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In outsourcing, the enemy is us

By Alexei Izyumov | May 7, 2004

THE HEATED debate over the outsourcing of American jobs has a major flaw: It puts the blame on lesser criminals and overlooks the main perpetrators. Contrary to what politicians and the media say, the main culprits are not greedy US corporations.

While corporate CEOs do send thousands of jobs abroad, someone else steals them by the millions. Patriotic citizens can easily identify the corporate wrongdoers -- as Senator John Kerry does in his campaign speeches and CNN's Lou Dobbs does in his list of the 200-plus worst outsourcers -- but confronting this other enemy is much more difficult. Because this enemy is the US consumer.

In 2003, the United States imported close to $1,500 billion in products, mostly consumer goods such as cars, electronics, and textiles. Assuming that each $50,000 of this spending could support one domestic job, imports killed off close to 30 million American jobs last year. Compared with that, the employment impact of offshore outsourcing is peanuts: The highest estimates put those job losses at no more than 300,000 a year for the last three years.

We may not want to admit it, but every time we buy a foreign-made product, we inflict direct damage on the US job market. When we choose a Daewoo over a Ford, someone in the Detroit area loses his paycheck. When we load up on Chinese-made suits or Indian shirts, another textile factory in South Carolina closes down. On average, every American is directly or indirectly responsible for more than $5,000 in imports annually. Other things being equal, this means that import purchases by every 10 American consumers effectively send one domestic job abroad.

So, why are we hearing so much about corporate offshore outsourcing and so little about the job outsourcing by consumers? Everybody seems to hate corporate CEOs selling US jobs to foreigners on the cheap. But on moral grounds the crime committed by ordinary consumers looks even worse. If anybody deserves the Benedict Arnold label, they do.

The way out of this ugly situation is clear. We should immediately and drastically reduce our consumption of foreign goods or -- better yet -- stop buying them altogether. Kicking the import habit will not be easy. If anything, it is getting worse. Back in 1970, the share of imported goods in America's spending was only 6 percent; today it is about 15 percent. But we have leaders who can show us the way.

We hereby appeal to all professional economic patriots, especially these among state and federal legislators: Do not waste your energy fighting the paper tigers of corporate outsourcing. Have courage and go after the main enemy. Make these traitorous consumers repent! Lead them by the way of personal example: Allow no more Italian suits, French perfume, German cars, or Chilean wine in your households. And no more foreign trips either -- you know that every vacation spent in Paris or Cancun means tourism jobs lost in Chicago or New Orleans or Boston.

Leading by example may not be enough. Some stubborn consumers will not give up their imported toys voluntarily. In that case, you will need to take harsher measures. Consumers are switching to foreign beer? Slap on a tariff of 100 percent! Still drinking? Make it 1,000 percent. Set a quota on imported cars and make the price of a Kia higher than that of a Cadillac. Do all that is necessary to stop the invasion of imports, even if it takes shutting off the borders. It can be done. Just look at North Korea.

No doubt it will be an uphill struggle. Some import lovers will surely put up a fight, some may even try to sneak the dangerous stuff in illegally -- remember Prohibition? So do not waste time. Tell your supporters to go out and identify these traitors right in their neighborhoods and offices -- the signs of import addiction are not too difficult to spot. And send your findings to CNN, c/o Lou Dobbs, so he can start a new list.

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