

October 16, 2008

Greenville News

There remains a value in making things

By Gary Foster

As we watch the ripple effects of crumbling financial institutions and belabor Wall Street greed, it may be time in our country to recognize once again the value of making things.

The United States manufactures 24 percent of everything made in the world. Not low-end textiles, not cheap plastic parts. Those can be outsourced to lower tech manufacturers in developing countries. U.S. companies make computers, jet engines, nuclear reactors, automobiles and a host of other products that are consumed not only in the United States but throughout the world.

Critics often cite that manufacturing's economic impact in the U.S. is shrinking, but the only reason that the percentage of U.S. contribution to world output is decreasing is that the pie is getting much bigger. Each year, this country makes and sells 15 percent more than last year. But our percentage of the total is smaller.

In South Carolina, nearly 5,000 manufacturing businesses employ roughly 240,000 people and create a gross state product valued at \$26.3 billion, according to the National Association of Manufacturers. The top five manufacturing sectors in South Carolina are plastics and rubber; motor vehicles and parts; textiles (yes, textiles are still part of our state's business economy); fabricated metals; and machinery.

Much of what is made in South Carolina, 97 percent to be exact, is exported to other countries. The U.S. Department of Commerce says that about 40 percent of South Carolina's exports go to neighboring NAFTA countries.

And this is a good thing. This means that there are more affluent economies, more people who want middle-class values and opportunities, more people who can now envision a better tomorrow for them and their children. This is good for the world and good for us. A culture that believes tomorrow will be better than today (for them and for their children) is not likely to upset the current order of things.

The world is run by business. And business only does two things: innovate and market. "Innovation" means making and providing something that people want. "Marketing" is finding out what people want and how to get it to them.

Manufacturing is how we make things. One day, manufacturing may be obsolete. There are a lot of technologies in place and under development that can evolve into totally automated manufacturing. Until then, we'll need smart, educated people to operate manufacturing equipment, manage the operation, design it, build it, maintain it, decide what to produce on it, and deliver it to market. These will be well-paying, stable jobs that produce a real value to society and improve quality of life for the individual and the community.

And the good news is you can get the education and the knowledge to get one of these jobs in two or more years after high school. This includes engineers, designers, technicians, planners, welders, assemblers, machinists, electricians, service techs, and the list goes on. This is a key message that elected officials, business leaders, teachers, parents and students need to understand if we're going to remain competitive in the global economy.

Low cost will never win in the marketplace. It will enjoy a short run. But lead-based paint, low-quality products and tainted food items incur charges far larger than the savings of a low purchase cost. We have to produce goods of high quality, on time and at a competitive price. It takes smart, educated, motivated people to do this. And these people have to continually learn and improve. This is why the United States and South Carolina will be competitive now and in the future.

GUEST COLUMN

Gary Foster is president of Automation Engineering Corp. in Greer and he serves as chairman of the board for the Silver Crescent Foundation. For more information, go to www.silvercrescentsc.org.