

DAVID SCHLESINGER
REUTERS AMERICA, HEAD OF OPERATIONS
THE WORLD IS FLAT, BEST SELLER.

OFF-SHORING WITH OBLIGATION

I grew up in New London, Connecticut, which in the 19th century was a major whaling center. In the 1960s and 70s the whales were long gone and the major employers in the region were connected with the military – not surprising during the Vietnam era. My classmates’ parents worked at Electric Boat, the Navy and the Coast Guard. The peace dividend changed the region once again, and now it is best known for its great gambling casinos of Mohegan Sun and Foxwoods and for the pharmaceuticals researchers of Pfizer. Jobs went; jobs were created. Skills went out of use; new skills were required. The region changed; people changed. New London, of course, was not unique. How many mill towns saw their mills close; how many shoe towns saw shoe industry move elsewhere; how many towns that were once powerhouses now buy all their linens from China? Change is hard. Change is the hardest on those who have difficulty changing too. But change is natural; change is not new; change is important. The current debate about off-shoring is dangerously hot. But the debate about work going to India, China, and Mexico is actually no different from the debate once held about submarine work leaving New London or shoe work leaving Massachusetts or textile work leaving North Carolina. Work gets done where it can be done more effectively and efficiently. That ultimately helps the New Londons, New Bedfords, and New Yorks of the world even more than it helps the Banglores and Shenzhens. It helps because it frees up people and capital to do different, more sophisticated work, and it helps because it gives an opportunity to produce the end products more cheaply benefiting customers even as it helps the corporation. It’s certainly difficult for individuals to think about “their” work going away, being done thousands of miles away by someone earning thousands of dollars less per year. But it’s time to think about the opportunity as well as the pain, just as it’s time to think about the obligations of off-shoring as well as the opportunities...

Every person, just as every corporation, must tend to his or her own economic destiny, just as our parents and grandparents in the mills, shoe shops, and factories did.