Response

Business, Management

Response No The U. S. has a well-qualified workforce which can fill the jobs needed for high and medium technology production, which is how most manufactured goods are produced these days. There is also a long tradition of school and university education that values work experience as part of training, and this means that the companies do not need to spend so much time training their workforce in work skills to match their academic skills. There is also a large and relatively prosperous local market for most manufactured goods, which brings cash flow into the company. Ameirca also has a long tradition of exporting to other countries, and so there are opportunities for manufacturing to bring large returns through domestic and export marketing.

In the next decade there will be increasing competition from countries like India and China, where wages are considerably cheaper and education standards are catching up fast to those of America, and even in some cases such as maths education, exceeding them. The stakeholders for Standard Motors include the owners, the workforce, the large and small customers, and the communities in which their factories are located. The owners are keen to make profits consistently, so that they can continue investing in the plant but workers want higher wages, and so there is a conflict of interests there. Standard Motor Products prospers when people cannot afford new cars. A similar counter-cyclical business may be local tourism such as hotels selling weekend breaks, since many Americans may stay at home and have short breaks instead of travelling abroad for longer vacations. The article seemed fairly accurate, but it may give an over-optimitistic picture of America’s performance globally. I think there is more of a threat from Brazil,

China and India, for example, than is visible right now, and it will become apparent very soon.

Response No 2.

I expect that the entertainments electronics industry (laptops, ipods, mobile phones etc.) will be even more competitive than it is now, and there may be increasing shortages in key raw materials that go into making these products, like some heavy metals and some elements that are common at the present time, but will be running short in 2020, such as copper, for example. This will mean that recycling will be a bigger part of production, and I expect that manufacturing plants will have built in recycling facilities located right next to their new production facilities. This may provide some jobs for low skilled human staff, in collecting and delivering the products to be recycled and in disposing of the unusable waste.

One issue that might be very different in 2020 is the way that manufacturing is powered. Many electronics products will be very small and light, which means that manufacturing machinery may not need such expensive fuels as oil, electricity from the grid and gas to power its operations. I think there will be a market for factory design and maintenance along self-sufficient lines – for example with solar and wind power that feeds into the production process. Holistic environments might emerge, so that even the activity that workers contribute to exercise machines in a free gym, for example, might feed back into a local closed energy system. Self-sufficiency makes extra sense for businesses, because of the increased uncertainty of market crashes and boom and bust cycles. Employees might then become more tightly bound up with companies, as in mid twentieth century Japan, and

take intangible benefits in ways other than wages to make up for the continuing downward pressure on wages because of increased global competition.