

Competing in this global economy

THOMAS Friedman's "The World Is Flat" is by far one of the most intriguing books I've read in the past five years. Written in 2005, the book explains how technological, social and political breakthroughs forced globalization upon us.

Until I read this book, I did not fully



For Starters
By JOSH FLINT

understand the concept of a global economy. Case in point: I toured the Caterpillar facility in Peoria recently. Cat was formed in 1925 when the Holt Manufacturing Co. and the C.L. Best Gas Traction Co. merged. According to the tour guide, in the early years Cat exported less than 10% of its production.

Today, approximately 60% of the company's machines are shipped outside U.S. borders.

The Peoria plant is the only one in the world that manufactures the D11 track-type tractor, i.e. bulldozer. The D11 is Cat's largest bulldozer. It uses an 850-horsepower engine to move its 230,000-pound frame. For shipping, the D11 must be broken down and put on several semis.

Lately, Cat has been performing impressively, despite what some are calling a recession. Many say the weak dollar has generated higher-than-expected export sales.

If demand for Cat's D11 continues upward, I doubt Peoria will remain the sole manufacturer. With rising transportation costs, an overseas factory would make sense.

Shipping jobs overseas

I've seen the frustration Americans feel when a factory closes and moves overseas. My uncle recently lost his job when a Briggs & Stratton factory shut down and moved to another country.

Aside from lamenting the loss, what can we do to hold on to manufacturing jobs?

Workforce adaptation

To keep Americans working, Friedman says the workforce needs to adapt in order to overcome job loss. He details an inspirational story about a woman who was laid off several times because her job kept going overseas. Each time, the woman went back to school and furthered her education.

Since my uncle lost his job, he's enrolled in a computer science program. He graduates in December. Oh, I forgot to mention, he's in his mid-50s.

As college continues to get more expensive, it makes me nervous to think a bachelor's degree will only put you on a level playing field with other job applicants. Many have said, "A master's is the new bachelor's degree."

Today, many students do not enter the workforce until they've obtained their doctorate. This puts them in their late 20s by the time they get their first career-related job. While a doctorate is quite an accomplishment, there's something to be said for actual job experience. However, as more manufacturing jobs are lost to cheaper wages overseas, more Americans will begin competing for jobs that require higher education. I was surprised to find out where the line is.

In the book, Friedman says many entry-level accounting jobs are going overseas. Imagine graduating with a bachelor's degree in accounting and having to compete with a pool of Indian graduates for a job with an American-based firm.

For farmers, global competition presents itself in a different sort of way. However, a series of bad decisions could result in job loss and, ultimately, a career change late in life.

Today, U.S. agriculture is thriving. However, farmers need to continuously adapt to the economy to ensure farms remain U.S. owned and operated.

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