



The Online Forum on Global Leadership

**Recommendations for U.S. competitiveness
in a globally integrated economy**

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Introduction

The United States finds itself at an inflection point at the beginning of the 21st century. Global integration is a reality. How we choose to deal with that reality will determine the fortunes of Americans for generations to come.

Over the past two decades – thanks to connective technologies, expanding markets and access to new labor pools – we have seen the emergence of a truly global economy. This integration has unleashed a wave of collaboration, creativity and growth. But it has also raised the level of competition worldwide and created new challenges for businesses and societies.

The law that rules this globally integrated land is simple: When everything is connected, work flows. So the central issue for every country, company or individual is how to get work to flow to them.

One factor is economics and profit potential. The presence of open markets and free trade is another factor. But increasingly today, the main factor in getting work to flow to you is skills and expertise. In a word, it is innovation. You've got to have an innovative value proposition and the skills to deliver it. Global integration and innovation are really two sides of the same coin. Global integration is the new playing field – and innovation is the way you succeed.

"As global economic events unfold there is a growing urgency to identify more-specific actions that we can take to play for success on this global field."

THE ONLINE FORUM ON GLOBAL LEADERSHIP
U.S. COMPETITIVENESS IN A GLOBALLY INTEGRATED ECONOMY

Idea

The Online Forum on Global Leadership

Recommendations for U.S. competitiveness in a globally integrated economy

As global economic events unfold there is a growing urgency to identify more-specific actions that we can take to play for success on this global field. To identify those actions – and ensure that the U.S. can participate fully in the great opportunity that is globalization – we need to expand the community of people who are approaching this subject collaboratively. That was the goal of the Online Forum on Global Leadership.

The following report summarizes the ideas that were generated during the Online Forum. Although IBM facilitated the Online Forum, these are not necessarily IBM's ideas. Rather, they are the ideas and recommendations from a cross section of U.S. businesses, government, academia and NGOs. For this report, their ideas have been organized into four categories: enabling and promoting innovation; educating a new, more flexible workforce; identifying best practices at the local level; and telling the globalization story.

The inflection point at which we stand today could be the start of a new era of U.S. growth and progress. I hope this report helps you develop new approaches to seize the opportunities that globalization presents.



Marc Lautenbach
General Manager, Americas
IBM Corporation

About the Online Forum on Global Leadership

In July of 2007 a select group of leaders from business, government, academia and nonprofit organizations gathered in Washington, D.C. to explore America's strategies for success in the global economy. This event – The Forum on Global Leadership: U.S. Competitiveness in a Globally Integrated Economy – convened a group representative of the country's diverse interest in globalization to engage in the kind of thoughtful dialogue that sparks innovative solutions.

In April of 2008 the *Online* Forum on Global Leadership reconvened this group – and a significant number of other participants – in a virtual setting, offering a unique opportunity to collaborate on numerous ideas with a larger number of people at one time. Participants were able to continue or join the dialogue that began last year, to exchange ideas, pose challenges and expose risks, and to collaboratively develop the next steps that government, academia, business and individuals in the U.S. must take to succeed in a globally integrated economy.

The following report is an objective presentation of the top-rated ideas from the Online Forum. A panel of subject matter experts analyzed all of the participants' contributions based on three criteria: relevance, potential impact, and any roadblocks to implementation. A score was assigned for each criterion and then combined to give each idea a total score. The ideas with the highest total scores are included in this report. (For more on methodology, refer to the appendix on page 28.)

A note about IBM's role:

The Forum on Global Leadership was co-sponsored by IBM, the Peterson Institute for International Economics, the U.S. Chamber of Commerce, and the U.S. Commercial Service of the U.S. Department of Commerce.

The Online Forum on Global Leadership was sponsored by IBM. The ideas in this report were posted during the Online Forum on Global Leadership by a variety participants and do not necessarily represent the opinions of IBM.

Section 1:

Enabling and promoting innovation



Topic overview



The U.S. economy is characterized by tremendous innovation and entrepreneurship. U.S.-based companies have created many of the leading-edge technologies that we enjoy today, and U.S. entrepreneurs have created many of the world's most recognizable and successful companies. What has often been referred to as "American ingenuity" is a major reason why the U.S. enjoys such a high standard of living and robust and dynamic economy. A key factor in America's future economic growth and prosperity will be its ability to continue to enable innovation and entrepreneurship. The creation of new products, new services, new companies and new industries will create many of the jobs of the future and enable the U.S. to continue to prosper in the globally integrated economy.

Summary of ideas

Create a National Innovation Foundation

Most policy proposals to address the innovation challenge have focused on the supply of innovation factors (e.g., basic research, skilled workers). But to meet the challenge, policy must also focus on the demand side: encouraging organizations to be more innovative. To do that, Congress should establish a new National Innovation Foundation (NIF).

Expand R&D tax credits

If the U.S. is to continue to grow R&D, we need to adopt a more generous R&D tax incentives. One approach is to adopt a new Alternative Simplified Credit (ASC) that would enable companies that have changed business models to benefit. Another approach is to create a flat credit for collaborative R&D between universities, federal labs or industry consortia.

Innovate in public sector services

Innovation is the key to competing, but innovation is not limited to just product or technology invention. The Public Sector is the largest service provider in the economy and yet it is perhaps the least innovative. Government should establish an innovation strategy that is specifically focused on innovation in public service.

Foster global collaboration for entrepreneurs

Creating a global network where entrepreneurs can collaborate and exchange information and best practices could help to spur innovation. Such a network could extend the reach of local entrepreneurs to the global market, shorten the learning curve for establishing global operations, build new entrepreneur relationships, and create innovative ideas and initiatives.

Engage employees to promote innovation

Create an online environment within companies to solicit innovative ideas from employees and filter and accelerate commercialization of the best ideas. A cross-functional team could review and score each new idea once per month. Submissions could be rewarded with cash if they pass the filters, and also rewarded with people and other resources to mature the idea.

Section 2:

Educating a new, more flexible workforce



Topic overview



In today's knowledge economy, education and skills are the keys to good jobs and high wages. However, in this fast-paced global economy, no one should expect to graduate from high school or college with all of the knowledge and skills that she will need for the rest of her career. Lifelong learning will be essential to refresh old skills or learn entirely new ones that are linked closely to customer demand. Individuals who can combine broad knowledge, complex thinking and problem solving skills, and the ability to collaborate and communicate, along with a particular area of expertise and the flexibility to continue learning, are likely to succeed and earn a premium wage. Our education systems – in schools as well as corporations and communities -- must be improved to produce a highly skilled, flexible and competitive workforce for the 21st century.

Summary of ideas

Leverage the success of community colleges

Community colleges are a tremendous national resource for the United States, providing education and vocational training that is linked closely to the needs of local communities. Community colleges already have a global scope in that many of their students are first-generation Americans and have spent considerable time in the countries of their extended families. The business community should increase collaboration with community colleges to ensure that the country will derive the greatest possible benefit from this important educational resource.

Promote international exposure for students

Colleges and universities have long offered study-abroad options, which can promote better knowledge and understanding of other cultures. Such experiences are even more important today in the globally integrated economy, and these exchange programs could be made available to a broader group of students through sponsorship from companies that do business in foreign countries.

Provide global education at an early age

While a globally integrated economy is a reality, our education systems are lagging behind. Schools (starting with elementary schools) should partner with business and government to promote global education. From the early school years, there should be opportunities for interactive and real-time discussions between classrooms in different countries.

Broaden policymakers' global perspective

Too few Members of Congress travel abroad and see what is happening around the world. New gift rules limit Members' ability to go abroad, though for good reason. Congress should set aside foreign travel resources for Members and staff. Our leaders should gain first-hand experience in other countries so that they will have a better understanding about how the globally integrated economy works and so that they can see with their own eyes the benefits that global integration brings around the world.

Draw on strengths of immigrants already in the United States

The large legal immigrant population in the United States provides a profound wealth of knowledge and cultural competence that could be extremely valuable to American businesses seeking opportunities in fast-growing foreign markets. One need go no further than the local school system, community college campus, or religious community to find scores of people who can contribute to our knowledge of other countries and cultures. U.S. businesses should not overlook this important resource for success in the globally integrated economy.

Develop a more technical workforce

Programs to promote interest in technical careers could start in elementary school by focusing on high-tech consumer products (e.g., video games) that excite the students. At the high school level, local businesses and schools could partner to create extracurricular activities and internships. At the university level, greater cooperation between businesses and academic institutions could ensure the inclusion of relevant courses in the curriculum linked to areas of critical technical skills, faculty exchanges and co-op work opportunities for students.

Produce more highly-skilled Americans

One of the major problems underlying the lack of U.S. competitiveness in the world economy -- and thus public doubt of globalization -- is our failure to produce enough highly skilled Americans to fill the high-wage jobs that are in fact plentiful in our economy. Rectifying this situation through educational reform of both K-12 and universities would be a huge win-win proposition for American business and the academic community.

Improve worker assistance programs

Currently, the Federal Government funds a program (Trade Adjustment Assistance) to provide training for American workers who have lost their jobs due to the impact of international trade. There is no comparable program for workers whose job loss is tied to the many other factors that account for the lion share of displacements. Through increased public- and private-sector cooperation we can provide virtually all American workers who have lost their jobs -- whether due to trade expansion, technological advances, or other factors -- with the training and/or retraining they need for productive employment.

Create portable benefits

Part of the reason that workers stay at the same companies (and therefore don't necessarily have the opportunity to develop a broad range of skills) is that they are tied to their employers for health benefits. To address portability of health care benefits, at least 30 governors have plans under discussion or actual legislation related to some kind of universal or expanded coverage.

Section 3:

Identifying best practices at the local level



Topic overview



State and local governments have always been focused on promoting economic development. Increasingly they are finding that they must compete not only with other cities and states in the U.S. but also with communities around the world to attract investment, jobs and talent. Global competition, greater mobility of people and capital, and advanced information and communication technologies give globally integrated enterprises and highly skilled individuals increased freedom to locate anywhere in the world. This makes initiatives to improve local competitiveness more important than ever in attracting and retaining investment and talent. Communities must ask: "What will make work flow to me?" and take action to make it happen.

Summary of ideas

Expand regional partnerships

The right kind of partnerships can help reinvent regional economies. For example, the [Northwestern Ohio Regional Growth Partnership](#) (RGP) is working with local businesses, local government leaders, and local universities to build programs that drive new jobs to Northwestern Ohio. RGP has done an excellent job of inventorying Northwestern Ohio's key assets and then translating those assets into potential economic opportunities. This is one example of an "old economy" region that is reinventing itself in 21st Century context.

Look to existing organizations for partnering opportunities

Existing non-profit organizations that promote innovation, leadership and philanthropy offer excellent opportunities to expand collaboration with business and government. The Junior Chamber International (JCI), commonly referred to as the Jaycees in the U.S., is a good example. Looking to organizations like Jaycees is a great way to not only recruit talented individuals, but to get your own young professionals involved, and it is a great way to have your employees learn vital skills through hands-on experience.

Fast-track business creation

Money and bureaucracy -- most would-be businesses have too little of the former and too much of the latter. For most businesses, the challenges are local, not state/federal. Local Chambers of Commerce and Small Business Development Centers can help entrepreneurs with both, and local government can provide relief by fast-tracking activities such as permitting, inspections, and funding.

Create a model "next generation city"

Business incubators have been around for sometime, but perhaps an entire community or region could link together all aspects of business development to create a real, nationally-recognized entrepreneurial culture. Through a unique partnership between a global business leader and community leadership, a community could create an unprecedented world-class business incubator that brings educational institutions, civic leaders and entrepreneurs together to drive the development of new technologies and spur a culture of innovation.

Get small/medium businesses to act globally

The notion of the globally integrated enterprise seems to apply mostly to very large corporations with a global presence, but small and medium-sized businesses can also become GIEs or benefit from this concept. Small American companies can obtain assistance from the Commerce Department's U.S. & Foreign Commercial Service (USFCS), which specializes in helping them enter the global marketplace.

Learn from best practice models

There are some good examples of effective government models at all levels. [Gwinnett County, GA](#) has great public-private partnerships aimed at increasing overall incomes of the population. Scranton Mayor Chris Doherty has brought refreshing new approaches to everything from open space development to sensible immigration policy. [Alabama's](#) efforts to attract large-scale foreign investment through long-term nurturing of international relationships is another interesting example. At the federal level, [Invest in America](#) is a program designed to consolidate many of the efforts across the entire federal government concerning the attraction of Foreign Direct Investment (FDI).

Report on best practices

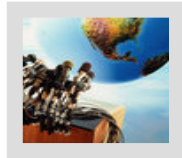
Recently, the [American Assembly](#), with assistance from the Brookings Institute, undertook a major research and publishing initiative focused on how to revive weak markets. The conclusions of the study focus on a handful of principles or goals: workforce development and retention; infrastructure investment; cooperative regional strategies and tech-based future industries to gradually replace traditional industries facing inevitable decline.

Section 4:

Telling the globalization story



Topic overview



The globally integrated economy is a reality, and it is here to stay. While this economy provides many benefits for consumers and creates new growth opportunities for businesses and their employees, it also intensifies competition. This increased competition can raise anxiety for workers and pose challenges to the companies for which they work and the communities in which they live. Too often in the U.S., people on different sides of this globalization debate are talking past each other. They are talking about “win/lose” instead of talking about “how.” To ensure America’s growth and prosperity, we must explain *how* to take advantage of the reality that is global integration and maximize its long-term benefits for the greatest number of Americans.

Summary of ideas

Ease Americans’ increasing concern with globalization

It is essential for business to undertake initiatives to respond to the criticisms of globalization. They must enhance understanding of the benefits of free trade and globalization. (e.g. The U.S. is \$1 trillion per year richer (\$10K per household) as a result of trade expansion.) It is not enough, however, to cite these macro economics statistics. They must also counter anecdotes about job losses with anecdotes that demonstrate the benefits of globalization. Globally Integrated Enterprises need to draw on their own experiences to convey information about job gains from exports and from their own foreign investments. A useful initiative would be to collect the positive news clips and share them across the business community.

Get the American public to think of globalization in a positive light

The economic arguments for globalization are compelling. They must be presented relentlessly but also colorfully, by means of anecdotes as well as macroeconomics. One idea is to relate globalization to overall U.S. foreign policy and national security concerns. Congress has traditionally agreed to trade expansion proposals primarily for these reasons rather than their economic effects.

Tell the story of globalization's benefits

The presidential political campaigns offer an opportunity to highlight the benefits of globalization and to dispel misunderstandings and begin building a more sustainable foundation for open trade policies. The media will play a central role in this process and must be encouraged to present the facts as well as the contrary assertions of some politicians and constituencies.

Adopt a comprehensive, holistic approach to public policies

Government should adopt a comprehensive approach to international competitiveness, considering a broad range of public policies including diverse areas such as health care, labor, trade, investment and tax policies. Recognition should be given that each of these areas is important to competitiveness, and the right bundle of policies can be mutually reinforcing, creating an environment to promote innovation, growth and competitiveness.

APPENDIX

Ideas on enabling and promoting innovation

The following is an abridged list of the top rated ideas. A complete, unedited list of every idea and comment posted in the Online Forum is available on the [Forum on Global Leadership web site](#).

Create a National Innovation Foundation

Most policy proposals to address the innovation challenge have focused on the supply of innovation factors (e.g., basic research, skilled workers). But to meet the challenge, policy must also focus on the demand side: encouraging organizations to be more innovative.

To do that, Congress should establish a new National Innovation Foundation (NIF). NIF's goal would not be to direct innovation or seek its own patents. Rather it would work with businesses, state governments, universities, and other partners to help spur innovation. Its activities would include funding national grants for sector innovation research; grants for expanding state-level technology-based economic development programs; national technology diffusion activities to help companies and industries adopt the best existing technologies, and regional grants to promote the development of industry clusters. It would also advocate for innovation, promote the measurement of innovation, and carry out policy-oriented research on innovation.

Proposed funding would be \$1 billion annually initially (with around \$350 million coming from several programs that would be consolidated into NIF), with an eventual budget of at least \$2 billion per year.

NIF would benefit businesses by supporting collaborative research to develop new technologies and providing technical assistance to adopt best-practice technologies. Academia would benefit from more resources to support collaborative research with industry. State and local governments benefit from NIF matching funds to spur technology-led economic development efforts.

For more information see the report [Boosting Productivity, Innovation, and Growth Through a National Innovation Foundation](#).

Expand R&D tax credits

In the last decade, many other nations have significantly expanded their R&D tax incentives and as a result, the U.S. ranks 17th among 30 OECD nations in tax treatment of R&D. If the U.S. is to continue to grow R&D, we need to adopt a more generous R&D credit. One approach is to adopt a new Alternative Simplified Credit (ASC) that would enable companies that have changed business models to benefit. Another approach is to create a flat credit for collaborative R&D between universities, federal labs or industry consortia, since more and more research is being conducted collaboratively.

Federal budget constraints may not allow us to be truly innovative and include all of the best ideas at once in fashioning a new R&D incentive, but for the longer term, a credit that more properly reflects economic realities should be implemented. For more information on these proposals, see [Expanding the R&E Tax Credit to Drive Innovation, Competitiveness and Prosperity](#).

Innovate in public sector services

Businesses innovate in order to compete successfully in a global economy. While governments don't compete in the same way, there are increasing competitive pressures and a strong competition for skills and investment. This competition is both global and local. Innovation is the key to competing, but innovation is not limited to just "product or technology" invention. Rather, a significant amount of innovation is occurring in the services area; in innovative business models or processes; and there is even societal innovation.

The Public Sector is the largest service provider in the economy and yet it is perhaps the least innovative. Government should establish an innovation strategy that is specifically focused on innovation in public service. It should examine all aspects of innovation - products, services, organizational and process models. And as with any strategy, there must be a commitment and focus from the top if it is to have an impact.

Innovation in public services could provide the following benefits: improved service delivery to citizens; reduced costs; higher-value, higher-paying jobs; wealth creation and profitability; new industries and markets; more productivity and economic growth; and a raised standard of living.

Foster global collaboration for entrepreneurs

Creating a global network where entrepreneurs can collaborate and exchange information and best practices could help to spur innovation. Such a network could extend the reach of local entrepreneurs to the global market, shorten the learning curve for establishing global operations, build new entrepreneur relationships, and create innovative ideas and initiatives.

Engage employees to promote innovation

Create an online environment within companies to solicit innovative ideas from employees and filter and accelerate commercialization of the best ideas. A cross-functional team could review and score each new idea once per month. Submissions could be rewarded with cash if they pass the filters, and also rewarded with people and other resources to mature the idea to the point of go/no-go. If it is a "go" and a new revenue stream develops, then the person/people making the submission might share a percentage of step-wise revenue. Such an approach could promote innovation within a company by engaging employees directly and offering tangible incentives to encourage creative thinking.

APPENDIX

Ideas on educating a new, more flexible workforce

The following is an abridged list of the top rated ideas. A complete, unedited list of every idea and comment posted in the Online Forum is available on the [Forum on Global Leadership web site](#).

Leverage the success of community colleges

Community colleges are a tremendous national resource for the United States, providing education and vocational training that is linked closely to the needs of local communities. Community colleges already have a global scope in that many of their students are first-generation Americans and have spent considerable time in the countries of their extended families. The business community should increase collaboration with community colleges to ensure that the country will derive the greatest possible benefit from this important educational resource.

The Center for Workforce and Economic Development, organized with the [American Association of Community Colleges](#) Office of Economic Development, brings together community colleges, offices of economic development, workforce boards, labor market entities, and other community organizations to improve the economic prosperity of businesses, workers, and communities. The Center provides technical assistance on collaborative practices, labor market analysis, and performance analysis in order to promote more integrated and interactive practices.

Promote international exposure for students

Colleges and universities have long offered study-abroad options, which can promote better knowledge and understanding of other cultures. Such experiences are even more important today in the globally integrated economy, and these exchange programs could be made available to a broader group of students through sponsorship from companies that do business in foreign countries. American students could be offered the opportunity to spend a semester or two in those specific countries. After graduation, these students would constitute a strategic hiring pool for those companies.

Provide global education at an early age

While a globally integrated economy is a reality, our education systems are lagging behind. Schools (starting with elementary schools) should partner with business and government to promote global education. From the early school years, there should be opportunities for interactive and real-time discussions

between classrooms in different countries. Enabling online classes with video interaction, internet discussions and online forums would provide students with the opportunity to experience another culture and country without actually having to travel there.

Students should not have to wait until there is an opportunity to study abroad to be able to experience another culture. Of course this would not be an easy task, as language barriers could be an issue, and international collaboration would be imperative from the start.

Broaden policymakers' global perspective

Too few Members of Congress travel abroad and see what is happening around the world. It is easy to vilify or mistrust others if one has not walked around in their country, let alone in their shoes. New gift rules limit Members' ability to go abroad, though for good reason.

Congress should set aside foreign travel resources for Members and staff. Our leaders should gain first-hand experience in other countries so that they will have a better understanding about how the globally integrated economy works and so that they can see with their own eyes the benefits that global integration brings around the world.

Draw on strengths of immigrants already in the United States

The large legal immigrant population in the United States provides a profound wealth of knowledge and cultural competence that could be extremely valuable to American businesses seeking opportunities in fast-growing foreign markets. One need go no further than the local school system, community college campus, or religious community to find scores of people who can contribute to our knowledge of other countries and cultures. U.S. businesses should not overlook this important resource for success in the globally integrated economy.

A nonprofit organization that is helping to develop a skilled immigrant population in the Washington, DC, metro area is Liberty's Promise, which works to: 1) provide immigrant youth with a professional work experience through internships, and 2) expose young immigrants to broad career fields (e.g., banking, retail, airline industry, science & technology) by holding job skills workshops in the public schools in cooperation with the business community.

Develop a more technical workforce

Finding technical solutions to society's major challenges and continuing the advancement of technological developments requires attracting bright, motivated young students into science and engineering education programs

and careers. Without efforts to ensure a steady stream of future engineers and scientists, the United States could face a growing shortage of the technical skills necessary to drive innovation and competitiveness in the globally integrated economy.

Programs to promote interest in technical careers could start in elementary school by focusing on high-tech consumer products (e.g., video games) that excite the students. At the high school level, local businesses and schools could partner to create extracurricular activities and internships. At the university level, greater cooperation between businesses and academic institutions could ensure the inclusion of relevant courses in the curriculum linked to areas of critical technical skills, faculty exchanges and co-op work opportunities for students.

While many of these programs already exist, broader business participation and more special programs, especially in earlier grades, could spark interest in more students.

Produce more highly-skilled Americans

One of the major problems underlying the lack of U.S. competitiveness in the world economy -- and thus public doubt of globalization -- is our failure to produce enough highly skilled Americans to fill the high-wage jobs that are in fact plentiful in our economy. A recent [study](#) at the Peterson Institute for International Economics reveals the fact that the share of Americans with post-graduate training or its equivalent has not risen for over 30 years. At the same time, that ratio for virtually every other country has risen steadily and substantially. Instead of leading the world on this key indicator, as we did 30 years ago, we are now somewhere in the middle of the pack and losing ground steadily.

One implication is that we must export many of our best jobs to the rest of the world. We can do this in several ways: by importing high-skilled products, by outsourcing high-skilled jobs to other countries or by importing high-skilled workers from abroad. None of those options commend themselves to the American labor force nor to American politicians. The problem, however, lies with our educational system and training programs rather than with international trade or investment.

Rectifying this situation would be a huge win-win proposition for American business and the academic community. Our colleges and universities would get more and better students, helping resolve their own financial problems. Yet they can only train people who have been prepared for such training by our K-12 system, requiring its reform as well. Thus the problem is integral to the

entire American educational system and will require years if not decades of dedicated reforms in both.

Improve worker assistance programs

Currently, the Federal Government funds a program (Trade Adjustment Assistance) to provide training and retraining of American workers who have lost their jobs due to the impact of international trade on their workplaces. There is no comparable program in place for training and retraining of workers whose job loss is tied to the many other factors that account for the lion share of displacements.

Given the relatively small percentage of job displacement in the United States stemming from international trade, however, the public-policy challenge is to rethink the existing program and, through increased public- and private-sector cooperation, to provide virtually all American workers who have lost their jobs -- whether due to trade expansion, technological advances, or other factors -- with the training and/or retraining they need for productive employment. This could help to improve employment opportunities, while allaying the fears that many Americans have about losing their jobs to international trade and investment.

The Business Roundtable recently issued a policy statement that articulates a new vision for lifelong learning. The statement, [*Prospering Together: America's Citizens, Communities and Companies*](#), discusses the need for students and employees to have access to education and training that provides lifelong learning opportunities to keep their skills up to date for a dynamic economy. The Roundtable believes we should not differentiate between people who lose their jobs because of trade and those who lose their jobs because of new technologies or increasing productivity. More importantly, retraining and skills development should be ongoing for employees while they are working, not just when they lose jobs.

In "AMERICA 21: A 21st Century Approach for Workers," CEOs call for a system that would incorporate the following principles: portability of benefits; flexible access to benefits depending on need; simplicity; quality; public-private partnership.

While expanding TAA to assist workers who lose jobs lost for reasons other than trade may be desirable, funding constraints may make this difficult to achieve in the short run.

Here is [an example](#) of how workers in Indiana are being trained in high demand skills (like nursing and telecommunications) as a result of the existing Trade Adjustment Assistance program.

Create portable benefits

Part of the reason that workers stay at the same companies (and therefore don't necessarily have the opportunity to develop a broad range of skills) is that they are tied to their employers for health benefits. To address portability of health care benefits, at least 30 governors have plans under discussion or actual legislation related to some kind of universal or expanded coverage.

Pending broader changes by government, one interesting model in the New York area is a non-profit called the Freelancers Union. (Their motto is 'platform for an independent workforce'). They offer health, dental, life, and disability insurance for their membership by buying from insurers at a group rate (membership is free to the union and participating in insurance plans includes a \$50 annual administrative fee).

APPENDIX

Ideas on identifying best practices at the local

The following is an abridged list of the top rated ideas. A complete, unedited list of every idea and comment posted in the Online Forum is available on the [Forum on Global Leadership web site](#).

Expand regional partnerships

The right kind of partnerships can help reinvent regional economies. For example, the [Northwestern Ohio Regional Growth Partnership](#) (RGP) is working with local businesses, local government leaders, and local universities to build programs that drive new jobs to Northwestern Ohio. RGP has done an excellent job of inventorying Northwestern Ohio's key assets and then translating those assets into potential economic opportunities. In the case of Northwestern Ohio, the community's assets include strong technology skills in glass manufacturing, strong engineering skills, and two fine universities in the University of Toledo and the Medical College. The net result is that Northwestern Ohio is beginning to build businesses around solar technology and biotech. This is one example of an "old economy" region that is reinventing itself in 21st Century context.

Another example in Ohio is the [Edison Technology Centers](#), while an example from Texas is [North Texas Regional Center for Innovation and Commercialization](#).

Look to existing organizations for partnering opportunities

Existing non-profit organizations that promote innovation, leadership and philanthropy offer excellent opportunities to expand collaboration with business and government. The Junior Chamber International (JCI), commonly referred to as the Jaycees in the U.S., is a good example. JCI is an international organization with representation in over 100 countries. Locally, chapters work to build tomorrow's leaders, giving them hands-on experience in the areas of project management, event planning, marketing, fundraising, local government, and civic duty.

Looking to organizations like JCI/Jaycees is a great way to not only recruit talented individuals, but to get your own young professionals involved, and it is a great way to have your employees learn vital skills through hands-on experience.

Fast-track business creation

Money and bureaucracy – most would-be businesses have too little of the former and too much of the latter. Local Chambers of Commerce and Small Business Development Centers can help entrepreneurs with both, but the work of fighting through paperwork and finding investors/lenders will remain with the business owner. Is there a way to fast-track these activities?

Cities like Alexandria, VA recognized the need to address the perception and reality of permitting and inspections. The city of Scranton, NJ provides first-line funding to some start-up businesses that neither banks, nor traditional economic development entities would touch. For most businesses, the challenges are local, not state/federal, so the relief and assistance must be local. Dr. David Soule at Northeastern University has an outstanding self-evaluation tool for local governments to assess their permit/regulatory process for start-up and move-in business. More info is available at from the [Center for Urban and Regional Policy](#).

Create a model "next generation city"

Business incubators have been around for sometime, but perhaps an entire community or region could link together all aspects of business development to create a real, nationally recognized entrepreneurial culture. Through a unique partnership between a global business leader and community leadership, a community could create an unprecedented world-class business incubator that brings educational institutions, civic leaders and entrepreneurs together to drive the development of new technologies and spur a "culture of innovation."

For example, Cleveland is a city with a rich history and tremendous assets in areas like health care and biotechnology, and universities and research intuitions. Cleveland holds incredible potential to become a hub for creative, innovative business leadership, but it struggles because it has yet to convert fully from an industrial to a 21st century economy. The environment is right for Cleveland to take the next step. The state is aggressively promoting economic development. Elected officials, community and business leaders are looking for solutions that will move the area's economy forward. A serious, coordinated effort (with clearly defined leadership and a highly developed plan) could create an exciting shift in the entire region's economic environment.

Get small/medium businesses to act globally

The notion of the "globally integrated enterprise" seems to apply mostly to very large corporations with a global presence, but small and medium-sized businesses can also become GIEs or benefit from this concept. Small American companies can obtain assistance from the Commerce Department's U.S. & Foreign Commercial Service (USFCS), which specializes in helping them enter the global marketplace. The percentage of U.S companies that actually export

is lower than in most other developed economies, and USFCS programs are designed to improve that score. See www.buyusa.gov for more information on USFCS export assistance programs. The [Export-Import \(Ex-Im\) Bank](#) and [Overseas Private Investment Corporation \(OPIC\)](#) are also useful resources.

Learn from best practice models

There are some good examples of effective government models at the state and local level. [Gwinnett County, GA](#) has great public-private partnerships aimed at increasing overall incomes of the population. Scranton Mayor Chris Doherty has brought refreshing new approaches to everything from open space development to sensible immigration policy. [Alabama's](#) efforts to attract large-scale foreign investment through long-term nurturing of international relationships is another interesting example.

At the federal level, [Invest in America](#) is a program designed to consolidate many of the efforts across the entire federal government concerning the attraction of Foreign Direct Investment (FDI). The group has released a white paper on investor visas, a report on federal efforts to attract FDI and a variety of other initiatives.

Report on best practices

Recently, the [American Assembly](#), with assistance from the Brookings Institute, undertook a major research and publishing initiative focused on how to revive weak markets. Efforts of specific recovering markets like Springfield, MO, Providence, RI and Baton Rouge, LA are described in the report, available on their website.

In general, the conclusions of the study focus on a handful of principles or goals: workforce development and retention; infrastructure investment; cooperative regional strategies and tech-based future industries to gradually replace traditional industries facing inevitable decline. Another resource is the [Brookings' Blueprint for American Prosperity](#).

APPENDIX

Ideas on telling the globalization story

The following is an abridged list of the top rated ideas. A complete, unedited list of every idea and comment posted in the Online Forum is available on the [Forum on Global Leadership web site](#).

Ease Americans' increasing concern with globalization

It is essential for business to undertake at least two types of initiatives in responding to the criticisms of globalization.

First, to greatly enhance understanding of the benefits of free trade and globalization. For example, the Peterson Institute for International Economics has demonstrated that United States is \$1 trillion per year richer as a result of the trade expansion of the past 60 years and that we could gain another \$500 billion annually by moving to global free trade. These numbers translate into \$10,000 and \$5,000 per household, respectively.

It is not enough, however, to cite these macro economics statistics. It is important to counter the anecdotes about job losses with anecdotes that demonstrate the benefits of globalization. Globally Integrated Enterprises need to draw on their own experiences to convey information about job gains from exports and from their own foreign investments.

A useful initiative for a business organization would to collect the positive newsclips and share them across the business community. Such an initiative could encourage business leaders to keep speaking out about the benefits of globalization.

The second main response, however, must come through government policies in two areas: social safety nets to help cushion the transition of dislocated workers; and education/training so that workers can reap the benefits of globalization rather than feeling victimized by it. On the former, we need vastly improved programs of unemployment insurance, trade adjustment assistance and wage insurance to deal directly with trade dislocation. More general reforms of health insurance and pension programs, including portability across jobs, could be of crucial importance as well.

Business leaders have voiced support for such programs but have not put the necessary efforts into winning their enactments to carry the day. In the future,

GIEs will have to push as hard for trade adjustment assistance reforms as for trade agreements themselves.

Get the American public to think of globalization in a positive light

The economic arguments for globalization are compelling. They must be presented relentlessly but also colorfully, by means of anecdotes as well as macroeconomics.

It is also crucial, however, to relate globalization to overall U.S. foreign policy and national security concerns. In fact, Congress has traditionally agreed to trade expansion proposals primarily for these reasons rather than their economic effects.

It will still be necessary, however, to relate globalization to the daily concerns of Americans that are cited. Trade policy itself cannot do so, however. The requirement is for broader reforms of U.S. healthcare policy, education policy and job training/education. All these steps will take years if not decades, however, so the only effective response in the meanwhile will be substantial liberalization of trade adjustment assistance and other programs that will directly cushion the adverse impact of trade-related dislocation on individual American workers and perhaps firms.

Tell the story of globalization's benefits

The presidential political campaigns offer an opportunity to highlight the benefits of globalization and to dispel misunderstandings and begin building a more sustainable foundation for open trade policies. The media will of course play a central role in this process and must be encouraged to present the facts as well as the contrary assertions of some politicians and constituencies.

Adopt a comprehensive, holistic approach to public policies

Government should adopt a comprehensive approach to international competitiveness, considering a broad range of public policies including diverse areas such as health care, labor, trade, investment and tax policies. Recognition should be given that each of these areas is important to competitiveness, and the right bundle of policies can be mutually reinforcing, creating an environment to promote innovation, growth and competitiveness.

APPENDIX

Methodology

The Online Forum on Global Leadership took place April 23-29, 2008.

The following groups were invited to participate in the Online Forum. Each of these groups was also asked to invite guests who they thought would benefit from, and contribute to, the dialog.

- Those who were invited to the Forum on Global Leadership in Washington, D.C. in July, 2007
- Members of various professional organizations such as the Women's Presidents Organization
- Non-Government Organizations (NGOs) such as the Regional Growth Partnership of Ohio and the American Chamber of Commerce Executives
- Government agencies such as the U.S. Department of Commerce
- Business leaders from businesses of all sizes in every U.S. state

Participants from 141 unique organizations logged-in to the Online Forum. A total of 267 contributions were posted.

The Online Forum included the following three featured guests. The featured guests posted a total of 41 ideas and comments.

- Dr. Robert D. Atkinson, President, Information Technology and Innovation Foundation
- Dr. C. Fred Bergsten, Director, Peterson Institute for International Economics
- Michael Fleming, President, American Chamber of Commerce Executives

All of the ideas and comments in the Online Forum were analyzed by a panel that included external reviewers and subject matter experts from IBM. The external reviewers included Dr. Atkinson, Dr. Bergsten and Edward Gresser, Director, Trade and Global Markets Project, Progressive Policy Institute.

The ideas were analyzed based on three criteria: relevance, potential impact and any roadblocks to implementation. A score was assigned for each criterion and then combined to give each idea a total score. The ideas with the highest total scores were summarized, edited for clarity, and included in this report. A complete, unedited list of every idea and comment posted in the Online Forum is available on the [Forum on Global Leadership web site](#).

The Online Forum on Global Leadership

Recommendations for U.S. competitiveness in a globally integrated economy

The Online Forum web site was designed and managed by IBM. The site's technical platform was provided by Imaginatik, a software and professional services company specializing in Innovation and Idea Management.