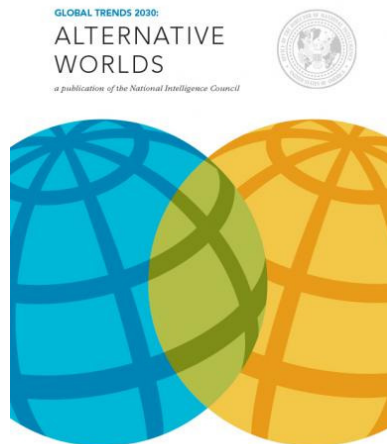


Testimony for hearing on HB 5031
By Dave Porter
For the Public Testimony session on 3/27/13

Educating for Exports

Chairpersons Representative Komp and Senator Monroe, and members of the Ways and Means Subcommittee on Education:

Now and in the future, Oregon's best economic development opportunities are and will be to sell more goods and services abroad. That is where the large and growing markets are. The Oregon University System is not doing enough to educate a workforce that can design, develop and sell goods and services in those foreign markets. OUS is not doing enough to promote and teach the foreign languages, like Mandarin, spoken in these foreign markets. It is not sending enough students to study abroad in these foreign markets. In its schools of education, the OUS is not training enough of the foreign language immersion teachers which Oregon's K-12 education system needs, nor is it providing the educational leadership Oregon's K-12 system needs to transition to many, many more foreign language immersion programs. Oregon needs to educate its next generations for exports. Please withhold some funding from the Oregon University System until needed changes are made.



In December 2012, the U.S. government's National Intelligence Council (associated with the Office of the Director of National Intelligence) published its report "Global Trends 2030: Alternative Worlds." It documents the growth and importance of foreign markets and middle class consumers abroad.

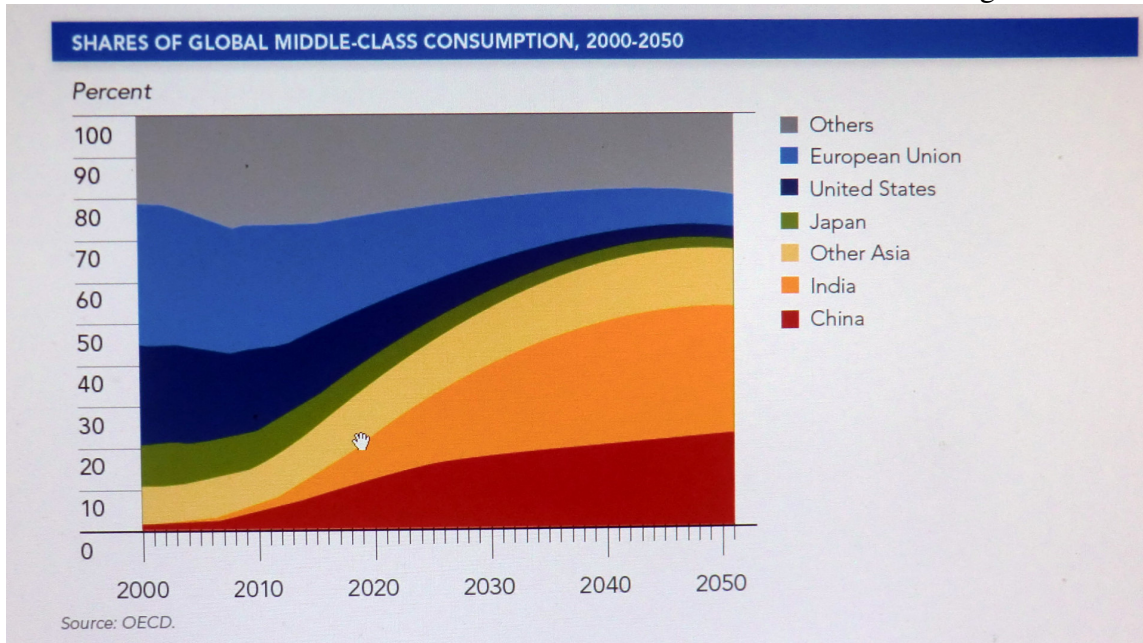
From the report (page 3):

"Middle classes most everywhere in the developing world are poised to expand substantially in terms of both absolute numbers and the percentage of the population that can claim middle-class status during the next 15-20 years. Even the more conservative models see a rise in the global total of those living in the middle class from the current 1 billion so to over 2 billion people. Others see even more substantial rises with, for example, the global middle class reaching 3 billion people by 2030. All the analyses we reviewed suggest that the growth of the middle class will occur in Asia, with India somewhat ahead of China over the long term. According to the Asian Development Bank, if China "achieves the new plan target of increasing household expenditures at least as rapidly as GDP, the size of its middle class will explode" with "75 percent of China's population enjoying middle-class standards and \$2/day poverty will be substantially wiped out." Goldman Sachs in its study of the global middle class underlined that even not counting China and India, "new [middle class] entrants would still be larger than the world has seen for many decades."

And:

"The health of the global economy will be increasingly linked to how well the developing world does—more so than the traditional West. The developing world already provides more

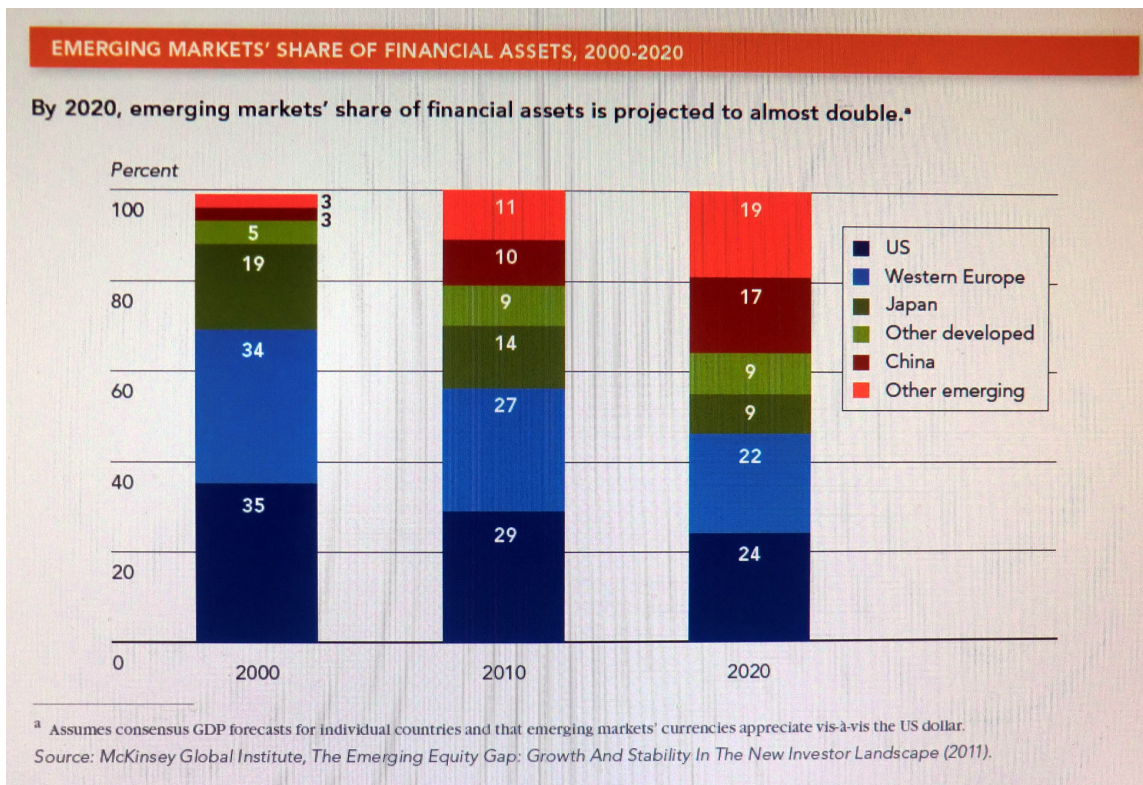
than 50 percent of global growth and 40 percent of global investment. Its contribution to global investment growth is more than 70 percent. China's contribution is now one and a half times the size of the US contribution. In the World Bank's baseline modeling of future



economic multipolarity, China—despite a slowing of its economic growth—will contribute about one-third of global growth by 2025, far more than any other economy. The world economy no longer depends on US consumers but on investment growth in emerging countries.”

And:

“In light of these trends, emerging market demand for infrastructure, housing, property, and



manufacturing plants and equipment will raise global investment to levels not seen in four decades. Emerging market countries, with their faster growth rates and higher saving rates, will become the most important source of global finance, nearly doubling their share of the world's financial assets during the next decade or so.”

Our next generations will live in a very different global economy. Oregon needs to adapt. The Oregon University Systems needs to adapt and provide the leadership for Oregon's education system to educate our next generation for exports.

Thank you.

Sincerely – Dave Porter
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PS: The introduction to the NIC's "Global Trends 2030: Alternative Worlds" reads:

Introduction

The backdrop for *A Tale of Two Cities* was the French revolution and dawn of the industrial Age. We are living through a similar transformative period in which the breadth and scope of possible developments—both good and bad—are equal to if not greater than the aftermath of the political and economic revolutions of the late 18th century.

“It was the best of times, it was the worst of times.... it was the spring of hope, it was the winter of despair.... we were all going direct to Heaven, we were all going direct the other way”

·
Charles Dickens, *A Tale of Two Cities*