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What to study

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Students the world over have always asked their elders, what should I study in order to get a good job? In this age of globalization and the Internet, the question involves a whole new dimension. Students in rich countries, such as the United States and Germany, fear their chosen trade or profession might be outsourced to a low-wage country. Students in developing countries, such as Mongolia and Paraguay, understand that globalization and the Internet may give them access to jobs never before available.

Those on both the left and right who can only see dangers and misery from any new technological advance argue that huge quantities of jobs will be transferred to the developing world, resulting in big drops in income in the developed countries. We have seen low-skill, manufacturing jobs, where machines have not yet been created to do the work, migrate to low-wage countries. (This has been a net benefit to both developed and undeveloped countries as I and many others have extensively written about — but that is another topic.) Over time, as technology develops, virtually all manufacturing will be done by machines, so aspiring to be an assembly line worker is probably not a good strategy, in a rich or a poor country.

Low-wage jobs that can easily be served over the Internet or phone, such as "call centers," can also be successfully shifted to low-wage countries, particularly those with many English speakers. One generalization, which is very likely to hold up, is that learning English, wherever you live on the planet, is likely to be an economic plus.

English is rapidly becoming the global language, not only of business and particularly finance, but also of travel, science, and many other professions and fields of interest. That is why countries as diverse as Mongolia and Montenegro are seriously considering making English their second official language. Almost everything is translated into English and most of that is put on the Web. Thus, if you can read, write and speak English, for all intents and purposes, you have access to all of the world's knowledge and have a global competitive advantage.

Despite the fears of some and the hopes of others, there are definite limits to the jobs that can be outsourced to low-wage countries. If one actually looks at the data, it is obvious almost all the highest-paying jobs in the U.S. (and also other developed countries) that do not require a college degree cannot be easily outsourced. Most of these jobs are in the construction trades, such as electricians, plumbers and masons, or

such jobs as firefighters, policeman or truck drivers. Likewise, few of the highest-paying jobs requiring a two-year degree cannot be outsourced, such as nurses, dental hygienists, technicians and mechanics.

For the high-paying jobs that normally require a college degree, such as airline pilots, business managers, engineers, actuaries, accountants, teachers and computer programmers, there is a global market but, still, most of their work does and will continue to require interaction with customers in specific locales. Clearly, some of the product of accountants, engineers and computer programmers can be sent and sold over the Internet, but not all.

Many of the highest-paying jobs that require a graduate degree have the greatest flexibility as to the worker's home country and primary residence. Most physicians and lawyers are tied to a specific geographical area, but not all. Some medical services can be provided over the Internet, and we are seeing, in the age of low-cost air fares, people traveling great distances for low-cost dental services or plastic surgery. For many highly priced specialists and consultants, the ability to travel to meet clients and high-speed Internet access are more important than home country location.

The educational establishment (particularly the highly priced part of it in the U.S.) has reason to fear the new technologies. Much of what one needs to know, but not all, can be taught over the Internet at low cost, so there is a great opportunity for educational entrepreneurs in low-wage countries to teach their own students and also those in more developed countries, if they are price-competitive.

Governments are poor at forecasting future educational needs, but markets are good at doing so. Governments are better at funding than delivering education. Governments have coercive tax powers, but because of their bureaucratic natures are not good at supplying goods and services, which can almost always be provided better and more cheaply by the private sector.

A student with a good grasp of language, particularly English, and a basic understanding and facility with mathematics, can learn much of what he or she needs to know for most jobs anywhere in the world — and, increasingly, much of this additional knowledge can be conveyed over the Internet at very low cost. Governments, through their funding mechanisms, should endeavor to make sure their citizens have these basic skills, rather than try to outguess markets as to what these jobs will be and how these job skills should be taught.

For students both in developed and developing countries, increasing globalization and its attendant global prosperity mean more high-paying jobs for everyone, everywhere.

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