

Opening Statement
The Globalization of R&D and Innovation
Tuesday, July 12, 2007
1:00 p.m. - 3:00 p.m.
2318 Rayburn House Office Building

Thank you Mr. Chairman. I appreciate you holding this hearing on the Globalization of R&D and Innovation. This issue will affect our county and economy for years to come. Indeed this may be one of the most important hearings we have all year.

I am looking forward to hearing the statements from all of the witnesses, each of whom is considered an expert in this field. I know this will be an educational, informative debate.

I think what we will hear today dovetails with some of the testimony heard from the authors of the "Rising Above the Gathering Storm" report.

Many people have argued that we really know very little about the types of jobs that are being offshored. Once upon a time it was thought that only low-skilled jobs were in danger of being offshored. However, it seems that highly educated people in good paying jobs are now just as threatened by the phenomena of offshoring.

Last year China graduated 219,600 engineers, representing 39 percent of all the bachelor's degrees in that country. The US, on the other hand, graduated 59,500 engineers, or five percent of all bachelor's degrees. Furthermore, 58 percent of all degrees awarded last year in China were in physical sciences and engineering, compared to 17 percent in the United States – a figure that is dropping by about one percent a year.

Moreover, of the US science and technology workforce, 38 percent of the PhDs were foreign born in 2000.

In this global economy our children will be competing head to head with Chinese and Indian students, but they aren't taking the necessary classes or making their education work for them. When our children graduate from high school they have taken consistently fewer classes in math and science than their contemporaries across the globe.

And yet, how much do we really know about offshoring?

Many have argued that we haven't adequately measured the effects of offshoring on our workers or our economy. Our government needs to do a better job developing metrics that give us the information we need to make informed decisions about trade and the economy.

Many jobs and many plants have been offshored over the past several years – we all know examples from our home states. But I think what is even more concerning is the amount of R&D that is being permanently offshored and will not be coming back to the US.

As the authors of “Rising Above the Gathering Storm,” write:

It is easy to be complacent about US competitiveness and pre-eminence in science and technology. We have led the world for decades, and we continue to do so in many fields. But the world is changing rapidly, and our advantages are no longer unique.

If we continue to lose our R&D and high tech work to foreign competitors, we will have a very steep hill to climb to keep our economy growing.

Mr. Chairman, I really applaud you holding this hearing to highlight the issue of globalization and offshoring. I look forward to working with you in the subsequent hearings on this important topic.