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NEWS

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Panelists offer views on global outsourcing

by Meg Bourdillon

With no red and orange lights or stopwatches in sight, the speakers at Tuesday night's panel on global outsourcing—the migration of U.S. jobs overseas, where labor tends to be cheaper—had plenty of time to discuss the issue from a thoughtful, intellectual perspective that several participants noted has been absent from the presidential debates.

Diya, the South Asian students association, organized the event, which drew a crowd of more than 35 attendees. Most of the four panelists supported the ongoing process of outsourcing, expressing their opposition to the anti-globalization rhetoric used by many politicians during the 2004 political season.

"To me, the whole outsourcing issue is really a storm in a teacup," said Ravi Bansal, a professor of finance and economics at the Fuqua School of Business. Fears of huge job losses and diminishing wages are unjustified, he argued.

In the view of Thomas Nechyba, chair of the Department of Economics, outsourcing improves efficiency. He compared globalization to technological innovations such as the car's displacement of the horse and buggy. Public policy makers, he explained, are responsible for deciding how best to recompense those who lose jobs as the economy transitions.

"The pie is growing as a result of outsourcing," Nechyba said. "Whenever there's change in an economy, there are winners and losers."

Carl Nordgren, an entrepreneur and visiting lecturer in the Markets and Management certificate program, agreed with Nechyba, drawing on anecdotal evidence and personal experience to support his optimistic outlook on outsourcing.

Only Sridhar Sourirajan, a software developer at SAS Institute in Cary, N.C., added a cautionary note to the debate, insisting that both sides of the issue deserve consideration. "The people who are worried about outsourcing, they are worried about this flight of intellectual capital," Sourirajan said. "It is very difficult to reclaim



PETER GEBHARD/THE CHRONICLE
Fuqua professor Ravi Bansal discusses outsourcing and its effects on the U.S. job market as Economics chair Thomas Nechyba listens in a panel sponsored by Diya Tuesday night.

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this thing.”

Benefits of outsourcing outweigh its costs, the other panelists argued.

Recognizing the human costs of lost jobs, however, Nechyba repeatedly spoke about the importance of softening the hurt for those who lose their jobs because of globalization. “Can we find ways of channeling transitional help to them?” he asked. “Can we find ways of retooling, retraining?”

Kristina Johnson, dean of the Pratt School of Engineering, who moderated the discussion, asked questions that pushed the panelists to consider issues close to home for the members of the University community, such as how the American education system might change in order to produce workers better able to compete in the globalized economy.

Nechyba’s response was firm: “There would be nothing better than for American universities to become more efficient as a result of competition with Chinese universities.”

All the panelists agreed on the importance of improving educational standards, particularly at the pre-university level, in order to maintain a skilled workforce. Sourirajan criticized the “lack of rigor” in the American education system, but he and others praised the relatively strong emphasis on independent thinking and the humanities in the United States.

Students who attended seemed pleased by the opportunity to learn more about the complex economic question.

“It hasn’t shifted my opinion,” said junior Anshu Verma, “but I have more knowledge.”

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