

Posted on Sat, Oct. 16, 2004

Study: 406,000 jobs going offshore 2004 NUMBER MAY DOUBLE THAT OF 2001

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San Jose Mercury News

A new study released by a Congress-mandated commission Friday estimated that as many as 406,000 U.S. jobs will move to Mexico, China and other countries this year -- nearly double the number of jobs lost to production shifts in the global economy in 2001.

The U.S.-China Economic and Security Review Commission issued the study after examining news media reports of "firm and job relocations" that resulted in job losses during the first three months of this year. Those findings were projected on an annual basis, and compared to findings from a similar study conducted over seven months from October 2000 through April 2001.

"This important study attempts to fill a severe knowledge gap in our understanding of the nature and scope of U.S. production shifts to China and elsewhere," Commission Chairman C. Richard D'Amato said in a news release.

The report joins a growing body of research on job displacement that has taken on political overtones in the current presidential campaign as the debate on offshoring of jobs to China and India has played into widespread concerns over the health of the U.S. economy. However, contradictory data and questionable methodology in many of these studies have cast more confusion than light on the issue.

The commission was created by Congress in 2000 to study the national security implications of trade and technology transfers with China, which has emerged in this decade as a powerhouse of manufacturing and mercantile trade. The report, prepared by scholars Kate Bronfenbrenner of Cornell University and Stephanie Luce of the University of Massachusetts, Amherst, concluded that as many as 99,000 jobs will move to China this year and another 140,000 may move to Mexico because companies are seeking lower production costs.

The findings are potential ammunition for Democratic presidential candidate John Kerry, who has assailed incumbent George W. Bush for the record of job losses during his administration. There are 821,000 fewer jobs in the United States now than when Bush took office in January 2001, but it is impossible to say how many of those were lost to offshoring.

Among the study's findings:

- Production shifts, with consequent employment loss, have spread across the economy and now affect sophisticated manufacturing industries, services and information technology.
- All regions of the country are impacted by these shifts, but the Midwest has been especially hard hit.

- Companies that are engaged in production shifts ``tend to be large, publicly held, highly profitable, and well established."
- The principal motive for production shifts to China is cost reduction rather than producing for the Chinese market.
- The number of jobs lost because of production shifts far exceeds that reported by the Bureau of Labor Statistics in its report on mass layoffs due to overseas relocation.
- Trade adjustment assistance to workers laid off owing to overseas job relocation is poor, covering less than one-third of the cases where production shifts occur.

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