

**ECONOMICS REPORT - Outsourcing of Jobs**

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This is Bob Doughty with the VOA Special English Economics Report.

Companies often give work to an outside business that can do the job for less money than their own employees could. This is called outsourcing. Outsourcing has become a political issue in the campaign for the American presidential election in November.

Many companies in the United States have been moving jobs to countries where costs are much lower. Factory production jobs have moved away for years. But the jobs now also involve computer programming and other skills based on knowledge.

Labor groups and workers are angry. They point to reports that say the United States has lost two-and-a-half million jobs since two-thousand-one. Most were jobs in manufacturing. Some states have lost more jobs than others. But no one seems to know for sure how many jobs left the country.

There was a recession. Jobs were cut. Yet, so far, the economic recovery has produced fewer jobs than expected. So outsourcing has created an emotional debate.

Lou Dobbs has a business news program on CNN television. He keeps a list of companies that have sent jobs to foreign countries. Almost every night, Mister Dobbs talks about what he calls the "exporting of America."

Gregory Mankiw [man-CUE] is the chairman of the Council of Economic Advisers to President Bush. Recently Mister Mankiw said outsourcing is probably good for the economy in the long term. He said it makes sense to import goods or services produced at lower cost. He called it "just a new way of doing international trade."

Most economists would probably agree. But Democrats and Republicans criticized Mister Mankiw. He later apologized for having appeared to praise the loss of United States jobs.

Criticism of outsourcing has led some people to condemn free trade. They argue that if jobs are lost to foreign countries, then America should seek protective measures.

The director general of the World Trade Organization does not see it that way. Supachai Panitchpakdi says one-third of all economic growth in the United States since nineteen-ninety resulted from international trade.

Mister Supachai says training and education can create new opportunities for workers. He says exports have helped create five-million new jobs in America in the last ten years. He says those jobs pay ten-percent above the average.

This VOA Special English Economics Report was written by Mario Ritter. This is Bob Doughty.



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