

**You might never have thought that Chinese or Russian brands would be gunning for American customers, but they are.**

## **The World Is Flat; Your Job Is In Peril**

When Jonathan Rowe teaches his class in international business at Mercer County Community College, the first thing he does is show a video about globalization based on Thomas Friedman's book, "The World Is Flat." "His thesis is that we live in a flat world, and that means it is no longer possible for individuals or businesses to shelter themselves in their own little domestic corners," says Rowe. Globalization affects everyone and is a reality we will all have to learn to live with. It presents businesses not just with challenges but also with opportunities.

Market-oriented reforms in developing countries like Russia, China, and India have created opportunities for investment in businesses and in entrepreneurs. Yet an increasingly educated populace and rising middle class in these countries also competes for jobs with Americans. "It used to be that young kids in China and India were starving for food and now they are starving for our jobs," says Rowe. "That's probably the biggest challenge of globalization."

"There used to be certain jobs that wouldn't be outsourced," he continues. "If you were in a service industry or had a technical or college-level education, you would be safe from having your job sent somewhere abroad." But with advances in technology and cheaper communication, outsourcing does not just mean moving factory jobs overseas to countries with cheap labor; now high tech jobs are following suit.

Rowe's class in international business is a three-credit course

beginning Thursday, July 9. The class meets every Tuesday and Thursday through August 17 from 6 to 9:40 p.m. at the West Windsor campus of Mercer County Community College. Cost: \$477. To register, go to [mccc.edu](http://mccc.edu).

Rowe is generally optimistic about the future of American business in the context of globalization and highlights several issues that have affected international business over the last two decades:

**New comrades.** Former communist countries bring both opportunities and competition. Before the Berlin Wall was pulled down in

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1989 American businesses were barred from competing in many countries. Today opportunities for investments and sales exist in Eastern Europe, but American businesses also have to compete with foreign businesses for customers.

"You may never have thought that a Chinese or Russian brand would be in competition with you, gunning for American customers," Rowe says. But they are, and a business in a formerly communist nation might even put an American company out of business.

**Low tariffs are here to stay.** The World Trade Organization, was formed after World War II and three-quarters of the world's nations are members. This organization was a response to protectionist measures like the 1930 Smoot-Hawley Act, which enacted tariffs averaging 40 percent to protect American products.

The World Trade Organization supports open markets and relatively low tariff levels — averaging about 3 percent — among members, and one of its rules is that once a tariff goes down, it cannot go up. This also is mandated by international treaty.

Members can lodge complaints against other members, and Rowe believes it is important to play by the rules and follow these procedures. Rowe criticizes President Bush's imposition of tariffs as high as 30 percent on steel in 2002, after

Brazil was accused of dumping steel onto the American market at a price lower than the market price there. Rowe says that Bush's action violated international law.

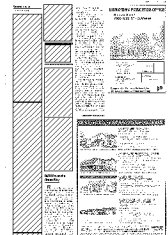
Rowe also believes it is important for the United States to be a good player on the global scene, and businesses should respond to global competition by improving efficiency and looking for the opportunities that a globalized world offers.

Rowe himself supports low tariffs. "As a capitalist I think government protection against competition, whether foreign or domestic, makes business less efficient," he says. If a particular company can no longer competitively produce for its market, then the global market is perhaps sending a message it should listen to. He offers as an example the many textile manufacturers that used to be in the Philadelphia area. "Many do not exist in American anymore," he says. "Manufacturing is something that the second world, the developing world, does better than we do."

**Be Flexible.** Once the United States economy gets through the global financial crisis Rowe thinks that American business will be well-prepared to compete in a globalized world. We have entrepreneurs at the ready and a well-educated public, but most of all, says Rowe, we have a market-oriented, capitalistic economy that is flexible and capable of making changes to meet the challenges of globalization.

"Companies should always be open to change," says Rowe. "They should be flexible and erect new businesses where there are current needs."

The businesses that react quickly to technological change will be successful. Take the cell phone business — 20 years ago its technology was novel, and today it is a multi-million-dollar globalized business. "We don't want to live in a world where a person who is working in a plant that manufactures VHS videotapes feels too attached to his job and wants to produce VHS videotapes forever,"



says Rowe. We want our DVDs, MP3 players, and iPods.

"In many respects, it is scary," Rowe admits. People want the comfort and security of a guaranteed job and pension, but in a flat, global world they may well get laid off and have to either find another job or re-train. In the end this will result in everyone's betterment, says Rowe. "We need to have such a system that leads to growth and an overall higher standard of living, the greatest good for the greatest number."

Like Thomas Friedman, Rowe is optimistic about the future, despite fear mongering that everything will be outsourced and America is done for. "With free trade and free investment, and with a market-oriented economy, America will tend to make the best of it," says Rowe.

Rowe grew up in Yardley, Pennsylvania, where he still lives. He graduated in 1995 from the Berkelee College of Music with a degree in music business and music competition. He plays guitar, but realizing it is tough to make a living in music, he accumulated several additional degrees, all from Temple University: the first, following in a family tradition where his father and two older brothers are lawyers, was a J.D.; the second was an MBA, and the third a master's of law.

Rowe started teaching as an adjunct at community colleges in Philadelphia and Bucks County.

He is in his fourth year of full-time teaching at Mercer, where, for over 10 years, he has taught courses in business law, international business, political science, and constitutional law.

Rowe strongly recommends that anyone who does business in the United States should learn about international business. He suggests reading the Wall Street Journal, reading informative Internet sites and books like Thomas Friedman's, keeping tabs on your industry and being alert for any changes on the horizon; hiring a person with a strong knowledge of global business; and of course taking classes or seminars in international business.

"You have to be aware of the international dynamic," says Rowe. "This dynamic is a reality, like the weather, that you have to learn to deal with." — **Michele Alperin**

