

A Sustainable Environment: Our Obligation to Protect God's Gift

by
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Outsourcing May Not Be the Reason for Job Losses

In Thomas Friedman's book, "The World is Flat", he talked about people wanting to be employed. He said that everyone should want to be an "untouchable", meaning that their job cannot be outsourced. He categorized the untouchables in four different categories. The "special" worker is someone like Michael Jordan, Bill Gates or Taylor Swift. They have a global market for their goods and services and can command huge compensation. Their jobs can never be outsourced. Another category is that of being "specialized" so that your job function cannot be outsourced. This includes people like specialized lawyers, accountants, and surgeons, or maybe an advanced machine tool operator.

If you cannot be special or specialized, you want to be "anchored". This refers to most American workers and includes waitresses, barbers, plumbers, nurses, chefs, and cleaning ladies. These jobs require the person to be at a specific location and face-to-face with the client, customer, patients, etc. However, an anchored person does not guarantee his work not being outsourced. A doctor requiring a radiologist to read a CAT-scan could send it to Bangalore, India for someone to read. So what you really want to be is "adaptable". This means you have to developed skills that allow you to innovate as the world progresses.

Friedman's recommendations are excellent for reducing the number of jobs that are outsourced. However, there is another issue that could have a major impact on the number of jobs in the U.S., or in any country for that matter.

If we go back, say, 40 years, to when we had close to full employment, there were many people who worked in manufacturing. They produced some good that was bought by an American consumer. This job paid the person sufficiently to raise a family and purchase goods made by other Americans. Another American worked at some other manufacturing company to produce other goods, again for the American market. This worker was also compensated enough to provide for a family while purchasing products and services. Then there were workers that provided services to Americans, again earning a wage that provided this worker with a good living. In summary, all of the workers produced goods or provided services which, in turn, allowed them to earn a wage so they could purchase goods and services.

Fast forward 40 years to the present, and the situation is much different. While 40 years ago all of the people available to work were needed to provide goods and services, today both the manufacturing sector and the service sector are much more efficient. Consequently, not as many people are needed to produce the same goods as 40 years ago. Automobiles were very labor intensive while today many of the auto workers have been replaced by robots. The same applies to services for which not as many people are needed. For example, banking services 40 years ago were all handled by bank personnel. Today, many of the services are handling electronically.

If the manufacturing and service business sectors continue to become more efficient, it seems that all of our needs could be provided by less people. This would make employment opportunities much less available for Americans. This same scenario could actually apply to all of the developed countries. So perhaps the outsourcing of jobs to China and India is not the only problem we have – or the world has. If one takes this scenario to its extreme, there could be robots manufacturing all of the products and providing the services. So how would the individual earn money to purchase these goods and services? We all can't work for the government!

On top of climate change, population growth, water shortage, and depleting resources, can we handle another crisis?

I welcome comment on this theory, particularly from economists who might find fault in this thinking. Hopefully, this mini-treatise will not come to pass.