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Political Clout in the Age of Outsourcing

A FEW years ago, stories about a scary new kind of outsourcing began making the rounds. Apparently, hospitals were starting to send their radiology work to India, where doctors who make far less than American radiologists do were reading X-rays, M.R.I.'s and CT scans.

It quickly became a signature example of how globalization was moving up the food chain, threatening not just factory and call center workers but the so-called knowledge workers who were supposed to be immune. If radiologists and their \$350,000 average salaries weren't safe from the jobs exodus, who was?


On ABC, George Will said the outsourcing of radiology could make health care affordable again, to which Senator [Charles E. Schumer](#) of New York retorted that thousands of American radiologists would lose their jobs. On NPR, an economist said the pay of radiologists was already suffering. At the White House, an adviser to President Bush suggested that fewer medical students would enter the field in the future.

"We're losing radiologists," Representative Sherrod Brown, an Ohio Democrat, said on CNN while Lou Dobbs listened approvingly. "We're losing all kinds of white-collar jobs, all kinds of jobs in addition to manufacturing jobs, which we're losing by the droves in my state."

But up in Boston, Frank Levy, an economist at the Massachusetts Institute of Technology, realized that he still had not heard or read much about actual Indian radiologists. Like the once elusive Snuffleupagus of Sesame Street, they were much discussed but rarely seen. So Mr. Levy began looking. He teamed up with two other M.I.T. researchers, Ari Goelman and Kyoung-Hee Yu, and they dug into the global radiology business.

In the end, they were able to find exactly one company in India that was reading images from American patients. It employs three radiologists. There may be other such radiologists scattered around India, but Mr. Levy says, "I think 20 is an overestimate."

Some exodus.

 URBAN myths feed off real fears, and this myth caught on because Americans don't know quite what to think about globalization. There is no doubt that trade makes countries richer, but it also creates victims. And since the country is doing almost nothing right now to ease the burden of those victims — the people whose jobs really have gone to India or another country — it is easy to become scared.

Radiologists seem like just the sort of workers who should be scared. Computer networks can now send an electronic image to India faster than a messenger can take it from one hospital floor to another. Often, those images are taken during emergencies at night, when radiologists here are sleeping and radiologists in India are not.

There also happens to be a shortage of radiologists in the United States. Sophisticated new M.R.I. and CT machines can detect tiny tumors that once would have gone unnoticed, and doctors are ordering a lot more scans as a result.

When I talked this week to E. Stephen Amis Jr., the head of the radiology department at Montefiore Medical Center in the Bronx, he had just finished looking at some of the 700 images that had been produced by a single abdominal CT exam. "We were just taking pictures of big, thick slabs of the body 20 years ago," Dr. Amis said. "Now we're taking thinner and thinner slices."

Economically, in other words, radiology has a lot in common with industries that are outsourcing jobs. It has high labor costs, it's growing rapidly and it's portable.




Politically, though, radiology could not be more different. Unlike software engineers, textile workers or credit card customer service employees, doctors have enough political power to erect trade barriers, and they have built some very effective ones.

To practice medicine in this country, doctors are generally required to have done their training here. Otherwise, it is extremely difficult to be certified by a board of other doctors or be licensed by a state government. The three radiologists Mr. Levy found in Bangalore did their residencies at Baylor, [Yale](#) and the University of Massachusetts before returning home to India.



"No profession I know of has as much power to self-regulate as doctors do," Mr. Levy said.


So even if the world's most talented radiologist happened to have trained in India, there would be no test he could take to prove his mettle here. It's as if the law required cars sold here to have been made by the graduates of an American high school.

Much as the United Automobile Workers might love such a law, Americans would never tolerate it, because it would drive up the price of cars and keep us from enjoying innovations that happened to come from overseas. But isn't that precisely what health care protectionism does? It keeps out competition. 

For now, the practical effect on radiology is small. At its highest levels, the United States health care system may be the best the world has ever known. India doesn't even have many radiologists today, let alone a large number who measure up to American standards.

But that's going to change. Eventually, Indian doctors will be able to do the preliminary diagnoses that are a big part of radiology. Something similar will happen in accounting, architecture, education, engineering and the law, as Mr. Levy and his colleagues suggest in the coming Milken Institute Review.

These fields tend to be regulated already, giving them noble excuses — like certification, client privacy and legal accountability — to put up trade barriers. But the real reason will usually be a simple desire to protect jobs and salaries.

When factory workers have asked for that kind of protection, the country has told them no. So why does the answer change when the request comes from a wealthier, more influential group of workers? 

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