About the effects of globalization

Economics, Globalization



One important thing not easily confronted and at most times kept from the public's eye is the fact that the "failurerate of outsourcing remains high" and it may range from 40 to 70 percent. This is due primarily to what Overby says as the perceptible variance that occurs within any outsourcing arrangement; therefore, outsourcing is not easy and "cheap" as many would think. This kind of set-up is true especially in IT services, oftentimes outsourced in places like India, Ghana and the Philippines.

When this outsourcing bargain does not work, generally, "backsourcing" or bringing back to the US the jobs would not be the best option to do; multinationals instead, renegotiate and recontract rather than lose huge investments or start all over a very expensive one at home (Overby, 2007). Examining the rate of many disenfranchised American white collar workers, converting that to real human flesh that any person would be able to relate with, slowly, the picture emerges as to the reality that this inshore outsourcing or offshore outsourcing really takes away the jobs from US citizens.

Paul Craig Roberts who is a Stanford University's Hoover Institution senior research fellow, believes that the unfavorable rate that profits that were supposed to be gained from the outsourcing agreements which had been discovered, might turn this country (the United States) into a third world country in a p of twenty years (Grimm, 2004). Not a pretty picture, but a grim future may actually await this present worldsuperpower. It is not easy to think about the ramifications of the economic direction that this country took because of the opportunity to expand and reap profits made from outsourcing.

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However, much to our dismay, it doesn't just means a costly deal for many companies, it means a more despondent employment portrait of our very own countrymen. Not only that the threats and the risks from all fronts have now become clearer after a few years that offshore and inshore outsourcing have been on vogue. Schlossers' expose on his seminal book "Fast foodnation" documents the migrant non speaking workers who work on farms and may potentially harm not only economically but physically thehealthof many Americans.

The book documented about farm infected meat due to manure because many of these come from those farms that hire these migrant workers who are ill-adept in hygienic handling of farm work (Schlosser, 2001). I think it is highly the good timing now, that this trend be curbed and that steps be made to reverse the direction which we had taken. Outsource is not the real answer. America should take stock of its own human resource problems and long-term engagement to it must commence and implemented.

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