

## How Flat Is the World, Anyway?

**ATTENDED A LUNCHEON TODAY WHOSE SPEAKER,** Thomas Friedman, a columnist with the *New York Times*, presented a summary of the first part of his new book entitled *The World Is Flat*. His fundamental idea is that people everywhere are capable of and will access the best information available and, as a result, will revolutionize the world. While this doesn't seem particularly original, it's a useful insight nonetheless.



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On my way home that evening on my commuter train, I read an article in this week's *Economist* highlighting a speech made by Rupert Murdoch of News Corp., claiming that today's teens and 20- and 30-somethings "don't want to rely on a god-like figure from above to tell them what's important." As a result, they're revolutionizing the dissemination of news information previously provided by a handful of network and printed news deliverers.

Fundamentally, these two gentlemen are making similar points. Current technology, be it the World Wide Web or mobile telephony, is providing greater access for all the world's people. This access gives them the opportunity to gain knowledge and insight in a very different way and the ability to play on a more level playing field, giving them greater control over their lives. They will no longer passively have to rely on decisions made by governments, business, and big media, can form their own opinions, and will be able to compete in the world of ideas and commerce.

It doesn't much matter anymore where people live. What does matter is whether they have access to the right technology and have sufficient knowledge and initiative to use it. Even people in poorer countries should be able to catch up more easily, particularly China and India with their strengthening educational systems. And why shouldn't Africans be able to duplicate their feat next decade?

The young have an advantage because they can adapt to new technologies faster than many of us older folk. Women are no longer at a disadvantage as the physically "weaker sex." And although there may still be places in which religion or tradition may be a barrier, technology is gradually eliminating even that.

Mr. Murdoch's point is that with potential access to more information, whether through blogs, wikis, videoblogs, or podcasting, more young people have access to news and use it to form their own opinions. (Not familiar with any of these terms? Get on the Internet and Google

them.) Now that government-imposed limitations have been reduced, it's up to them to make use of these enhanced knowledge opportunities.

Nevertheless, although access through technology has become much flatter, significant groups remain at a serious disadvantage, because adequate mentors, teachers, and role models aren't yet available universally. For professional services, just as in manufacturing, simpler tasks are likely to be taken up initially in lower-cost areas, likely to move upscale only as time and experience is gained.

As both Friedman and Murdoch claim, competition is increasing around the world for everything, and if you don't succeed in keeping yourself up-to-date in technology and techniques, others will inevitably catch you, including the market for professional services. I've been told that routine actuarial functions are already being outsourced to countries such as India. Although such competition hasn't yet reached very high on the value ladder, as my experience as an actuarial consultant tells me, professional competition for high-level advice and service is already intense from other sources—other professionals as well as other actuaries.

Reflecting on the possible ramifications of the recommendations of the Morris report from the United Kingdom in March, we will have to work hard to maintain and expand our influence and reach. Even though no other profession is effectively positioned to take our place, that doesn't mean that we shouldn't act as if someone else were ready and willing to take advantage when we give them the opportunity.

There has been a lot of discussion in some circles about the needed revitalization of our core knowledge base, primarily in the area typically addressed by the so-called dismal scientists, the economists, in the fields of financial, behavioral, or health economics. I believe that some of the techniques and perspectives from these areas can be incorporated into our areas of practice and enhanced to keep the flat world from overcoming our current advantages. But to do so we'll have to work to maintain the value we add to our clients and users of our services. ●

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