

Globalization and Rural North Carolina

Impacts, Opportunities, Perceptions

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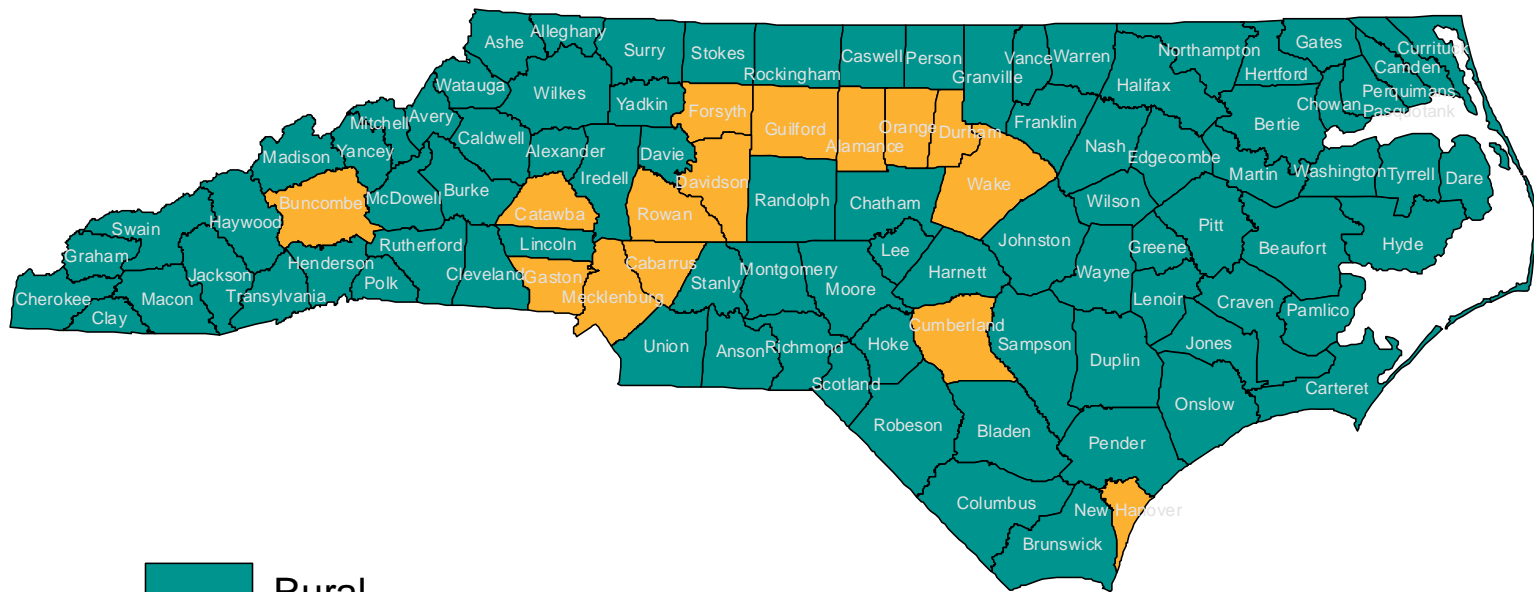


Presentation Overview



- The Rural Center
- Globalization project
- Impacts of globalization in rural communities
- Perceptions of globalization
- Rural communities taking advantage of opportunities
- Conclusions

The Rural Center



A county is defined as rural if it has a population density of less than 250 people per square mile based on the 2000 Census.

- Determine and explore the impacts, opportunities, and challenges that globalization poses for businesses, workers, and communities in rural North Carolina.
- Determine in what ways, if any, globalization and its implications are different in rural North Carolina than in urban North Carolina.
- Determine the implications of globalization on rural economic development initiatives.

What is globalization?



Globalization: greater speed and ease of communication, travel, and trade; more economic activity across national borders; increased cultural interaction and integration

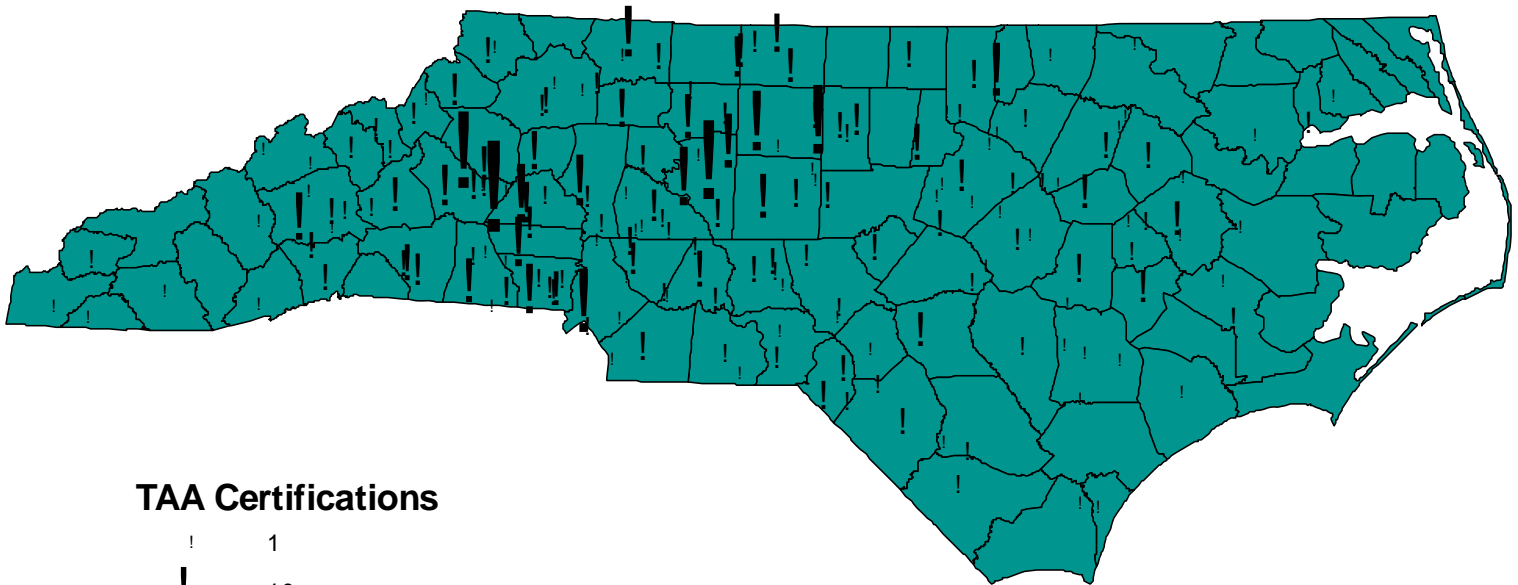
Methodology

- Data collection
- Interviews with key business, workforce, and community leaders
- Survey on perceptions of globalization
- *Evaluation of strategies, policies and best practices.*

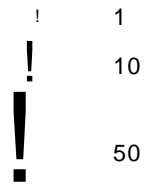
Impacts of Globalization



TAA Certifications February 1, 2003 - January 31, 2008



TAA Certifications



Impacts – Mt. Airy

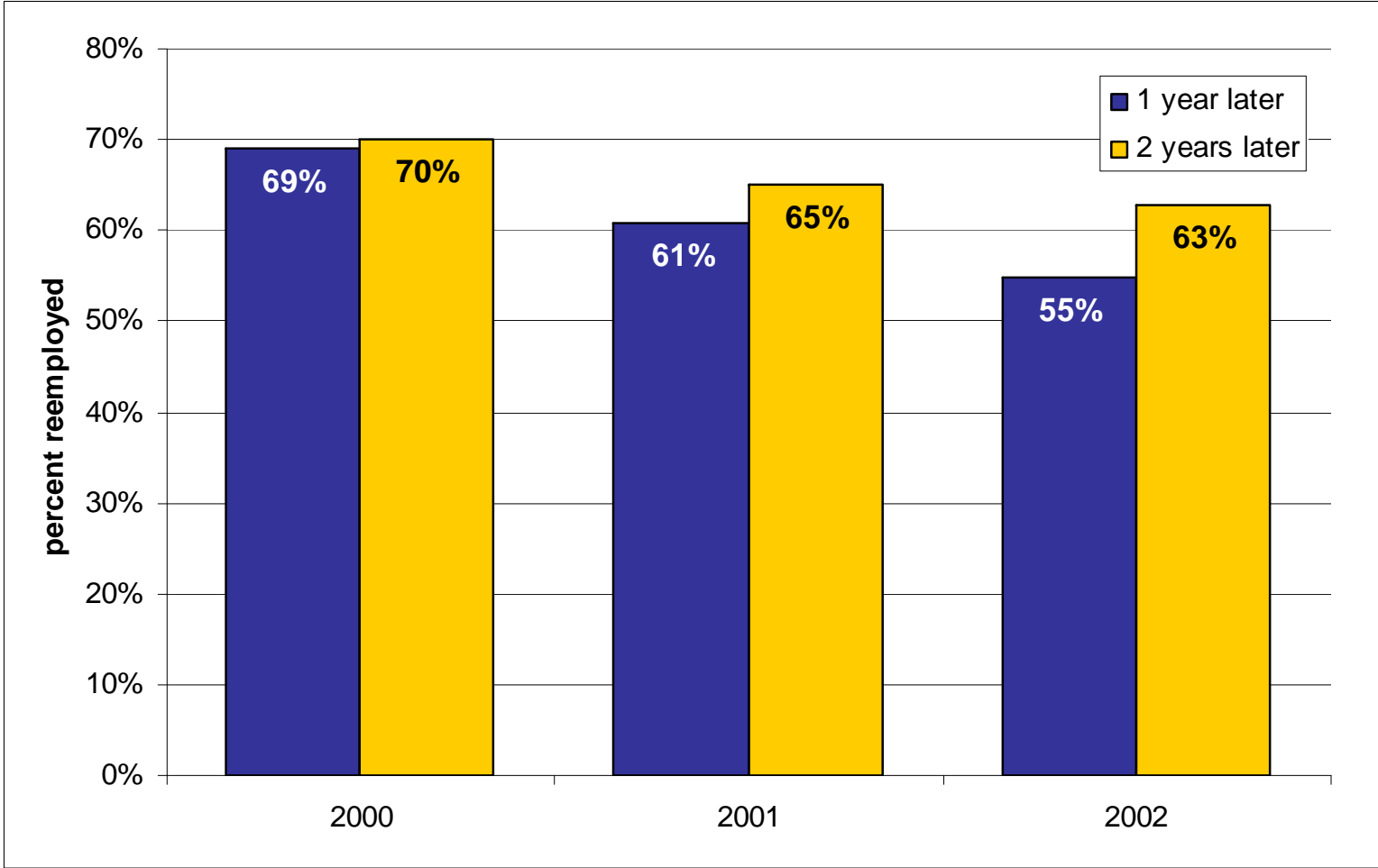


- Jan. 2005 – Renfro Corp – 280 jobs – Offshoring
- Nov. 2005 – Bassett Furniture – 300 jobs – Import competition
- Dec. 2006 – Gildan Activewear – 268 jobs – Offshoring
- Jan. 2007 – Gildan Activewear – 88 jobs - Consolidation
- May 2007 – Renfro Corp – 102 jobs – Import competition
- Aug. 2007 – Cross Creek Apparel – 300 jobs – Import competition
- Sept. 2007 – Gildan Activewear – 520 jobs – Offshoring
- April 2008 – Perry Manufacturing – 149 jobs – Foreign competition

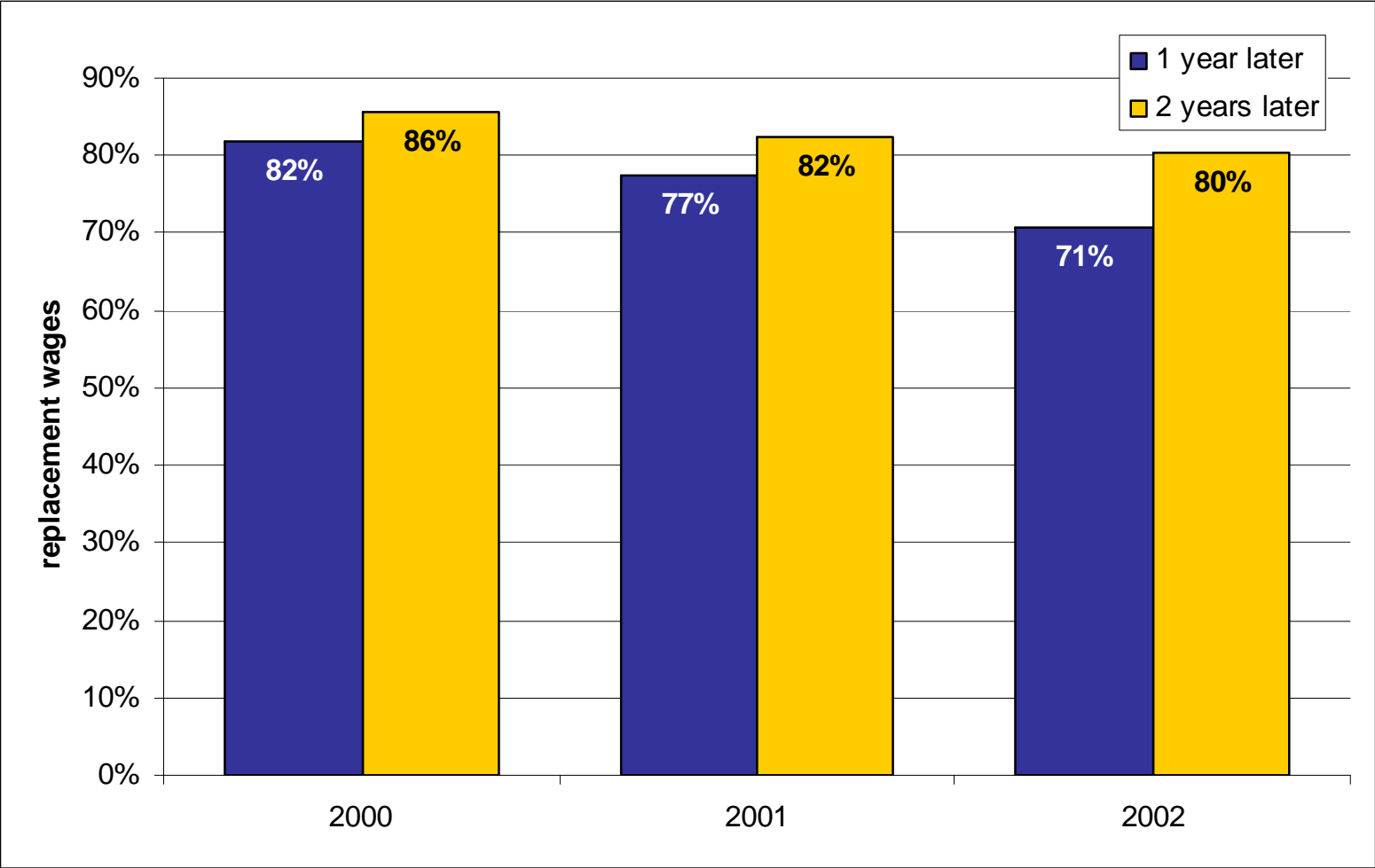
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2,007 jobs lost between January 2005 and April 2008 in a town of 8,500 people

Re-employment of Rural Dislocated Workers



Replacement Wages of Rural Dislocated Workers

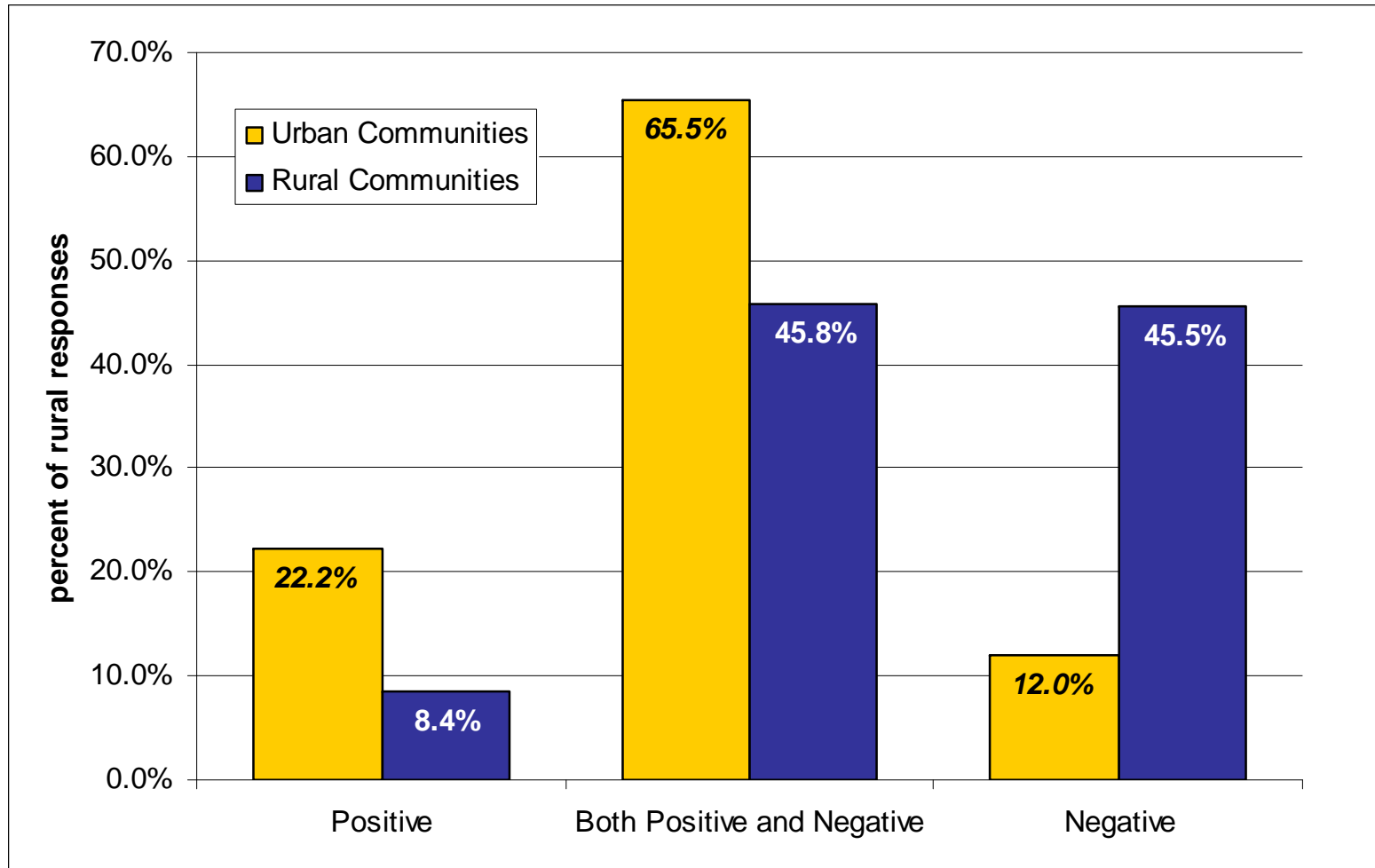


- Infrastructure investments tend to be driven by the economic engine of the town
- Tax revenues decrease
- Loss of biggest user of water, leaves towns with crucial piece of infrastructure that costs more to maintain than they can generate in fees.
- Loss of community partner and key source of identity, pride and culture

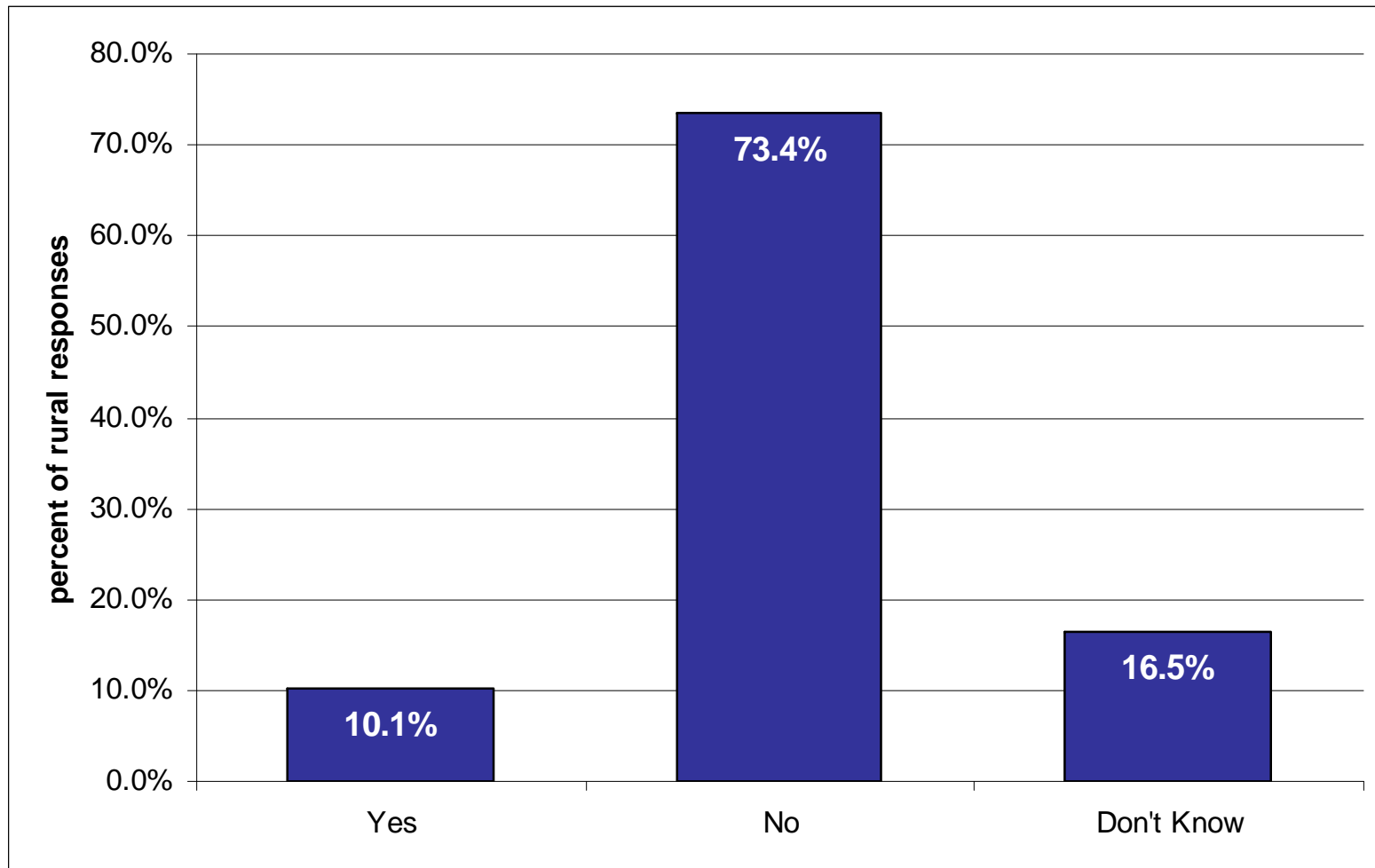
Perceptions of Globalization



Do you think globalization has positive or negative impacts for the following communities?



Do you think the current workforce in North Carolina is prepared for jobs in a global economy?



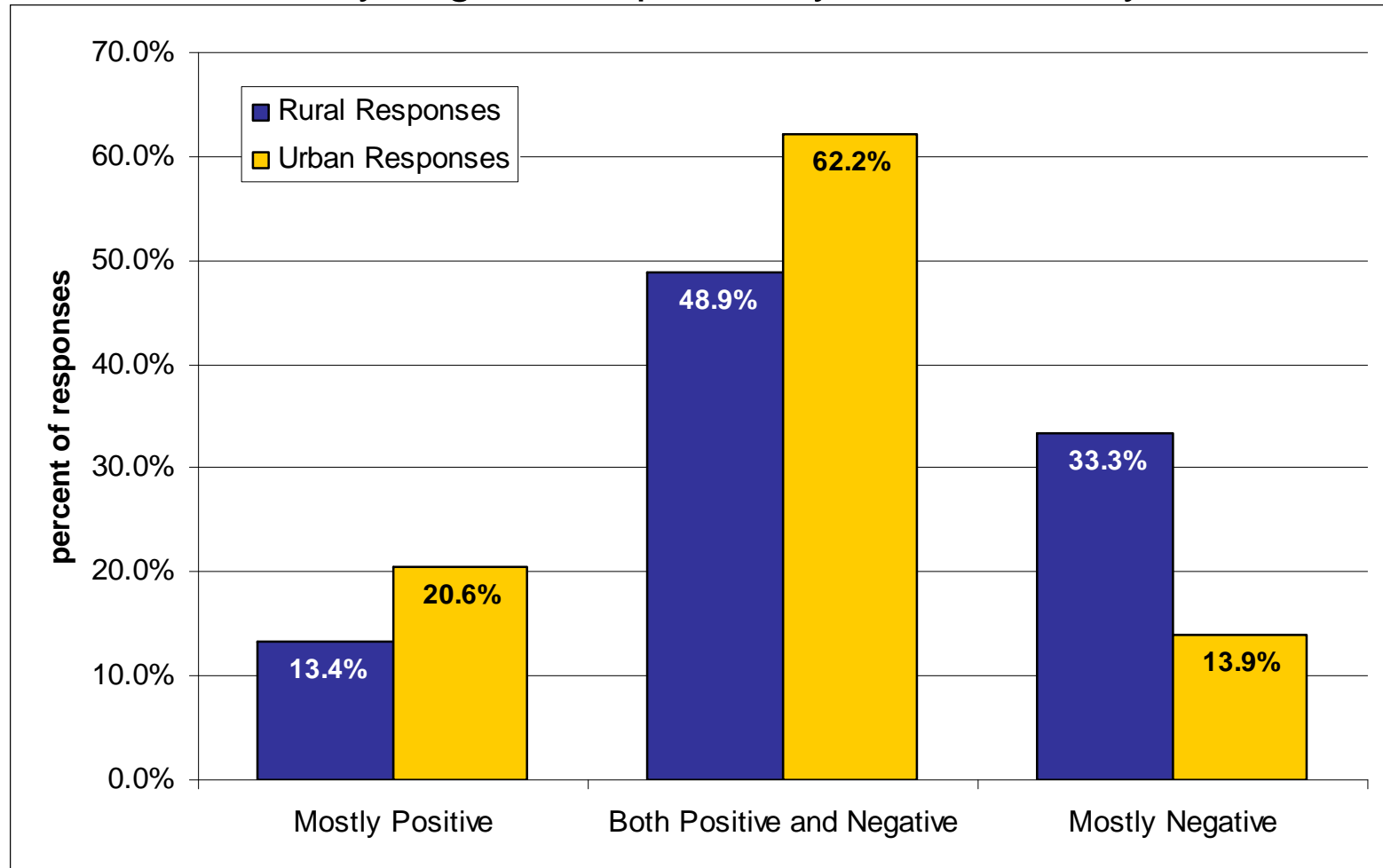
Do you think the current workforce in North Carolina is prepared for jobs in a global economy?

“What global economy? Oh you must mean the global economy that took all of our state’s textile jobs to China. If that’s the one, where do these NC workers fit in to the “Global Economy?” You tell me. I ain’t gotta clue... and no the service industry ie MacDonald is not an acceptable answer.” (Halifax County)

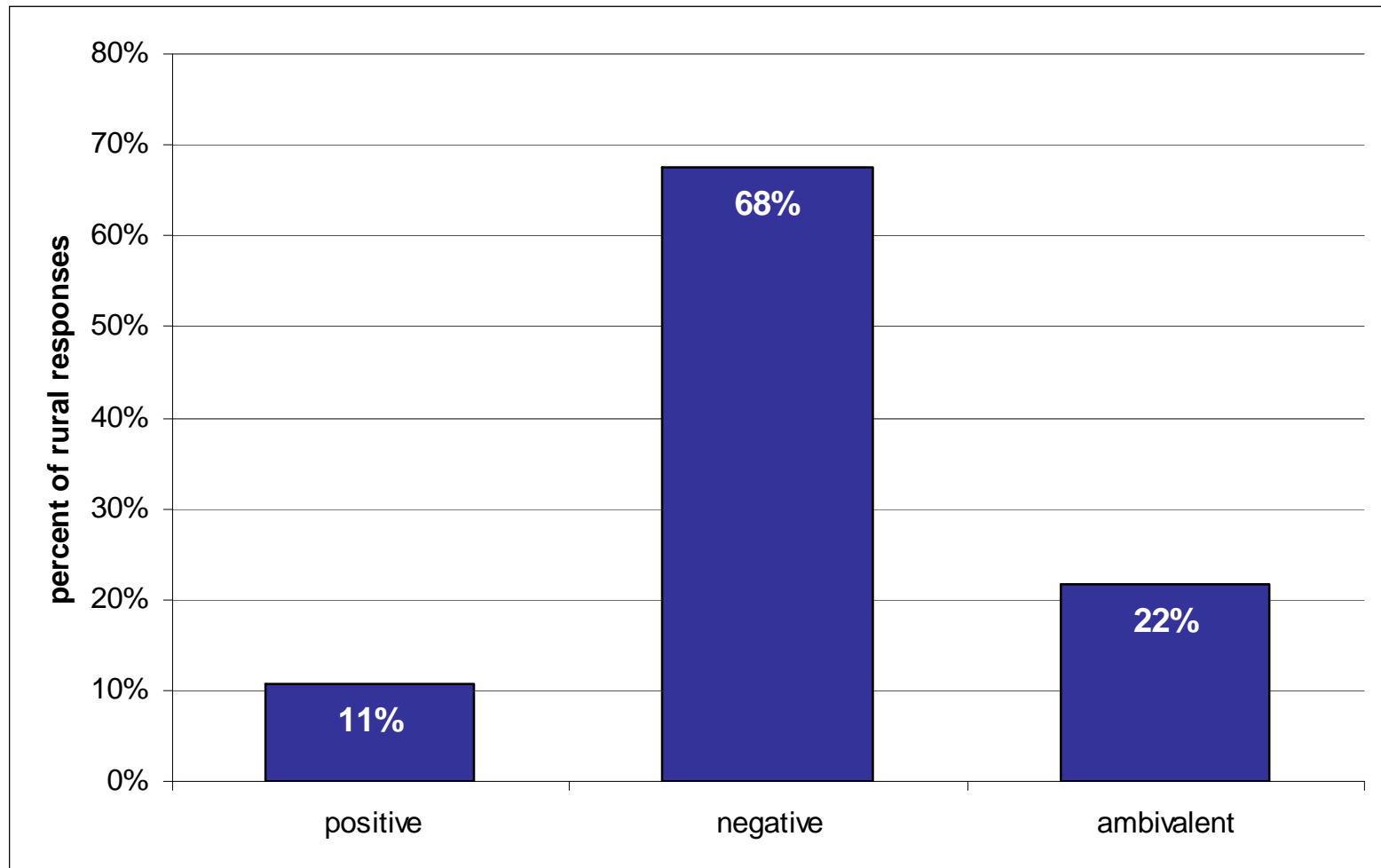
“This question presents a dilemma. It assumes there is a single-status workforce. There is not. In the Triangle, Triad, Charlotte, Asheville, etc., a large percentage of the workforce is prepared for the global economy. A majority of NC’s rural workforce is not. Regardless, too great a percentage are not ready.” (Orange County)

“The shrine of the “strong back and weak mind” is still very strong in the region.” (Halifax County)

Do you believe that globalization has mostly positive or mostly negative impacts in your community?



How has globalization affected your community?
Briefly describe or offer examples.



How has globalization affected your community? Briefly describe or offer examples.

“More and more people in our community are working with or interacting with world businesses. Many are still mourning the old ways, but others are waking up to the possibilities.” (Johnston County)

“Thousands of people in Eastern N.C. have had their lives seriously negatively affected by lost manufacturing jobs. Our lawmakers don’t care. There is a large segment of our population here that will not (cannot) go back to school. There needs to be some manufacturing left in this country to keep these folks employed at a decent pay level. Our tax base is suffering, not to mention higher crime rates and a growing welfare burden.” (Nash County)

“The loss of manufacturing jobs has hurt our community, resulting in a loss of hope.” (Montgomery County)

Opportunities Associated with Globalization



Spruce Pine

New Bern

What have we learned so far?



- Rural areas experience more negative impacts as a result of globalization
 - More low skill manufacturing employment
 - More dependent on a few employers
- Loss of major employer can be devastating
 - Rural areas have fewer resources
 - Rural economy is not as diversified
 - Rural areas have a smaller labor force
- Rural areas need to determine how to “remake” the community



- What does the future hold for rural N.C.?
- What will happen to those communities that aren't thinking about "remaking" the community?
- What role should the government and non-profits play to help communities that have been significantly impacted?