



Doc H's Blog



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Summer Reading: Global Competition

Over the past few weeks, I have given several speeches that focus on the 3 E's. I have been giving this speech for several years. The 3 E's refer to education driving employment which drives a state and national economy. As part of my speech, I focus on the leadership of Kentucky in pushing the 3 E's through Senate Bill 1 (2009). For summer reading, I am recommending that educators look closely at several publications. Jim Clifton wrote a book a few years ago entitled [The Coming Jobs War](#). Also, Valerie Hannon and others have written an excellent book called [Learning a Living](#). Finally, I recommend a McKinsey Center for Government report entitled [Education to Employment: Designing a System that Works](#). All three of these publications provide excellent insight into the global competition for jobs and the potential impact on not only the U.S. economy but the global economy.

Jim Clifton offers several interesting statistics. There are 7 billion people on earth. More than 5 billion are age 15 or older. More than 3 billion people say they must work or want to work. Currently there are only 1.2 billion full-time, formal jobs. That means there is a shortfall of 1.8 billion jobs. Readers can see evidence of this with the global unemployment rate of more than 8 percent and the unemployment rates for 18-24 year olds in European countries (more than 25 percent in some countries). Clifton talks additionally about the world's Gross Domestic Product (GDP) which is currently at \$60 trillion. The U.S. has one-fourth of the GDP with a national GDP of more than \$15 trillion. With projected population and economic growth, the world's GDP will grow to \$140 trillion. This offers enormous opportunities for the nations who seek economic growth. However, a key fundamental for economic growth is education and the creation of jobs. Clifton sums it up very well: "If countries fail at creating jobs, their societies will fall apart."

In Hannon's book (*Learning a Living*), and in the McKinsey report, there are many excellent U.S. and international examples of specific strategies states and nations are implementing to ensure education and job creation. In Kentucky, we have programs like Toyota Advanced Manufacturing and similar initiatives by UPS, Ford and GE.

At a recent global conference I attended, the discussion was lively around an interesting topic: Will this century be the "American" or "Asian" century? Certainly, the last century was the American century, with tremendous economic leadership from the U.S. However, for the fastest growing economies, we have to look to China, India, and other Asian countries. It is important that the U.S. and Kentucky focus

on the 3 E's in order to remain competitive. I encourage readers to take the summer and read the publications I mentioned. I will return to this theme throughout the fall as Kentucky progresses on our journey to improve the 3 E's.

Terry Holliday, Ph.D.
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