reply
- Adding Value through off-shoring, IESE Insight, Ricart - Agnese

**Videos**

Video. Thomas Friedman, The World is Flat 3.0, November 2007 (48 minutes). After introduction, the speaker begins at 09:04.

[http://video.mit.edu/watch/the-world-is-flat-30-9321/](http://video.mit.edu/watch/the-world-is-flat-30-9321/)

Video. Pankaj Ghemawat. May 2012. 17 minutes. TED.

[http://www.ted.com/talks/pankaj_ghemawat_actually_the_world_isn_t_flat.html](http://www.ted.com/talks/pankaj_ghemawat_actually_the_world_isn_t_flat.html)

Dani Rodrik. The Globalization Paradox, May 2011. 40 minutes, after introduction, the speaker begins at 04:00.

[http://www.youtube.com/watch?v=lRKPuhH4TZg](http://www.youtube.com/watch?v=lRKPuhH4TZg)