

THE 2010 MELTDOWN



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Solving the Impending Jobs Crisis

Edward E. Gordon

PRAEGER

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*To Paula, Mark, and Rick, the next generation of my family,
may they always be knowledge workers throughout their lives!*



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Edward E. Gordon
Chicago, Illinois

Introduction

PEOPLE, JOBS, AND CULTURE

During the past 30 years, the world has undergone accelerated technical and social change. Because of the bewildering combination of these and other cultural forces, many people now worry about their current jobs and the future of America in the world economy

The 2010 Meltdown: Solving the Impending Jobs Crisis addresses the interconnections between technology, globalization, a major worldwide demographic shift, and the increasing global shortfall of skilled and educated people. It spells out solutions to avoid a people catastrophe and a potential economic meltdown for America and the world.

This is a book about culture and change. Most people think about contemporary cultural problems as if the world were a static place; they propose solutions based on how things work today or worked yesterday. That is why the present, static solutions to these jobs and people issues are now being overwhelmed.¹

Yet the past 30 years have also been a time of marvels and unprecedented prosperity around the world. It is hard for most people to comprehend that only 60 years ago, 40 percent of American families had an annual income of less than \$1,000. As historian David McCullough reminds us, “Because you were born into this particular era doesn’t mean it has to be the limit of your experience.”²

The 2010 Meltdown is not just an exercise in nostalgia. Part of my mission is to help the reader roam the past, present, and future to construct new answers for our present dilemmas.



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During this current watershed era of change, science has transformed how we live and how long we live. The splitting of the atom and invention of the computer are among the great, earth-shaking developments of our age.

Lest we forget, it was only in 1945, at the end of World War II, that the United States emerged intact as the world's foremost industrial power. During the subsequent Cold War era, through the collapse and transformation of world communism in the 1990s, U.S. history had become world history. Current American culture developed around that success story.³

Over the past two decades, technology and world trade created about 40 million more jobs than were destroyed in the United States. These are the past dynamics of successful American capitalism. But the key is to better manage future changes by supporting the transition of U.S. workers to more competitive, higher-paying/higher-skill jobs, not to cling to the low-skill job culture of a past age that is disappearing worldwide.⁴

Part of my motivation in writing *The 2010 Meltdown* is to pilot Starship Earth into a prosperous, peaceful 21st century by emphasizing that people resources are a crucial factor in propelling change. We may often have technology resources, even capital resources, in abundance. But what could be called the smart people resources required to propel us to a better tomorrow simply aren't keeping up with society's demands.

A global economic shift is already under way. The next wave of the Industrial Revolution will make many regions of the United States and communities around the planet regret their current apathy in creating more smart people for the high-tech world economy.

During the past decade, I have been encouraged by the enthusiastic response to my people development ideas from many community leaders around the world who have already heard this message or who have read my prior books on averting this catastrophe. Many have already begun the difficult task of changing the job culture in their local communities. In the following pages, by telling their stories of community activism, I seek to begin the process of winning a real commitment to these changes from a broader range of international readers. If each of us is not willing to invest something in gradual, systemic changes now, we will all pay very dearly 10 to 20 years from now. I agree with the observation of Richard Tomkins in the *Financial Times* that "human achievement is based on sublimating one's own instinct for the greater good and forgoing pleasures today for a better tomorrow."⁵

"America's Meltdown," the first part of the book, is an overview of the broad impact of technology, globalization, baby-boomer retirements, and other interrelated issues. Chapter 1, "The 2010 Crossroad," documents how people are struggling to keep their jobs or find new ones in America's



so-called screen saver economy that often seems to be built on greed, illusion, and hype. For the past decade, American business has been in denial about long-term workforce development and, instead, has fixated on short-term profit strategies such as global repositioning, outsourcing, or importing temporary workers. By 2010 an unprecedented number of baby-boomers will begin retiring in the United States, Europe, and Japan. We face the sobering reality of a smaller next generation of workers who are less-well-educated and less-prepared with the specialized skills to run a high-tech economy. This smart people shortage will increase the risk that the world's elaborate technological infrastructure will begin falling apart.

In Chapter 2, "The Rise of the Techno-Peasants," we explore how, during the past 30 years, the employee skill bar has been silently rising in workplaces worldwide. Business profits in America and in every advanced, industrialized nation now hinge on using the most advanced technologies operated by more sophisticated workers. Unfortunately, the worker pool of these well-educated, tech-savvy people has not kept pace with workplace demands. Many Americans even lack the fundamental educational skills needed to learn how to use these workplace technologies. The rise of what I call the techno-peasant seriously cripples service and manufacturing productivity worldwide.

Part Two, "Feeding the Sharks," tells us how our culture now traps many people in low-skill or obsolete jobs that are disappearing more each day. Chapter 3, "Where Has the Schoolhouse Gone?," asks if anything has really changed over the past 20 years of so-called school reform. At best, only one-third of all U.S. students are at the twelfth-grade reading level when they graduate from high school, and up to 50 percent of current students drop out of high school. Many people still deny the existence of an education crisis. They maintain that there are plenty of low-skill jobs now available. We only need to raise the minimum wage to make these jobs financially practical for more Americans. Unfortunately, the minority of well-prepared U.S. students in an educational wasteland of mediocrity and ignorance is too small to offset the competition from students of many other nations in the skills race for tomorrow's best job opportunities.

Chapter 4, "Help Wanted in America and the World," explores the broken career machine in the United States and many other nations. The majority of parents, students, and educators suffer from a career culture lag due to outdated information or actual misinformation. Most know too little about the new career opportunities of the 21st century. They know even less about what education and specialized skills it will take to participate in these high-paying careers. The world's labor market seems increasingly out of sync with the growing demands for knowledgeable people



to fill careers in many tech-related areas of health care, engineering, the sciences, business, teaching, and even traditional, high-skill craft occupations. The irony is that many individuals who are obsessed with modern technology disdain as “uncool” these high-paying, high-skill, tech-related careers that increasingly make the world go around. This people paradox now grips the globe.

Part Three, “Structuring Renewal,” proposes policy solutions to the issues raised in the previous chapters and provides case study solutions. Chapter 5, “Signposts at the Workforce Crossroad,” shows how communities from Santa Ana, California to Fargo, North Dakota, as well as across Asia and the European Union, are responding with 21st-century career training and education programs. Small businesses and large corporations are collaborating through local community organizations that include such groups as service clubs, Chambers of Commerce, schools, unions, and parent associations. They sponsor a multitude of different non-governmental organizations (NGOs) that provide guidance to students on a range of new and traditional careers, as well as retraining current workers.

Chapter 6, “The ‘Sixth Discipline,’” tells the story of how organizations are better balancing their short-term versus long-term economic needs by investing in growing their people’s knowledge. These training and education programs range from those of METRA (Chicago’s commuter railroad), Wabash National (a manufacturer of truck trailers), and Will-Burt Company (auto parts) to those of IT companies such as Intel, IBM, and Verizon. They all practice a “Sixth Discipline” by getting a good return on investment (ROI) on developing their human capital and seeking ways of fostering creativity and innovation as part of a business culture change process. They are challenging a Wall Street culture that remains fixated on short-term profit regardless of negative, long-term economic consequences.

The concluding chapter, “Beyond the 2010 Crossroad,” explores what we now know about potential practices and policies that can propel us toward an era of reconstruction for a New America and a new world.

The 2010 Meltdown deliberately seeks to challenge many readers’ personal prejudices about culture change. In Chicago we have a large Irish community. We also have a local disease known as Irish Alzheimer’s—you forget everything but your grudges. I am asking all readers of this book to consider giving up some of their grudges or vested interests to help their communities adjust to the broad, cultural changes demanded by the 21st century. We need to learn from our past mistakes, not dwell on them. Mistakes are seldom irrevocable.





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The United States has always been known to the world as a center of energy, change, and optimism. We have become a nation of investors and builders transformed by, and transforming, technology.⁶

Now the nation's critical education mass is falling below a level acceptable for maintaining, let alone expanding, our current standard of living. It has become increasingly clear that "America will not remain highly competitive in global markets unless it builds a world-class workforce."⁷

The entire world is approaching an important economic crossroad that will decide which nations will prosper in the 21st century. If the United States, the European Union, Japan, India, and China fail to redesign their workforce infrastructure from within, it will be redone from without, with a vengeance.

The time has come for more people to band together in their communities and get involved in local civic institutions. America and the world need to move on as we build a more knowledge-based culture for the 2010 crossroad and beyond.⁸



