

Leaving the Nest?

The Offshoring Debate in Switzerland: A Long-Term Perspective

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Introduction

Since the 1990s, there has been growing concerns about offshoring and its consequences on industrialized nations and their workers. This worldwide debate is often considered as a recent one and is rarely studied by business historians. Within this framework, the Swiss case provides an interesting vantage point from which to analyze different inflections of the offshoring debate in a long-term perspective from the 19th century to the present days.

Sur l'émigration de nos industries

On parle beaucoup, depuis quatre ans, de l'émigration de nos industries. Les uns s'exagèrent certains phénomènes particuliers, ne sont pas loin de voir toute notre industrie passer la frontière, pour échapper aux mécomptes du change et aux effets des nationalités étrangères révélées par la guerre. Les autres acceptent trop facilement les événements... Comme ce phénomène de l'émigration industrielle est infiniment plus complexe qu'il n'y paraît au premier abord, il était excellent qu'un économiste renseigné vint mettre au point tout le problème et en marquer la portée exacte. C'est ce que vient de faire un des plus récents docteurs économiens de l'Université de Lausanne, M. Albert Masnata, qui s'est fait connaître très sympathiquement, depuis plusieurs années, comme premier secrétaire du Bureau Industriel suisse. Son étude,

La Fédération horlogère suisse
24 April 1924



RTS Archives online 2011:
Protest against offshoring in Nyon
Switzerland

Research questions

- Why and when does the offshoring debate reappear over time? In what context?
- What terminology is used? How is the debate problematized?
- Who are the actors and interests involved? What alliances can be observed?
- In what way does this debate reflect a shift in the power relationships between the different actors? (workers, unions, multinationals, Swiss authorities, etc.)



Historical Context

The internationalization's process of the Swiss economy is far from new. From the 19th century, foreign direct investments (FDI) by Swiss companies were commonplace and typically characterized as a way to compensate for the small size of the domestic market. Several authors suggest that an "accelerated internationalization" took place at the end of the 20th century, observing the growing Swiss FDI stock. Unfortunately, no data are available to estimate the scope of offshoring within this process.

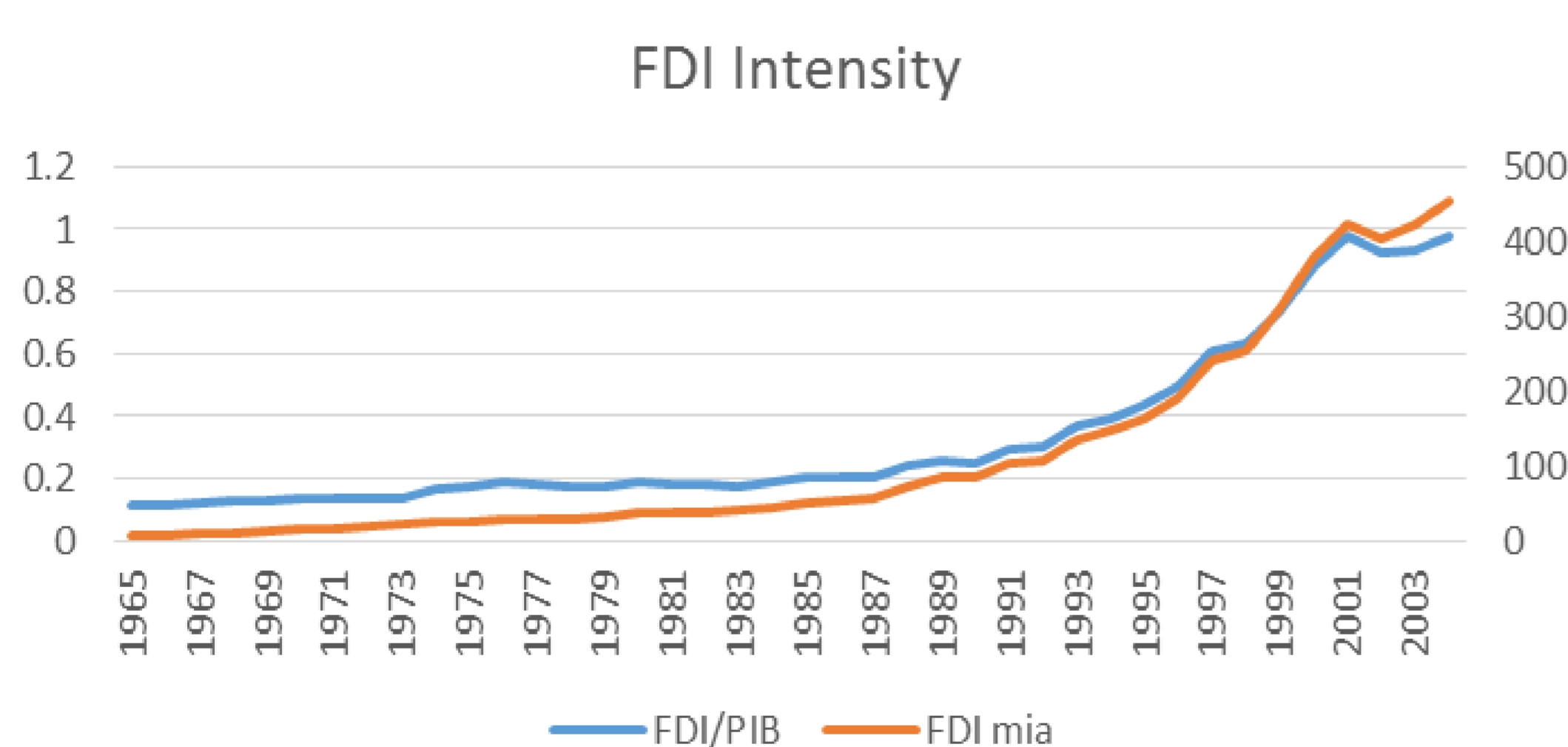


FIGURE 1 GRAPH REALIZED WITH EXCEL DATA OF THE BNS ON THE SWISS FDI STOCK FROM 1985 TO 2012, [HTTP://WWW.SNB.CH/FR/ABOUT/STAT/STATPUB/FDI/STATS/FDI](http://www.snb.ch/FR/ABOUT/STAT/STATPUB/FDI/STATS/FDI) [ONLINE], ACCESSED 07.07.2014 AND THE DATA OF HISTORICAL STATISTICS OF SWITZERLAND [ONLINE] [HTTP://WWW.FSW.UZH.CH/HSTAT/NLS_REV/LS_FILES.PHP?CHAPTER_VAR=/G](http://www.fsw.uzh.ch/hstat/nls_rev/ls_files.php?chapter_var=/G), ACCESSED 17.07.2014.

Thanks to secondary literature, we know that the first relocations date from well before 1914 and were essentially concurrent with the emergence of multinationals since their will was to take advantage of cheaper labor costs. Indeed, "apart from the strategies of partial or total delocalization of firms abroad, as in the textile (especially silk), food (especially chocolate) and machine industries, even in sectors with little and no delocalization, firms developed strategies which enabled them to some extent to exploit the advantage of low labor cost abroad for part of the production process and so to lower the overall cost of the finished product" (Head König in Müller & Myllyntaus, 2008: 217). As for the practice, the debate on offshoring has been ongoing since the 19th century, with more or less intensity regarding the period and involving different actors and companies. Therefore it is far from obvious that the trends we observe today represent a fundamental change and more historical investigations are required if we want to understand changes and continuities regarding offshoring.

Preliminary Observations

WORDS		Different narratives/ motives over time	Related topics
19 th - early 20 th century	After 1945		
Emigration of industries	Offshoring	Protectionism / Globalization	Emigration/ Immigration of workers
Emigration, transplantation des industries (French)	Délocalisations	Size of the market Strength of the currency	Implementation of foreign industries in Switzerland
Abwanderung (German)	Standortverlagerung	Social norms Environmental norms Fiscal legislation	

Selective Bibliography

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