

## Review Essay

Ron Mascitelli

*The Growth Warriors: Creating Sustainable Global Advantage for America's Technology Industries* Northridge CA: Technology Perspectives, 1999

Reviewed by: Gregory G. Gaydos

Americans are slowly awakening to the fact that they are the proud progenitors of a Pax Americana, which they neither want nor understand. While those on the left point to Operation Iraqi Freedom as evidence of U.S. imperial ambitions, President Bush keeps claiming we are not imposing our culture, as if democracy and the equality of women is a cultural. He and his advisors keep reassuring the American public the troops are coming home. He doesn't seem to understand that Pax Romana required 13 legions to quell Judea and the legions did not come home until the Visigoths were at the gates of Rome.

As American culture permeates the world, whether in the form of popular culture (Madonna, blue jeans, Coca Cola commercials, Dallas reruns, films) commercial franchises (McDonalds, Colonel Sanders) or cultural artifacts such as super highways and sky scrapers (these were the particular gripe of Mohammed Atta) we should anticipate a cultural reaction beyond the French trashing a McDonalds.

Ron Mascitelli's *The Growth Warriors* is a perfect example of good well intentioned advice to keep American firms ahead of the productivity curve, so to speak, without examining their place and their implication for American dominance. It is a masterpiece of Littlethink. Let's look at what it does well. It is an outstandingly insightful look at the competitive environment our high tech companies confront and provides an excellent roadmap for their success.

His book is a pyramid with Part I, the base, where he explains the fundamentals, such as the nature of globalization and productivity. He shows how it took 80 years to recover the level of globalization we had in 1914. He also explains how productivity is the source of wealth and how our productivity deteriorated from a high of 3% after World War II to negative productivity in the late 70's. He does acknowledge a surge of productivity in 1982 to a high of 5%, but it is curious that he never accounts for this, as if President Reagan's massive tax cuts and deregulation of the economy never occurred.

In Part II and III, he gives strategies to allow American firms to gain sustained advantage such as locating in regional networks like Silicon Valley and avoid the vertical isolation of the stodgy Massachusetts Route 128 corridor. For example, Apollo Computer of Route 128 had a superior work station and a head start on Sun Microsystems, but Sun shot ahead to become an industry leader based on rapid innovation rates and the flexibility of the Silicon Valley environment. At the very time Mascitelli was writing about the value of sharing and collaboration within these technological clusters, Andy Bechtolsheim of Sun Microsystems was tired of hearing two Stanford graduate students arguing over a ping pong table in their garage about not having enough money to start their firm. He ran to his Porsche, got out his checkbook and wrote

out a \$100,000 check to Google, which forced them to form a company in that name to cash the check. The rest, as they say, is history, if five years qualifies as history.

Typically, a major flaw in a text that merely guides the maximization of profits for U.S. corporations and GDP for the U.S. is that there is no Bigthink. That requires examining the environmental degradation that results from such development ( i.e. the depletion of the ozone layer from CFCs) and international blowback from U.S. economic dominance. Mascitelli anticipates the first with a concluding chapter on the environment where he cautions us not to confuse GDP with quality of life. We must find a way to assign costs of pollution to the polluting industries. He cites the 1990 U.S. Acid Rain Program as an example. There utilities could trade credits for halving their sulfur dioxide emissions, and actually did so at a net profit due to unforeseen savings associated with low-sulfur coal. Unfortunately, his book went to print before Clinton made the largest deposit of low sulfur coal in the world, the Grande Escalante Staircase located in Utah, a national monument, and therefore untouchable. Coincidentally, the second largest deposit of low sulfur coal in the world is controlled by his buddies, the Riadys who run Lippo Group in Indonesia, and who funneled millions to his 1992 and 1996 presidential campaign, as well as giving \$100,000 to Webster Hubbel as he was going off to jail to, as Hubbel said, 'Roll over for Hillary.'

The other half of Bigthink-international blow back was not anticipated by Mascitelli. He did recognize that there was a convergence of productivity among the leading nations that he refers to as the convergence club, who are able to imitate and transfer technology. The inability of the least developed countries to procure, imitate and absorb advanced technologies, excludes them from this convergence club despite their pressing needs.

The rich get richer and the poor get (relatively) poorer... I started writing this book review in August 2001, but was unable to finish it after 9/11, because there was a discontinuity between Americans gaining market share and Al Qaeda. An Egyptian journalist helped unlock the mystery by saying the terrorists felt like dwarfs, so they had to bring our tall buildings down. The twenty two Arab countries have the GDP of Spain. Only 1% of Arab households have computers and only 0.5% is connected to the Internet.

The Islamic culture was arguably the richest and most advanced civilization in 1400, having invented Arabic numbers and algebra. To have sunk so far in 500 years, to be colonized by the Europeans, to be powerless before five million Jews in Palestine, to be unable to stop America's regime change in Baghdad must lay low their dignity and manhood. This is not to say we are responsible for their economic condition. Their own culture is responsible for their fate- Wahabism discourages any modernization, claiming a good Muslim should live as Mohammed lived, without modern conveniences. This feudal outlook seals their fate in a globalized world and guarantees perpetual conflict with the U.S. and the Convergence Club. Mascitelli gets an A+ for this advanced text for our MBA programs, illuminating our way to market share in an environmentally sensitive way. It has been widely hailed as a "must read" for any CEO refresher course in economic and technological innovation; however, like any text composed before 9/11, it seems dated. Von Hayek said, looking back at the cataclysm of 1914, "We did not realize how fragile our civilization was." Now as we are about to enter the third year of the World War III, are we going forward, boats against the current, or slipping back to another 80 year hiatus? Only 0.5% of Arabs are on the Intern et, but Al-Qaeda is part of that 0.5%. Is America up to the

requirements of Pax Americana? Can it help to change these cultures so they will become “Growth Warriors” themselves? Or, will we withdraw, as some fear, before the onslaught of international criticism?

**About the Author:**

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