

Winners and losers research paper examples

[Business](#), [Company](#)



\n[[toc title="Table of Contents"](#)]\n

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1. [Introduction](#) \n \t
2. [Winners and losers in Outsourcing](#) \n \t
3. [Loss of high skilled labor](#) \n \t
4. [When government Intervention is called for](#) \n \t
5. [Conclusion](#) \n \t
6. [Works Cited](#) \n

\n[/toc]\n \n

Introduction

Globalization has expanded so greatly that many developed countries throughout the world find it nearly impossible to keep employment within countries where the company resides. Globalization has corrupted many of these developed countries and there is always going to be something that can be made cheaper. Many of these major companies view this as an advantage, not noticing the negatives, and how it will affect the country in which it is located. Many of these prestigious companies that were once developed here in the United States have outsourced a majority of their blue collar, and a good percentage of their white collar jobs. It is not a secret to the United States, nor are they turning a blind eye to it. Many of these developing countries happen to offer the same long hours, and great quality work for a fraction of what it would cost to keep many of these jobs in-house. As citizens of the United States are experiencing outsourcing of all these jobs creates a great amount of pressure on American pay (wages); they are

always trying to compete with workers in low paying countries (Greene 15). It is almost impossible to compare wages from the United States to India, it takes a completely different living wage to live in either place- it is almost incomparable (Greene 15). Greene while trying to support his assertion that there is a great wage difference between India and the United states exemplifies that the wage at a typical call center in India is about \$10, 000 compared to the approximately \$55, 000 which is the wage of a person with the same job description in the United States (15).

There is only so much the United States government can do about the American wage without jeopardizing the economy, government, businesses, even the people in general. The United States on average earns an hourly rate of 23 dollars, whereas India, the Philippians, and China are all lower than 13 dollars an hour. This is a major difference when talking about 10 to 20 thousand workers. There are many different areas/industries around the United States that are in great jeopardy of their jobs being outsourced. From construction work, to computer gaming, even telephone operators are losing their jobs, with a good possibility they do not return to the same industry again. The main problem is that if developed countries continue to let these prestigious companies outsource all of these jobs, it could potentially erase an entire field of job opportunities for the people of that native land, leaving that developed country with probable harm that will occur within their economy. Opinionatively, The reason why outsourcing is not a good idea for developed nations is because white collar jobs are good high paying jobs and should be kept in the US, white collar jobs tend to be in the service industry and that industry employs about 3/5 of the workforce, and because white

collar jobs tend to be management positions where the most important decisions are made. This means that outsourcing should not be done for cost reasons but rather for strategic reasons (Ritt and Spatzenegger 34).

Winners and losers in Outsourcing

Even as outsourcing is characterized by a mixture of good and bad attribute, there are countries that benefit from it while, in a similar manner, there are others that experience numerous problems that come as a result of being involved without sourcing. Conventionally, the beneficiaries of outsourcing are called winners while the countries that experience problems due to outsourcing are called loser. The winner and losers of outsourcing jobs come with the developed as well as the developing countries. The developed countries have a slight advantage because; many products within those countries will be significantly lowered. On the other hand many people in developed countries will now be more hesitant to go to school, figuring they are paying so much money on loans and bills, when in the end many of these jobs are being outsourced. Developing countries are looking at a win-win situation. Many of these countries are supplying their native people with a comparable education as what Harvard is doing here, to teach many of these skills. These developing countries are doing the same work for a fraction of what it would cost in a developed country, hence why many of these countries have a growing economy. Developed countries have no incentives to outsource jobs, especially white collar jobs (Carbaugh 163). White collar jobs tend to be in the service industry which employs 3/5 of our current workforce. Many companies now such as bank of American , and many other IT firms are currently outsourcing their service industry jobs to low wage

countries like India. Although, this benefits India's economy, employing the natives of that country, it is slowly crippling the United States economy. The United States has already had a struggle on keeping jobs in-house; it is projected to get worse in the upcoming years. Analyzed Data shows that by the year 2015, 3.3 million service sector jobs will be shipped overseas, which will wipe away approximately 136 billion dollars in wages, creating slight destruction for our economy (Kirkegaard 2). The issue the United States and many developed countries are having is developing countries are providing incredible schooling and teaching of skills to their natives which are giving them an incredible advantage. People of the Indian or Filipino culture acquire the same skills and knowledge as people in development countries, yet are willing to do the same amount of work for a fraction of what companies are paying in the countries which they reside. The economy of these developing countries will most definitely be improved, giving many of these newly employed workers the freedom to spend more money, causing a good circulation flow of income between firms, households, and the government (Kirkegaard 2). Initially developed countries will suffer from a major increase in unemployment rates, a shortage in consumer spending, and a cut back in their economic flow. It would be needless to say that these jobs would never return back to the country. With the growth and development of these companies, there is always a great possibility that new jobs, and old jobs will open up within the residing country as the company continues to expand.

White collar jobs tend to be management positions where all the important decisions are made (Bain 123). As a company it is nearly impossible to have

your head quarters in a developed countries, yet management in developing countries making many decisions for you. First off, there is a major time difference, if there is a problem in the United States and you need to get out to India or vice versa, that can potentially cost you millions of dollars.

Developed countries become the losers in these situations; there is an extreme loss of employment, causing the unemployment rate to skyrocket. Unemployed workers do not spend as much money, which hurts our overall economy.

Loss of high skilled labor

White-collar jobs are good high paying jobs and in instances where they are not well paying, they tend to offer more opportunities compared to blue collar job (Savageau 154). In this regard, white collar jobs should by all means be kept in the U. S. White collard jobs provide many things to the economy of America; large amounts of revenue in the form of tax can be obtained from the white collar jobs- the amount can then be used to fund education, health and other infrastructure systems. If many companies in the United States decide to outsource many jobs, the government's tax money will greatly depreciate for these infrastructure systems, causing the government to look elsewhere. Even though developed countries would be losing jobs, and many people have received specific training that now they will not be able to use, there is the other side we as developed countries must look at. With many of the citizens of developed countries now afraid to go to school and acquire these skills for white collar jobs, a better fraction of the workforce to fill up white collar job positions have to be outsourced from other countries. Professedly, this does not turn out to be the employees'

problem considering that people are scared to put all of this money into schooling, and come to find out there is no industry for them to work in. Many prices within the developed countries will now be lowered, and middle class in developing countries would be ultimately growing, giving us a new market to break into. The loss of high skilled labor affects many employees with a great skill in some of these high tech fields. On average here in the U. S, the average tech worker (high skilled jobs), brings home 100, 000 thousand dollars a year. When you add all of these tax revenues that come from 100, 000 dollar salaries to put toward infrastructure systems, it all adds up. With many of these jobs outsourced to developing countries for a fraction of the cost, it leaves many laid off employees here in distraught.

When government Intervention is called for

Many of the theories that have come about in the past have to more to do with production and blue collar jobs, not services with white collar jobs. So in a sense many of these theories cannot be argued in this situation. There is an extreme and noticeable difference between outsourcing white collar and blue collar jobs. White collar jobs help run our government, companies, educational facilities, and infrastructure systems. Blue collar jobs are also extremely beneficial, but have some leeway in different professions. For example, the outsourcing of blue collars jobs in the garment industry to Bangladesh, helps their economy in great measures. One of the poorest countries in the world, with the exporting of garment jobs there, they now are supplied with 2. 5 million jobs, and a slight increase in there economy. The government in many of these developed countries must find it their prerogative to intervene and cut down on the outsourcing of white collar

jobs.

Notably, white collar and blue-collar jobs have a significant difference. When we talk about white collar jobs we talk about the highest tax bracket that the United States has to offer, with a chance that it might be depleted. This can potentially have a country like the United States lose order, with already a majority of our blue collar work outsourced, how people expect to continue to keep our economy flowing with no employee income for our citizens.

These types of jobs benefit consumers in developed nations, giving consumers a discount on many purchases. For white-collar jobs this cannot happen, it essentially un-employs everyone, because most blue collar jobs are exported now anyways, and will eventually ruin our economy. According to the text, theories have been more about productivity not as much service. If developed countries are not equipped to efficiently produce products, then they most definitely should be outsourced. For example, in the text, Global Business today it states, " According to the theory of international trade, productivity activities should be dispersed to countries where they can be performed most efficiently; design in France, basic components in Singapore, and final assembly in China." (Charles 191). It is extremely obvious that most blue collar jobs are outsourced. Analyzed data shows that about 70 percent of blue collar jobs have been outsourced, leaving only 30 percent employee income in the United States. Recent studies also show that 23.7 million American workers are unemployed or underemployed right now. According to the Bureau of labor statistics, " the more blue collar you are the more likely you are to be unemployed." This just goes to show that the United States is left with nothing but their white collar work force. Noble

prizewinners Paul Krugman along with senator of Massachusetts John Kerry are both highly against the outsourcing of white collar jobs. Their thoughts are to shift jobs to domestic as opposed to international contractors.

Conclusion

Outsourcing has many advantages as well as disadvantages within developed countries. With the expansion of globalization, and with many exports being cheaper than a lot of products in developed countries, many of these companies are finding it hard not to outsource a lot of their work. This is one of the only ways many of these companies can succeed. Outsourcing benefits developing countries tremendously. It employs many people, giving these countries a chance to survive, and keeps their economy flowing. With many of the statistics that I provided in the argument of this paper, it is clear that there are more negatives than positives when outsourcing white-collar jobs. The American government, together with the governments of countries that are experiencing the same problems must put some type of plan together and figure out a way to intervene and fix these problems. Many white-collar jobs should be kept in developed countries. They are extremely beneficial to the government; the job provides many tax revenues, as well as the people in general while also keeping people employed. While many blue collar jobs are already outsourced, and white collar jobs are in fact almost the last standing in developed countries, it is almost fair to say they should be left alone to keep that countries, and its government in order.

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