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Reviews

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Reviews

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Megatrends: Ten New Directions Transforming Our Lives

by John Naisbitt, Warner Books, Inc., New York, 1982, 290 pp. Hardback, \$17.50; Paperback, \$3.95.

Is America, indeed the world, in a process of transformation economically? politically? socially? If a major restructuring is taking place, what is the direction of life? of business? John Naisbitt answers these questions with ten trends identified through content analysis of local newspapers. A newspaper is a closed system; when a new preoccupation gains prominence an old one is dropped to make room for the new. Two million local articles across the U.S. were analyzed over a 12 year period yielding Naisbitt's framework for the new society.

From an Industrial Society to an Information Society. The agricultural society was man against nature; the industrial society was man against fabricated material; the information society is people interacting with other people. Beginning in 1956 with the transatlantic telephone we begin an era of the globalization of information and a shifting of our economic base. In an industrial society, capital is the scarce resource. In an information society, knowledge is the critical ingredient and knowledge is adequated with power.

Documenting the information economy is difficult, but in 1967 an information specialist found that the information economy (buying and selling of information) accounted for 46 percent of GNP and more than 53 percent of earned income, and the information economy was in its early stage. Now, more than 60 percent of the labor force

works with information, 13 percent are engaged in manufacturing, 12 percent provide services and 3 percent are farmers. The information occupation is the only sector that is growing. We may have information overload but we are still starved for knowledge.

Technology proceeds in three stages; (1) a line of least resistance; (2) improvement of previous technology; and (3) new directions. Calculators, push button telephones, and computer games were readily accepted as they did not threaten anyone. Microprocessors in typewriters and cars just improved mechanical things we already had, but introducing technology such as robots, to perform industrial tasks faces resistance. "Technology is seen by labor as management's latest tool for harnessing workers." In an information society two languages will be required as computers penetrate the work place! English and computers.

An information society is literacy intensive. However, Americans are moving toward virtual scientific and technological illiteracy due to a shortage of high school science and math teachers and college-level computer science and engineering teachers. Corporations have had to enter the education business to rectify the inferior products emerging from high schools and colleges.

From Forced Technology to High Tech/High Touch "We must learn to balance the material wonders of technology with the spiritual demands of our human nature." A highly personal value system evolves from the impersonal nature of technology. Naisbitt reasons that without a high

touch component, high tech is rejected, i.e., metrics, electronic funds transfers, teleconferencing and shopping. The high touch dissonance of polygraph tests, concern about privacy and telephone answering machines infuriates people. "Perhaps it is the high touch need to be together that enables us to tolerate the high levels of density we experience in many crowded cities."

From a National Economy to a World Economy. The U.S. no longer dominates the world's economy nor has an economy that is self sufficient. An increasingly interdependent global economy is emerging as we experience a global redistribution of labor and production. The twenty fastest growing economies for the period 1970-1977 were all third world countries (not all oil-producing) who are taking up the world's industrial tasks. Naisbitt reports that Spain and Brazil are replacing Japan and Sweden as shipbuilders and the mammoth work forces of the Third World are replacing the U.S. as providers of apparel, steel and automobiles. The automobile industry has become globalized with production sharing by many countries.

The U.S. has two separate economies: the sunset economy of the industrial age and the sunrise economy of the information age. Examples of sunrise industries are electronics, biotechnology, alternative energy sources, mining of seabeds and robotics. Naisbitt does not believe the U.S. has been in recession recently, but rather a structural adjustment toward the sunrise industries.

From Short Term to Long Term. American business management is criticized throughout the world for its short term orientation: the numbers. Naisbitt puts the responsibility primarily on financially oriented business schools and businesses that reward and promote on a quarterly profit basis. Long term strategies of technological innovation that create wealth are not emphasized in professional management education.

Businesses need to develop a broad based concept of what business they are in. The great lesson for business was the railroad's failure to conceptualize their business as transportation. The conceptualization process is a constant ongoing process converging on the business' strategic purpose or vision. The corporate vision must

acknowledge economic power changes as the components of the economy change.

From Centralization to Decentralization. Information societies are decentralized societies. Politics, geography, social relationships and social institutions in America are in the process of being decentralized. Special interest magazines, special interest cable stations, local initiatives, regional cohesiveness found in energy rich Western states, regional airlines, and labor union problems are all evidence of the decentralization trend. State and local governments emerge as the most important political entities in America as people rebuild America from the bottom up. Economically we no longer have the industrial society centralized needs of materials, labor and capital. The results of decentralization will be more "centers" that in turn yield more opportunities and choices.

From Institutional Help to Self Help. Naisbitt purports that it is the failure of the institutions we depended on for four decades (medicine, corporations, government and schools) that has caused a reclaiming of self reliance. In medicine, three major trends have emerged: (1) a newfound responsibility for health; (2) self-care; and (3) a pattern of wellness, preventive medicine and wholistic care. An increase in available venture-capital has stimulated the movement of individuals away from large corporations to entrepreneurial activities and small businesses. With a declining quality of education, many are supplementing their education at home. Self-help and mutual aid programs are found in every conceivable area from food to crime.

From Representative Democracy to Participatory Democracy. We lack genuine leaders because followers create leaders and a well educated American electorate likes to make their own decisions. People want to be a part of the decisions that affect their lives. The representative system continues only because we have always had it and we don't want to vote on every issue. But political power is being pulled away from elected representatives by direct ballot vote on initiative/referenda and through grassroots political activity. Naisbitt reports that we are also reforming corporate structures to permit workers,

shareholders, consumers, and community leaders a voice in corporate decisions, a change from top down to bottom up.

From Hierarchies to Networking. Networks are people talking to people in either an informal or an organized transfer of data or exchange of knowledge. The traditional organizational hierarchy that slows down the flow of information is being replaced by networks. The individual is at the center of a network with values placed on equal communication with flows in any direction, up, down, diagonally, or laterally. A network style will be the new management style as American corporations blend their short-term orientation with Japanese-type long-term programs in employment, responsibility, evaluation, control and decision-making. There will be many, small participatory units. Naisbitt feels that a network management style will give Americans the sense of belonging that is needed.

From North to South. Naisbitt chronicles the political, demographic and economic shift from the North to the South with five key points. First, the shift is more accurately one to the West, Southwest and Florida. Income, locations of sunrise industries, and homes of presidents have moved westward. Second, the sunbelt boom is not at the expense of the North. There are two different trends. The Northeast is experiencing the decline and stagnation of mature industries while the South and the West conduct a national search for energy and provide a location for sunrise industries. Additionally, an overpopulated Northeast is decentralizing to the West and South. Third, the shift is gaining momentum and is irreversible in our lifetime. Fourth, the states that have experienced growth in absolute population and income numbers, as well as an increase in growth rates, are Texas, California, and Florida. All three states have an international orientation as gateways to other parts of the world. Last, all of the physical and social infrastructures in the North are losing their tax base for support while the South is forced to duplicate the infrastructures of schools, sewers, transportation, hospitals, protection, etc. Naisbitt identifies ten cities of great opportunity, all in the Southwest and West: Albuquerque, Austin, Denver, Phoenix, Salt Lake City, San Antonio,

Megatrends is recommended reading for all as a changing society affects everyone.

San Diego, San Jose, Tampa and Tucson.

From Either/Or to Multiple Option. There is something for everyone. Today's family no longer has a typical profile. There are no dominant schools in the arts. Individuals have more career options. Religion is experiencing a revival similar to the one in the mid-1700s as we transformed from an agricultural society to an industrial society. Specialty foods, cable TV, and cultural diversity are other evidence of multiple options in this time of greater opportunity in education, the arts, religion, work and the market place.

We are in a time between eras as we cling to the past and fear the uncertainty of the future. The U.S. must take the lead as we change from physical power to brainpower, as the place of government is being redefined, as management structures are changing and our population is relocating. Opportunity abounds if we have a clear vision of the road ahead.

There is an excitement in *Megatrends*. It stirs the intellect and makes you want to share it with others. The trends Naisbitt outlines are visible in our society today. He does a commendable job in refraining from attempting to be a prophet. *Megatrends* simply attempts to array what has already happened in America into ten major trends. Since we live in a global society, however, the question that now needs to be addressed is whether these trends can be confirmed beyond an American perspective. Ω

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