

EMPLOYING FROM OVER SEAS ✓

In 2004, the University of Massachusetts and Cornell University were given the task to figure out how many Americans had lost their job^s to outsourcing in the past four years. They estimated that in 2004 over 400 thousand jobs had already been outsourced to other countries, and the number was rising. (Malsbury, 2009) Outsourcing customer service and IT related jobs has become a trend among American corporations due to the cheap labor available overseas. By cutting employee wage costs, corporations are able to sell at lower prices while still yielding high profits. Is it fair to say that the increases in America's corporate productivity are worth the price paid by thousands of Americans who have lost their job due to outsourcing? ✓

excellent

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in two

Outsourcing Is Merely the Trading of Services ✓

Those in favor of outsourcing American jobs argue that outsourcing is merely the free trade of services between two nations who mutually benefit from the transaction. The laws of economics tell us that free trade is beneficial because it allows nations to specialize in what they are best at.

Why is the competition unequal?

The laws also state that free trade is only beneficial if the two nations are trading under an equal

competition. For this reason, outsourcing is not a form of free trade beneficial to the United States. Why not?

States. "Among nations, competition over wages causes desirable industries and jobs to move from countries with higher standards of living and higher wages to countries with lower standards of living and lower wages. It is an unequal form of competition." (Culbertson, 1986:

123) In the case of outsourcing, America's desirable industries and jobs are being outsourced to countries with lower standards of living and lower wages. ✓ fair point

"[When poorer nations] compete for jobs, [they] accept work for lower pay, and force the existing jobholders to accept either lower wages or unemployment." (Culbertson, 1986: 123) It is wrong for American citizens to be forced into lower wages or unemployment due to the fact that people from other countries are willing and able to work the same jobs for less. Without government regulation on the outsourcing of jobs, businesses will continue to force Americans to compete for their own jobs against foreigners who have the advantage of being able to live off of much lower wages. This unfair fight for American jobs is the reason why outsourcing is not a form of free trade that benefits to the U.S. ✓ *excellent!*

Outsourcing Doesn't Always Work ✓

Supporters of outsourcing also argue that more and more companies are discovering talent overseas which is the reason for the increase in job outsourcing. This may be a valid point if the jobs being lost required exceptional skills and qualifications. The majority of jobs sent overseas are manufacturing, IT, and customer service jobs. These are not jobs that require exceptional skills or prerequisite studies. Outsourcing unskilled jobs places more pressure on Americans to

interesting point. I never quite thought of it this way. educate themselves. The problem is many Americans cannot afford to continue their education with higher learning. Many American corporations have discovered that outsourcing jobs ~~has~~ *now* lead^s to subpar goods and services. In 2003, a U.S. based corporation, Alpha Corp., lost a large number of their customers due to poor customer service provided by offshore employees. (Aron and Singh, 2005) ✓ Supporters also argue that cheaper labor means cheaper goods, however the price reduction in products is heavily outweighed by the price paid by Americans who have lost their jobs. Many companies in America, and also in Europe, have experimented with outsourcing because of its obvious benefits. Now, "many companies are waking up and smelling the harsh realities of offshoring." (Aron and Singh, 2005) ✓ The truth is that outsourcing does not

always work. It creates a barrier between the employers and the employees, making it difficult for businesses to manage their workers and ensure they are meeting company standards.

Can We Prevent Further Losses? ✓

The U.S. Government has been aware of this situation for years now, and President Obama is deciding whether taxes should be placed on businesses that outsource, or whether incentives should be provided to those that hire within our nation's borders. America's GDP is the highest among all of countries in this world, meaning our standard of living is higher than most.

Outsourcing jobs from America is free trade on an uneven playing field and is unfair to Americans who are losing jobs to foreigners. Companies should not sacrifice the quality of their services or products to cut costs. The U.S. must look after its own people and ensure that the standard of living in American does not suffer due to the outsourcing of jobs.



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Excellent. This was well done Michael. It appears the stress paid off :-)

References

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