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## **Chamber of Commerce leader advocates offshoring of jobs**

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DATELINE: SAN FRANCISCO

U.S. Chamber of Commerce President and CEO Thomas Donohue urged American companies to send jobs overseas as a way to boost American competitiveness and even increase employment - a stance that rankles jobless workers, particularly in the flagging technology industry.

Donohue said Wednesday that exporting high-paid tech jobs to low-cost countries such as India, China and Russia saves companies money that they may use to create new jobs. He blasted labor leaders and politicians who support bills in three dozen states - nine in California alone - that would limit or ban offshoring of government contracts.

"Without fail, businesses go where they want and where they can earn money - investment is fungible," Donohue said in a speech to about 100 members of the Commonwealth Club of California. "We're not going to create more jobs by building barriers."

CEOs from Wall Street to Silicon Valley have embraced offshoring, and the pace of job migration has shocked statisticians and economists.

In early June, the Bureau of Labor Statistics downwardly revised projections for white-collar job growth for 2002-2012, based on accelerated offshoring. The agency reported that seven of the 10 occupations expected to gain the most ground are low-wage jobs that do not require a college degree.

Technology consulting firm Gartner Inc. estimates that 10 percent of computer services and software jobs will be moved overseas by the end of this year.

The outlook in the San Francisco Bay area - home to legions of unemployed programmers since the dot-com bust of 2000 - is particularly bleak. Nearly one-third of local workers, or 31 percent, are worried about losing their jobs, compared to 18 percent for the nation, according to a survey released

Wednesday by staffing firm Hudson Highland Group, Inc.

Donohue acknowledged the pain of individuals who have lost jobs to offshoring - an estimated 250,000 a year, according to government estimates. But pockets of unemployment shouldn't lead to "anecdotal politics and

policies," he said, and people affected by offshoring should "stop whining."

"One job sent overseas, if it happens to be my job, is one too many,"  
Donohue said. "But the benefits of offshoring jobs outweighs the cost."

In the past two years, cash-strapped technology companies have exported high-paying jobs in research and development, software engineering, chip design and biotechnology startups. Most of those jobs have gone to India and China, whose universities graduate hundreds of thousands of engineers each year.

President Bush has largely avoided talking about touchy subject in public appearances. Some of his economic advisers have said that exporting labor to low-cost countries will reduce business costs, boost corporations' financial performance and thereby improve the U.S. economy.

Democratic candidate John Kerry said last week in San Jose that "America can't put walls around itself" or reject the realities of the global economy. He has proposed tax reforms that would erase some financial incentives for companies to export high-paying jobs.

It's no surprise that Donohue, who tripled the Chamber of Commerce's lobbying team since 1997 and aggressively promotes pro-business policies, endorses offshoring. The 3 million-member organization, the world's largest business consortium, champions tax cuts, free trade, workers compensation reform, and more liberal trade deals with China.

Denny Park, 31, of Oakland took a philosophical view of offshoring. In a previous job based in London, the management consultant helped companies offshore call centers and other operations to India - but he's also seen friends and co-workers get laid off.

"In theory, it's promoting change so that the quality of jobs that remain in the United States remains higher than elsewhere," said Park, who attended Donohue's speech. "But the pace of change is fast, and trying to stay a step ahead is difficult. It almost comes down to luck, being in the right career at the right time."