

Prairie View International Business Digest

Center for International Business Education

Prairie View A&M University - College of Business

VOLUME 3, ISSUE 2
DECEMBER 2006



The U.S. in the Global Economy

Contributed by Dr. Neil Geismar, College of Business

All business is now international business. Having an international market is beneficial. Having international competition is inevitable. To be an economic power, a country must innovate. The rise of the Asian economic tiger is based on innovation and technology, which forms a self-fueling feedback system: the availability of technology advances economic growth, which leads to economic prosperity, which, in turn, drives demand for new technology.

In much the same way that a company that is “second to market” with a product has the advantage of learning from the leader’s mistakes, much of East Asia is benefiting by having just recently entered the capitalist global marketplace. By observing the established market economies, China recognized the value of a national distribution system with centralized control, which it was able to create by using modern technologies that facilitate mobile communications and instant access to vast information. Heavy government involvement in Asia’s rapid technological development may appear to be contrary to the free market system, but we should not forget that U.S. technology has been fueled by government investment in defense contracts and the space program. As Asian technology evolves from a production orientation to one based on knowledge, intra-Asian outsourcing is on the rise: Japanese and South Korean companies have manufacturing operations in China.

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Editor, Dr. Rahim Quazi

Editor's Note

Greetings. It gives us immense pleasure to present to you the tenth issue of the *Prairie View International Business Digest*, an electronic quarterly newsletter produced by the Center for International Business Education at Prairie View A&M University.

This issue contains three sections. The first section (*The U.S. in the Global Economy*) is a short article contributed by Dr. Neil Geismar, one of our faculty members in the College of Business. The second section presents an overview of our recently organized activities (an outreach seminar for local businesses, a training workshop for high school educators, and a fieldtrip to the Port of Houston). The final section (*Upcoming Events*) presents a brief overview of upcoming activities.

We hope you continue to find this e-newsletter a valuable channel for important information relating to international business. We do hope our efforts will inspire greater number of local firms to seek out new opportunities in international business. Should you have any questions or suggestions, please feel free to contact us. We would also like to hear from you on the content of future issues of this newsletter. Thank you for your support.

Sincerely,

A handwritten signature in black ink, appearing to be 'R. Quazi', written in a cursive style.

Rahim Quazi, Ph.D.
Editor, *Prairie View International Business Digest*
Prairie View A&M University - College of Business
E-mail: rmquazi@pvamu.edu
Phone: (936) 261-9225
Fax: (936) 261-9226



International Business Outreach Workshops & Seminars - Fall 2006

In order to prosper in an increasingly interlinked global economy, the United States needs a growing number of business professionals educated in international business issues. There, however, exists a void in international business outreach services for local businesses in our community. Furthermore, training for high school educators on the basics of international business is also lacking in the community. To meet these needs, Prairie View A&M University Center for International Business Education organized two outreach workshops and seminars for area businesses and high school educators in fall 2006. These workshops were funded in part by the Business and International Education (BIE) grant from the U.S. Department of Education.

The Center organized an outreach seminar for the business community on the afternoon of October 27, at the Navasota Center. The target audience was the small business community in Grimes County. The seminar featured a series of lectures on global business topics, with a primary focus on NAFTA and CAFTA-DR (Central America-Dominican Republic Free Trade Agreement) related business opportunities, delivered by PVAMU faculty members.

The opening speech was delivered by Ms. Mary Cunningham, Director of the Grimes County Chamber of Commerce. In the first seminar session, Dr. Rahim Quazi presented an overview of international business figures and trends, and also discussed the resources available for researching international business opportunities. In the second session, Dr. Quazi discussed the international business opportunities created by NAFTA and CAFTA-DR agreements for U.S. businesses. In the third session, Dr. Gin Chong discussed the economic environment and business opportunities in China. In the concluding session, an hour-long video clip on the current business environment in China (*Emerging Market - China*) was shown.



Students listen to presenters.



Training workshop participants.

The Center organized an outreach training workshop for the local high school educators on the afternoon of November 17. The goal was to train the educators through whom the Center can reach high school students early and spark their interest in studying international business in college. Educators from several local school districts (Cy-Fair, Houston, Royal, and Waller) attended the workshop. The attendees received letters certifying participation in the training workshops to satisfy three hours of continuous professional education (CPE).

Two business faculty members, Dr. Reginald Bell and Dr. Rahim Quazi, conducted the training workshop. Dr. Bell emphasized the significance of international business education and communication in high school curricula. He also discussed sample lesson plans with hands-on learning activities for the participants. Dr. Quazi informed the participants about the collection of international business materials at the PVAMU Library, and he also discussed many other resources that are easily accessible online. Finally, Dr. Quazi shared information about several K-12 outreach programs organized by other universities, and overseas training opportunities funded by various federal agencies.



Dr. Chong lectures.

Field Trip to the Port of Houston



Students tour the Port of Houston.

The Center arranged a field trip to the Port of Houston on October 4. Two faculty members, Dr. Rahim Quazi and Dr. Gin Chong, led a group of ten undergraduate and graduate business students on the trip. The field trip commenced with a presentation by a port official about the operations and significance of the Port, which

is currently the largest port in the United States and the sixth largest in the world. The field trip group was then joined by another group of visiting port officials from South Africa. After the presentation by officials, both groups were given a tour on the Sam Houston Boat along the Houston Ship Channel. Embarking from the Port's Sam Houston Pavilion, the 90-minute ride offered passing views of international cargo vessels and operations at the Port's Turning Basin Terminal.

Upcoming Events

The Center will continue to provide outreach services to the community through workshops and seminars throughout 2007. Several half-day seminars will be organized for both the local business community and high school educators in spring, summer, and fall semesters. All participating educators will receive materials suitable for course and curriculum design, unit and lesson planning, teaching tips, and letters certifying participation in workshops to satisfy Continuous Professional Education (CPE) requirements. The Center will also organize a week-long summer fieldtrip to Puebla, Mexico, in May 2007. The participants will include PVAMU business faculty members and students, and selected members from the business community and high school educators. ■



The U.S. in the Global Economy

(Continued from page 1.)



Dr. Neil Geismar

Foreign competition with U.S. companies is to some degree a monster of their own creation. Outsourcing may be the “latest manifestation of the gains from trade that economists have talked about at least since Adam Smith,” according to Harvard economist Gregory Mankiw, but it has led to the transformation of Asian companies from suppliers to competitors. It is common knowledge that Asian companies lead the world in production of electronic goods that are packaged, marketed, and distributed by another company. However, U.S. and European companies are increasingly assigning their research and development to overseas companies, i.e.,

they are putting their brands on products that are conceived, designed, and produced by Asian companies. Again, basic economic principles, when applied in the short-term, would support this practice: outsourcing the engineering has cut time to market for one U.S.-based computer company by 60%. Will this development of skills in Asia—and the deterioration of them in the U.S.—be a long-term detriment to the U.S. economy?

What will propel the Asian economies even further is a belief in Asian countries that it is imperative to be technologically independent of, and equal to, the West. Of the top 55 companies ranked by the number of U.S. patents awarded in 2005, 21 are Asian—including six of the top ten. China spent 1.4% of its GDP on research and development in 2005. In the previous year, Chinese universities awarded 73,000 doctorates in science and engineering. In contrast, the U.S. is seventeenth in the number of science degrees granted. Half of America’s scientists and engineers are forty years or older. Funding for National Science Foundation has been cut.

These trends do not bode well for the health of the U.S. economy. As the U.S. falls further behind in science, the standard of living, too, will not keep pace: advancing technology improves productivity, and only through gains in productivity can standards of living rise. Furthermore, history has shown that to be a great power, a country must be a great economic power. How soon will it be before the U.S. is neither?



In the next issue:
More in the world of
International Business.

Available in
March 2007



PRAIRIE VIEW A&M UNIVERSITY
COLLEGE OF BUSINESS
EXPANDING EXCELLENCE • CHANGING LIVES

Vision and Mission Statements

The vision of the College of Business is to be a premier business institution that empowers students to realize their dreams through an excellent education.

The mission of the COB is to provide a diverse student body with a business education that produces readily employable professionals who are productive, ethical, entrepreneurial, and prepared to succeed in a competitive global economy. The College is committed to the pursuit of excellence in teaching, research and service. We will achieve these through an outstanding faculty and alliances with stakeholders. While undergraduate education remains our primary focus, the COB aspires to expand its graduate programs. The student experience will be distinguished by personal attention, teamwork, leadership training, and an understanding of the link between business and society.

If you would like to receive an electronic version of this newsletter, please contact Dr. Rahim Quazi in the College of Business at 936-261-9225 or via e-mail at rmquazi@pvamu.edu.

Visit our website at

<http://www.pvamu.edu/business>
