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One out of 8 New Jersey jobs may be sent overseas, study reports

By Michael L. Diamond

TRENTON, N.J. -- Nearly 500,000 jobs in New Jersey, or one out of every eight, is at risk of being sent overseas by companies seeking less expensive labor, according to a study released yesterday by a liberal think tank.

Faced with the prospect of more job losses, New Jersey Policy Perspective called on the government to protect state residents who lose their jobs to overseas workers and to reward companies for keeping jobs in the United States.

"Jobs have always been created and destroyed -- nothing new about that," said Jon Shure, the group's president. "But in the past, the new was at least as good as the old. Too often today, people who lose jobs are getting new ones with lower pay and fewer benefits."

The trend of what's known as offshoring has been seen widely in the manufacturing industry, but experts said companies began shifting work requiring a high degree of skills overseas when the economy dipped into a recession in early 2001.

Since then, an estimated 500,000 jobs nationwide have gone overseas, said Cynthia Kroll, an economist at the University of California, Berkeley, who helped New Jersey Policy Perspective with the study.

In New Jersey, 12.2 percent of jobs, or 492,000, are in categories that are vulnerable to offshoring, including math and computer jobs and office and administrative support. By comparison, 11 percent of jobs nationwide fall into this category, the study said.

Experts said the government has been caught in a tight spot: How can it intervene in a way that would both encourage free trade and protect American jobs?

Offshoring jobs is "part of the economic development process, and that is both extremely hard to reverse and it's not clear you would want to reverse it," said Joseph Seneca, an economist at Rutgers University.

Still, there are at least seven bills pending in the New Jersey Legislature addressing the issue. One would require that state contract work be performed in the United States. Another would require call center workers to identify themselves and the locations of their call centers when customers ask.

"The movement of jobs (overseas) causes the loss of jobs for our members as well as having an impact on the economy," said Pat Niven, area director for the Communication Workers of America in Woodbridge, which supports the legislation.

New Jersey Policy Perspective yesterday made its own proposals to combat the impact of offshoring. Among them:

--Make public the names of companies that send work overseas so consumers can decide whether to do business with them.

--Expand unemployment benefits and training assistance to workers who lose their jobs to outsourcing.

--Ensure that state and federal government contracts are awarded only to companies that do the work in the United States.

Companies may want to become more competitive and offer less expensive products, but "if an increasing number of workers don't have jobs -- and good jobs -- it doesn't help them at all," Shure said.