

Get a Job, Build a Real Career, and Defy a Bewildering Economy

Smith, Charles Hugh (2014-04-07).

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The first thing he says in his introduction is that the key to understanding the situation is that you need to solve be able to solve problems and create value. Those two skills are central in the emerging economy. Actually, they are central in any economy. If you don't do them, they were simply deadweight. The question is the issue is that society can no longer carry deadweight.

Smith's point is that there will be many losers and just a few winners and the new society. This appears to be increasingly sure at present. So he has some advice for how to purchase often the winter column. This probably starts with thinking about your situation and reading books like this.

In advanced economies, across the sectors are healthcare, education, government and national security/defense. Traditionally, these are been considered stable sectors with guarantee job security. Ironically, that is changing, as the soaring cost of the sectors power exceeds the economy's ability to fund them.

Location 7% the concept of the growth location to 64 – the opposite of growth, not the same as sustainable growth. It is the opposite of debt-based consumption. Location 264 he introduces the thought of sorry social recession, a loss of opportunities for adulthood: a rewarding career family, and the home of one son. In a social recession, unemployed young people may be mired in adolescent narcissism, issuing ambitions not just an work, but in romance and marriage.

"The idea that happiness and fulfillment required more ever more consumption was always flawed;" location for 41. Talking about economic systems, capitalism, Marxism and so on, he says in points the NDE all of these systems share of central faith and centralization, increasing centralization is seen as the solution to all problems, and the. While centralized systems are the wrong unit size for today's problems. This is a central theme I'm sure of the book

The key concept is the S-curve. Everything that isn't born is dying. That's a quote from Bob Dylan. And in our economy, nothing lasts forever. Sectors of the economy are born, grow, and diet. The key to career success is to pick one that is in the process of being born, is in its infant stages.

Not take a buggy whip industry, one that is dying out. The ones that are dying out her freely easily identified. They are the ones that cost too much, and are therefore under the most severe pressure to reduce wage costs.

Versus P Drucker, according to Charles Hugh Smith. The biggest fixed cost in any business is employees, and anything that reduces the cost of employee close to the bottom line.

Quotation 532 economic systems are failing today because they are the wrong unit size. While centralized systems are incapable of providing solutions for today's problems, which as noted above are changing the market demographics resource depletion and rising costs of energy, changing the nature of work, and social recession. These are not ideological problems, so ideologically theologies cannot provide answers.

I will add the problem with the large organization is the problem of agency. Individual employees don't have the incentive really do care. They are looking for security, and they are not particularly inspired to be efficient. It takes competition to make people efficient, and neither competition within the organization or from outside spurs them to be particularly effective. Coupled with that the decreasing caliber of our human resources, due to this genetic discogenic of reproduction and a poor system of education, and you get things coming to a standstill. We are approaching the top of the S-curve.

The latter is my opinion

Section 2 location 387 the changing nature of work

Start out by stating that this is a knowledge-based economy, an economy whose growth depends largely on knowledge and the collaborative exchange of information.

This is interesting and interesting thesis. It's a question of how we apply that knowledge. We use knowledge to include increase the efficiency with which we manage material objects. We are more efficient in extracting minerals, more efficient in transportation, more efficient in communicating. This results in less physical movement.

I would propose that the S-curve applies as well to the benefits of automation, of knowledge. We're probably not to the top of the curve, but we will get there.

The talks about the difference between commodities and one-of-a-kind objects. Things that are commoditized, including labor, manual labor as well as doctors, are limited in price. One-of-a-kind objects depend on scarcity, and they may be quite valuable.

The only type of work they cannot be commoditized his work involving a process that cannot be specified in the hands. Creative work is one example. The observation that labor costs are now almost 50% overhead. That overhead is in unemployment insurance and health insurance and other things. These protected sectors of the economy are inefficient. Therefore on employers are reluctant to hire new employees, and are enthusiastic about finding ways to do away with large the expense of employees.

Quote location 1074 bureaucratic organizations by their very nature protect the venal and the incompetent because the purpose of the bureaucracy is to diffuse accountability so that no one person is ever responsible responsible for the organization's failure.

Location 1271

The idea of mastery. A person doesn't really own the means of production unless they become a master of their craft. Smith puts mastery about being a mere workman. Master phones every piece of work, and ordinary laborer does not. The ordinary labor is content with less than high-quality work. "Good enough for government work."

He defines process-based work is work that is performed according to a defined process. As such, it can be done by any labor. It is commodity work. It can be offshore.

Conversely, non-process-based work cannot be specified because the solution is not yet known.

It is best describes complex versus concave work. This depends on the shape of the graph of experience versus time. If the curve goes up, meaning that the first few months of the time of greatest learning, is a convex curve. That would be a gardener. The concave curve is one in which mastery takes a long time, and the difference between a person with zero experience in six months is not that fast. This will be like an expert programmer.

Examples shape and knees. Its network of suppliers, and street-level cycles in Berkeley. See entrepreneurial spirit, putting things together that makes these work.

Discusses alienating consumerism and the therapeutic mindset of chapter alienation and work stranio d 1491.

The marketplaces, commoditization of everyday life, both parents working all the if corporations so they can afford corporate take care for example created to alienating dynamics: a narcissistic personality crippled by a fragile sense of self. Salicin consumerist identifiers (wearing the white vans. Etc. is) and a therapeutic mindset is so alienation but as a consequence the large-scale centralized commoditization internationalization, but is individual issues to address with self-help and pop psychology.

He observes that the Internet lowers the barriers to education and the ownership of tools powered by the Internet has greatly expanded the afternoon is to escape alienating dependence on the state and cartels for employment

If we trust networks rather than states or corporations for our security, we were automatically gain agency (control of our working lives)

Location 1547 makes a controversial claim: performing well in institutions of higher learning is no correlation to performance in the workplace.

He claims that the soft skills of collaboration, adaptability, creativity and entrepreneurship and professional accountability of the core skills in every sector of the emerging economy. The skills and professionalism are not sought and not learned by osmosis or magic; they must be taught as systematic as the hard skills.

They must be learned, but I'm not sure I would agree that they must be taught. The person must have the opportunity to learn them. These life skills are human skills which do not come as directly from a curriculum, become rather from experience.

He says that we need to learn challenging new material over the course of one's dire productive life. This is true. Whether or not this is a skill that can be taught, or function of native intelligence is a question that the author does not address.

He says "becoming a productive person is not limited to any one sector of the economy, where anyone level of native intelligence. Though these values and habits are first required (were not required) in the family and community, they can be acquired later in life if the student is willing to learn.

To me the above claim is directly related to intelligence. Whatever one's skills, hit an increased level of intelligence makes one more OpenSolaris to learning.

Places of the earth he essential skills, several of which are soft, and the eighth of them is project management. This includes maintaining and understanding financial records: profit and loss, balance sheet, budgeting, and project management. In project management he says explosively since the ability to adapt. Presumably that means tacking marking the plan to reality and adapting the plan based on the reality.

Location 1811. He says that Google has found that college GPA and test scores are worthless as criteria for hiring. He said that the Dems finds they do predict anything. And that 14% of a given protein may be made up the people never gone to college.

That begs the question of what Google does use for criterion.

Mrs. therefore that the education system produces credentials, does not offer much of an alternative way of getting credentials, with with those credentials don't really insure any ability. The lads translates to a prediction of war have an assurance of ability to compete in the marketplace.

He says the key idea is to accredit yourself. Do not attend on the college or university to accredit your. Whether or not you see that is their job, they simply will not do it. You need to prepare yourself for a

wife. He recommends that you do this on the first day of your university education. Instead of looking at it as a four-year extension of adolescence, and are paid off, make use of college as preparation for life.

My observation would be that this would upset you so much at odds with what most people are doing on college to college is, as you come away with would want to skip the college campus altogether and do it on your own. Find a group of like-minded people, most likely people older than you, you get to work.

The factory model of education emerged after World War II. Thousands and thousands of students were processed through largely similar curricula and programs. The system of accreditation of higher education institutions meant that there was an interchangeability of credentialing. With regard eight bachelors degree, it had something of a similar meaning despite whoever issued it.

We are killing ourselves off more thoroughly and effectively than the Shakers, and in the name of no discernible bully. Walter mastery does involve a lot of practice. Strauss used Smith is right about what it takes. But another essential ingredient is ability.

Many people attempt to sing; for if you become professional singers. The same is true guitar, and the same is true of programming. Many people become adequate programmers, but to become a master programmer not only requires a dedication to the craft, but an innate ability.

This is the missing dimension in Smith's work. His innate ability, intelligence. It must be coupled coupled with self-mastery, drive. Everybody knows computer nerds to our fairly good at some aspect to the computer craft, but don't have mastery because they don't have the ability to work with others to get things done. There is a fairly complex array of skills required to become much remastered computer programmer. I write this as a master computer programmer. Is it would be wrong to assume that it was within the grasp of most people, or even many people. No, to become a programmer such as Bill Gates, Morris one has to start out with a great many assets. One the one must been apply those assets following Charles use Smith's formula.

It is naïve to omit the first prerequisite. You have to have them start with.

Building on the previous thought, self discipline is something the one were injured home. The ideal home learning environment to the to family is a two parent family, with both parents having some time to spend with the child. More than that, it involves the peers. For this read Judith Rich Harris. Prepared group reinforces the child's values. If the peer group does not value self-discipline, did not value individual achievement, though be more difficult for the child to learn to evaluate himself, and to develop it in his own life.

It is true that any individual that there is are some individuals who can overcome almost any obstacle in life to succeed. And Dr. Ben Carson, the Republican front runner, is an example of this. So is Clarence

Thomas – his autobiography moves one to tears, and gives one goosebumps. The one has to recognize these men are truly exceptions. First, they are exceptionally intelligent. Second, and that each of them make an attempt to explain were came from in their own backgrounds, they had parents and mentors who were dedicated to seeing them succeed.

Without these ingredients – new talent and somebody guiding a responsible adult guiding, it is very difficult to achieve success. There are exceptions to every rule, but not very many to this one.

Mention my own biases toward software expertise. Everybody should know how to use Excel and the computer drawing package. It was wonderful to be able to illustrate an idea, and it takes very little talent to master drawing programs such as Corel or Adobe.

Also, mastering software on your own shows the kind of determination, self teaching that every employer wants. Since it is every employer, every client. The best of all positions is to be independent, looking for gigs with other independent people, however poorly they pay. He maintained your independence, it away on the seas, and you have better control over the work that you do.

In writing this review, I am following Smith's advice to write a credible, third-party review. Not hyping Smith, but doing an honest job. The expectation is that his genius will shine through even though I might disagree with him on one or two points. The one that wins authenticity to this review.

The fact that I'm an established Amazon reviewer means that gives credibility to whatever I write about Smith. He takes a leap of faith that I will write a good review, since I have liked his previous works, and send it to me. This validates the point. I am a trusted third-party reviewer, and he has put his heart into this work.

1. Modern Capitalism: this is the classical free-market capitalism: supply and demand discover price of goods, services, labor, money and risk in open, transparent markets. Business cycles are an expected feature of free-market capitalism; when credit expands, so does the economy; when credit contracts, marginal investments become insolvent and are written off; the result is recession.
2. Marxism: developed by Karl Marx in the second half of 19th century, Marxist analysis holds that private capital has a built-in advantage over labor, and left to its own devices capital will impoverish laborers and enrich the owners of capital. The most profitable state of affairs for capital is not competitive free markets but the elimination of competition with monopolies or cartels. There are multiple forms of capital (industrial, financial) but the dominant form is financial. Advanced capitalism boils down to the dominance of finance capital over industrial capital and labor. The impoverishment of labor leads to the crisis of capitalism, as eventually there aren't enough workers with sufficient income to buy the goods produced by capitalism. The Marxist critique drove the development of various flavors of socialism.
3. Socialist State Capitalism: unfettered capitalism creates great disparities in income and wealth (i.e. winners and losers). The solution is to extract wealth from the free-market winners via

taxes for social programs that distribute the nation's wealth more equitably. To keep private capital from dominating the economy and ruling the nation, the state owns or controls key industries.

4. Neo-Keynesian State Capitalism: to counter recessions, the state (government) increases its own borrowing and spending (called deficit spending) to compensate for declining private consumption, and the central bank lowers the cost of borrowing money and floods the banking system with credit to persuade households and businesses to borrow money to spend and invest.
  5. Neoliberal Global Capitalism: government regulations and meddling (i.e. picking winners and losers rather than letting the free market select winners and losers) hamper growth, and without growth prosperity declines for rich and poor alike. The solution is to cut regulatory red tape and unleash markets to allow the free flow of information, labor and capital. This freedom increases the pie of wealth for everyone in the economy. It's important
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1. All systems generate reactions when they reach extremes/ diminishing returns.
  2. None of these systems is transitioning to a sustainable economy with plentiful opportunities: all are outdated and structurally flawed.
  3. Every major economy is a mix of two or more of these concepts.
  4. All these systems share a central faith in centralization: increasing centralization is seen as the solution to all problems.
  5. Large, centralized systems are the wrong unit size for today's problems.

The largely forgotten idea is the essential role of personal values in creating economic value, either as an employee or in your own business. I have distilled these down into the eight essential skills of professionalism described in the previous section. The person every employer wants is one who can learn whatever needs to be learned and solve problems with integrity, accountability, diligence, and do so while working effectively and easily with others. The person who knows how to master new skills and apply them effectively with integrity, accountability and diligence will be able to get the job done, regardless of their major in college or the number of diplomas they earned. Indeed, as we have noted, college diplomas have little correlation to being effective on the job.

The Higher Education Cartel The basic structure of Higher Education can be summarized in eight points:

1. As noted above, higher education is a legacy system based on the scarcity of recorded knowledge (printed and other media) and lectures. Both recorded knowledge and lectures are now essentially free and readily available to everyone with a digital device.
2. The current higher education model is a factory composed of lectures and mass-distributed coursework/ tests. The student moves down the assembly line, attending the same lectures as other students, reading the same materials and taking the same tests. When the student

receives a passing grade in a quasi-arbitrary number of courses, he or she is accredited, i.e. issued a diploma.

3. In terms of its financial structure, higher education is a cartel-like system that limits its product (accredited instruction) and restricts its output (credentials, diplomas). This creates an artificial scarcity.
4. The cartel's basic mechanism of maintaining non-competitive pricing is to enforce an artificial scarcity of credentials. The cartel's control of a product that is in high demand (college diplomas) frees it from outside competition and free-market price discovery, enabling it to charge customers (students) an extraordinary premium for a product whose value is entirely scarcity-based. This is the very definition of a rent-seeking cartel, a cartel that extracts premiums solely on the basis of an artificial scarcity. By their very nature, rent-seeking cartels are exploitive and parasitic, drawing resources from those who can least afford to pay high premiums and misallocating capital that could have been invested in productive social investments. The term rents in this context means that the cartel collects a premium without providing any corresponding additional value. Since the higher education cartel is the sole provider of accreditation (college diplomas), it is unaccountable for its failure to prepare its customers (students) for productive employment in the emerging economy . If a diploma is portrayed as essential, students must pay the cartel even if the cartel's product is ineffective and obsolete.
5. The four-year college system is profoundly disconnected from the economy. That the cartel's product has little practical application is not considered a factor in the value of the product (diploma), a credential that is a proxy for knowledge rather than proof of practical knowledge.
6. The present system of higher education is unaffordable for all but the wealthy. The cartel's solution to its high prices, \$ 1 trillion in student loan debt, is a crushing burden on both individuals and society at large.
7. The higher education cartel is an intrinsically elitist force, as its survival as a rent-seeking cartel is based on limiting what is now essentially free: knowledge and instruction. In other words, the higher education cartel charges an extraordinary premium for a free product.
8. The only way the Higher Education cartel can continue to charge a premium for nearly-free products is to actively mystify its product (by attributing secular sanctity to its diplomas) and promote an artificial value for this product using public relations and political lobbying. In other words, the higher education cartel operates on the same principles as other parasitic cartels: it depends on the government to enforce the scarcity of its product, and it uses public relations to mask its cartel structure and systemic failure to fulfill its stated purpose.

Let's review the eight essential skills of professionalism:

1. Learn challenging new material over one's entire productive life
2. Creatively apply newly-mastered knowledge and skills to a variety of fields
3. Be adaptable, responsible and accountable in all work environments
4. Apply a full spectrum of entrepreneurial skills to any task, i.e. take ownership of one's work
5. Work collaboratively and effectively with others, both in person and remotely
6. Communicate clearly and effectively in all work environments



7. Continually build human and social capital, i.e. knowledge and networks
8. Possess a practical working knowledge of financial records and project management