

Mandatory Reading

"The World is Flat"

Thomas Friedman, 2005

When scholars write the history of the world twenty years from now, and they come to the chapter "Y2K to March 2004," what will they say was the most crucial development? The attacks on the World Trade Center on 9/11 and the Iraq war? Or the convergence of technology and events that allowed India, China, and so many other countries to become part of the global supply chain for services and manufacturing, creating an explosion of wealth in the middle classes of the world's two biggest nations, giving them a huge new stake in the success of globalization? And with this "flattening" of the globe, which requires us to run faster in order to stay in place, has the world gotten too small and too fast for human beings and their political systems to adjust in a stable manner?

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

"Civic Revolutionaries"

Douglas Henton, John Melville, Kim Walesh, 2004

"Civic Revolutionaries offers a practical guide for renewing the great American tradition of spirited, breakthrough community leadership. By their very nature, revolutionary leaders help their communities reconcile the competing values on which our nation was built: individualism and community, freedom and responsibilities, trust and accountability, economy and society. Like the Founders, today's civic revolutionaries are extraordinary leaders who are deeply committed to place, not just to specific issues or constituencies. They provide the vital spark, inspiring others who must ultimately own the revolution if it is to be successful."

"The Rise of the Creative Class"

Richard Florida, 2002

One of the few things we have left to sell to the world is our creativity and fortunately, 30% of the workforce needs creativity to do their job. The public and government need to understand how the scientists, artists, entrepreneurs, venture capitalists, and other self-motivated people are changing this society.

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In addition, they need to be respected, nurtured, and supported. They are the solution to our societal problems.

The new economic development will come from companies chasing the creatives, not visa versa.

"Bowling Alone"

Robert D. Putnam, 2000

Putnam says that people have become increasingly disconnected from each other and social structures – whether they be PTA, church, or political parties – have disintegrated.

Society's success requires unification.

"Differentiate or Die" –

Jack Trout, 2000

In today's ultra-competitive world, the average supermarket had 40,000 brand names on its shelves. Car shoppers can wander through the showrooms of over twenty automobile makers. For marketers, differentiating products today is more challenging than at any time in history – yet it remains at the heart of successful marketing. More importantly, it remains the key to a company's survival.

Our virtually limitless federally funded research and development has the potential to keep our products technologically superior throughout the world.

"One million California manufacturing jobs still at risk"

Bay Area Economic Forum et al., March 2005

McKinsey and Company prepared this **30-page** report for the Bay Area Economic Forum and its partners in this project, the California Manufacturing and Technology Association, the Silicon Valley Manufacturing Group, and the Semiconductor Industry Association.

The report addresses issues that are critical to the future of manufacturing in California, and with it millions of California jobs and the state's industrial base. It maintains that 1 million manufacturing jobs are still in danger.

These are jobs that have an average pay of \$53,700, 30% higher than the service sector jobs.

One very important item in this document is on page 14 where the state of Alabama spent \$120,000 per job to lure Toyota, Mercedes Benz, and Hyundai. Not necessarily recommended but showing other approaches the competition is using for job creation.

Many local development organizations have been using government funds to finance development without regard to cash creation potential for the economy. The state government, to balance their budget, is reducing these funds. Funds

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should be restored if they are used to support manufacturing that pays quality wages and benefits.

The report offers lists of problems, solutions and targets of opportunity.

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"Recapturing the Dream", January 2005

Los Angeles Economic Development Corporation
Joel Kotkin and Jack Keyser

This **43-page** document published in January of 2005 should be required reading for anyone who wishes to understand the current business climate in California. Today, there is a disconnect between the public and private sectors. This disconnect will not be bridged without private sector leadership.

Historically California has been a recognized world leader in innovation and that reputation is slipping.

Excerpt: "One crucial reason for the economic problems afflicting greater Los Angeles lies in the increasingly ambivalent attitudes among local leadership about economic growth. **In many instances, concerns about the environment or social justice are considered far more important than sustaining job growth and business creation.** At present, there is an unprecedented disconnect between the priorities and perceptions motivating much of the public sector, media and intellectual elites and the businesses community."

"As a result, much of the regional policy-making community no longer perceives the fundamental connection between fostering economic growth and enhancing the social well being of the citizenry. Los Angeles area leadership, especially the city of Los Angeles, is indifferent, if not hostile to business activity."

"These attitudes have, in turn, generated adverse circumstances in such regulatory and policy areas as workers compensation, inclusionary zoning, and business litigiousness. Rather than encouraging the job growths necessary to elevate the social conditions of the poor and working class, regional leaders have focused on initiatives that reduce incentives for new employment and cause the economy to substantially under-perform."

"This has all taken place within an environment increasingly dominated by the emergence of faster growing economies, both within the Western states, and, most portentously, in China and other emerging Asian countries. Increasingly these countries are challenging Southern California --- and other advanced industrial regions --- not only in lower wage jobs but also in higher end employment ranging from business services and technology to precision manufacturing and aerospace.

Yet, despite these obstacles, surveys and focus groups indicate that there remains a core of entrepreneurs in the Los Angeles region still disposed to remain in the area. Climate, cultural attractions, pockets of skilled, specialized

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labor and the immigrant community's work ethic are all viewed as important economic assets."

Regional businesses, however, cannot be expected to thrive or expand in a community whose leadership remains fundamentally indifferent if not actively resistant to their endeavors. Los Angeles must reclaim its historic commitment to broad-based economic growth, and job creation as the single most effective way to lift people from poverty and achieve upward mobility. This in turn means rededicating Los Angeles to what remains the most important role of any great metropolis: creating and nurturing a middle class."

"Leadership from the business sector on the other hand, is essential to help the larger community understand and support a vibrant economic base as the enabler of the quality of life we all seek. This is the key to a winning regional strategy."

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