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## Offshoring Crusade Washed Up

*By Geoffrey F. Segal*

Recently, state Sen. Walter “Skip” Campbell has been on a crusade to fight offshore outsourcing of state functions. The revelation that some components of an Agency for Workforce Innovation (AWI) contract were purchased overseas will only provoke more attacks on privatization efforts in Florida.

The work in question is a small piece of the AWI contract with HCL Technologies Ltd.—worth \$6.6 million—to streamline and modernize computer systems. In a recent letter to Campbell, HCL identified that most of the contract work was being performed in Tallahassee, although “some coding” was done in Mumbai, India. Even though no state jobs were lost—and the contract cost was millions less the closest competition—AWI’s only “crime” was purchasing a product that had some of its technology developed elsewhere.

Overall, the AWI deal represents a small piece of Florida’s contracts. In 2004, the state spent over \$23 billion on private-sector services, and since 1999, it has entered into more than 138 public-private partnerships for all types of government functions.

In today’s economy, we’d be hard-pressed to find products that have not been brought to the market without overseas resources or technologies. To some extent the clothes we wear, the prescription drugs

we buy, and the car seats we strap our children into were either assembled in or developed by people in other countries.

In fact, Sen. Campbell himself has probably purchased and used products whose parts were developed overseas. On the Florida Senate website, Campbell lists his hobbies as golf and flying. The golf shoes he laces up were likely made in Indonesia. And the plane he flies to Tallahassee to do the state’s business undoubtedly relies on technologies and parts made elsewhere. Even the car he drives around Tamarac likely has some international flavor to it.

Frankly, the Senator’s own purchasing and use patterns reflect those of the average American. In today’s global economy, free-flowing ideas and products have benefited us all. We generally don’t think twice about where products are made when we buy them—we’re more concerned with getting a good deal.

Yet critics complain about the state’s efforts to act more consumer-like and deliver savings to taxpayers. Florida should not be forced to disqualify foreign firms from delivering goods and services simply because they’re foreign. Should we ban the state from using software developed by Microsoft, which has several overseas facilities? In that case, the Dell laptop computers that many state

employees and lawmakers use would have to be scrapped because they're manufactured in Malaysia.

Earlier this year, the Department of Management Services (DMS) conducted an extensive review of the state's contracting history. The DMS review found that 91 percent of state contracts were being conducted in the state of Florida, and that only five percent of contracts were being conducted jointly in Florida and in other states. Of all the contracts, only five were solely conducted in other states.

While some functions were completed in neighboring states, no contract resulted in state government jobs being sent overseas. In fact, the review mistakenly discovered that over 1,000 state employees in the Tallahassee region resided in nearby Georgia.

What's the lesson here? It's that the "offshoring" fear is unfounded. Over the past six years—with arguably the most aggressive competition agenda to date—not a single state job has been sent overseas. And while it remains a priority of this administration to use state government dollars exclusively in Florida, the reach of the global economy cannot be escaped.

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