

Global outsourcing and offshoring

Business



Majority of the mainstream press in the business sector has focused on offshoring and outsourcing in the last fifteen years. However, this look at these aspects is too narrow because the issue is larger than outsourcing and offshoring. The long-term effects of this trend are as profound as those present during the industrial revolution, or even more profound. Together, these two countries have huge domestic market potential with cheap labor and administrations that are implementing policies that are capital friendly, leading many to believe that global markets are at a tipping point.

It is evidently seen that Europe and the United States will no longer dominate the global markets that they have dominated in the last century, especially because they will have to compete in a global economy in which they are only responsible for a few inventions (Lewin et al, 2011). The future now requires that all countries embrace offshoring of business processes across companies, cultures, borders, and disciplines. Those countries that will elect to narrow their focus on nationalism will not be successful in the new era of offshoring and outsourcing. In addition, those countries that do not geographically diversify their activities (Lewin et al, 2011), while also developing strong international webs of innovation will fall short of competing in a market that is becoming increasingly global.

Multinational corporations have for years made headlines with regards to skirting of environmental laws that are stringently implemented in industrialized nations through this process of offshoring (Contractor, 2011). This involves offshoring low cost and high polluting processes of manufacturing to countries with less stringent environmental laws, while also

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selling by-products with unacceptable toxicity, in developed countries, to less developed countries with weak laws. This particular problem, which can also be defined as off-shoring responsibility for environmental destruction is not part of the grand plan for global markets. In fact, the expansion of global markets carried out by environmentally conscious companies will improve off-shore environments as they can bring innovation regarding environmental stewardship and conservation. Therefore, because entrepreneurship always involves innovation, off-shoring of entrepreneurial activities should also seek to be environmental stewards and to help developing countries conserve their environment (Contractor, 2011).

It is also important with regards to off-shoring and global markets to distinguish between emissions that are given out by production in specific territories, as well as those generated by consumption and production in a specific territory (Christoff, 2013). This distinction is crucial since most trans-national organizations in developed countries have off-shored their processes of manufacturing to developing nations. This has resulted in a significant increase, in emissions from developing countries. However, because more manufacturing products from developing nations are being exported back to developed nations, territorially based emissions have tended to overstate the responsibility held by the third world regarding environmental degradation. A growing and significant share of global emissions result from trade-in off-shore produced services and goods across global markets. Therefore, the reduction of emissions can only be productively approached through territorial mandates (Christoff, 2013).

Progress in the attainment of economic relations that are environmentally sustainable will need current capitalist global dynamics to be transformed.