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AMERICA

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GLOBAL AMERICA

Understanding Global and
Economic Trends and How To
Ensure Competitiveness

JOHN MANZELLA



MANZELLA
TRADE COMMUNICATIONS, INC.

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REVIEWS

Global America will give you a no-holds-barred view of the near and long-term effects of some of the most recent economic trends today. This book is essential reading for everyone interested in the new complex global factors and drivers of productivity and prosperity.

Barbara Osterman, Founder and Owner of Human Solutions LLC.

John Manzella presents a cogent, comprehensive picture of the emerging demographic and economic trends shaping the future of globalization and offers smart policy recommendations and business strategies for competing successfully in a rapidly changing international environment.

Daniel Ikenson, Director of The Cato Institute's
Herbert A. Stiefel Center for Trade Policy Studies

John Manzella has written a thought provoking book that explores the many perils that exist in the international business landscape, how they remain in a state of constant change, and reminds us how important it is to remain fluent in current affairs in order to stay a step ahead of that change. Any business person actively engaged in international business would benefit from reading this book.

Daniel Wagner, CEO of Country Risk
Solutions and Author of Managing Country Risk

Manzella's Global America is an eminently readable and realistic analysis and appraisal of America in the future global economy. While policy is never far from the main discourse, the cherry on the Sundae is his ability to single out key trends and make them meaningful to each us whether we are involved with marketing goods, managing supply chains, investing our savings, or raising our children.

Larry Davidson, Professor Emeritus of Business Economics and Public Policy at the Indiana University Kelley School of Business

John Manzella's book Global America is just the right antidote for the misguided belief that Americans cannot prosper in a global economy. Based on thorough research and his years of experience in global consulting, Manzella explodes myth after myth about such charged topics as immigration, NAFTA, and trade with China. His prescription of more open markets, property rights, the rule of law, and education and tax reform points to a brighter future.

Daniel Griswold, President of the
National Association of Foreign-Trade Zones

In Global America, John does an excellent job of providing a timely snapshot of America's competitive position vis-a-vis the global economy — 15 years into the 21st century. This book provides an island of context in an all too temporal sea of tweets and spin.

Greg Sandler, President of ThinkGlobal Inc.

This book is dedicated to my wife, Karla, who always supports my endeavors, and to my children, Lauren, Christopher, Victoria and Francesca, who I encourage to follow their dreams regardless of how difficult they may seem.

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INTRODUCTION

New global and economic trends continue to bombard the United States. Regardless of where they originate — domestically or abroad — business, economic and political forces are spinning across the globe, accelerating and evolving at every turn. And in some cases, trends that began in the United States are adapting to changing environments and returning back home with a deeper impact. In the process these forces are creating new realities that seemingly appear at random.

If you think you're not impacted by global trends — think again! They are effecting virtually every aspect of our lives.

Tip O'Neill, former politician and Speaker of the U.S. House of Representatives from 1977 through 1987, coined the phrase “all politics is local.” This belief, which encapsulates the principle that a politician's success is directly tied to his or her ability to satisfy the needs of local constituents, is still repeated in the halls of the U.S. Capitol. But politics may be the only thing that's still local.

Whether you are a senior executive of a company seeking greater U.S. market share or pursuing faster-growing markets abroad, a student trying to obtain the skills that will be required tomorrow, a single mother

of two children unknowingly competing with Asian workers, a Wall Street investor trying to predict the stock market's direction, or a Wal-Mart employee struggling to get ahead, you can't escape the impact of what's occurring on the world stage.

For every American company and employee, even those that focus solely on the domestic market, *all business is global*. Why? As the world continues to become more interconnected, a company and its employees can no longer escape the effects of international trends and events. And in many cases, we aren't even aware of world factors in our lives.

For the small farmer in Iowa who may feel isolated from global influences, a deeper look may reveal this: the farm machinery is imported or built with foreign parts improving its quality and price; the genetically modified seeds, fertilizers, chemicals and insecticides are the product of intellectual property partly derived from European and American foreign-born scientists on the cutting edge; the farm hands hired during harvest season are from Central America; or the value of the crops and the currency used to buy them are influenced by a multitude of international factors including world volatility.

Various trends, along with the lackluster recovery from the worst recession since the Great Depression,

have revealed critical American flaws. Yet, I continue to witness how the United States still captures the world's imagination.

After dozens of speaking engagements in Mexico in the early 1990s, I found that many in the audience either had an American passport or badly wanted one. When I crossed through *Check Point Charlie* from West Berlin to East Berlin in March 1990, I was told by countless East Germans of their wish to move to the United States to seek a better life. And when visiting China in recent years and speaking with Chinese colleagues in recent months, I sense a heightened patriotism and a new confidence there. Nonetheless, young Chinese I meet often tell me of their desire to study in the United States or permanently move here.

What draws so many to the United States? America's "secret sauce" continues to provide tremendous advantages that no other country can. But changes created by various forces may alter that reality. And politicians may poison the sauce.

Today's global trends — which to a large degree are driven and affected by new technologies and innovations, the worsening skills deficit, "real" unemployment levels, the energy revolution, manufacturing dynamics, backshoring and investment flows, site selection decisions, government dysfunction, demographics shifts,

a rapidly changing China, and the direction of global economic growth — are creating daunting challenges and shaping our future. What does this mean to the United States, your business, and our children?

Forces operating on the other side of the planet are increasingly being felt here. And this reality is strengthening — not weakening.

Global America connects the dots so we may better understand what has occurred, and peers into the chain reactions as they unfold so we may more accurately grasp what lies ahead — and prepare for it. Going forward, the ability to make well-informed decisions is paramount. This book also provides key strategies that can be employed to boost competitiveness and influence elected officials. And to a large extent, it focuses on America's younger generation, offering them indispensable guidance because they are the face of the future who must compete with 1.4 billion Chinese, 1.3 billion Indians, and 4.3 billion others around the globe struggling to get ahead.