

Cause/Effect Essay (“Outsourcing”), Pre-reading tasks

Topic: OUTSOURCING 

Questions

Please answer the following questions with full sentence answers:

1. Why do Apple (a US company) manufacture their iPhones in China?

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.....

2. Is it better to buy locally made products or products imported from overseas?

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.....

Vocabulary

Find the definition/s of the following words and phrases:

1. Globalisation / Outsourcing / Offshoring

.....

2. Labour (similar to workforce; includes ‘employers’ and ‘employees’)

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3. Domestic (similar to ‘local’) / Overseas (similar to ‘foreign’) / ‘the West’ / ‘the developing world’

.....

4. ‘Economies of scale’ [Business English term]

.....

5. ‘Core competencies’ [Business English term]

.....

Pre-reading

Read the following text about the business practice of outsourcing:

1. **Globalisation** is an economic reality that impacts on how all businesses operate. Globalisation has also has a considerable impact on employment (the jobs people do) and consumption (the goods and services people buy). A key part of globalisation is international trade and seeking **economies of scale**. Because of globalisation, the practice of **outsourcing** has become a widely used business strategy. Outsourcing often involves businesses in **the West** moving some of their operations to the **developing world**.
2. There are many reasons for why businesses decide to outsource some of their operations to foreign countries (a practice sometimes called '**offshoring**'). Cost is one reason. It is less expensive to hire workers in India or China than it is in the USA or the UK. Other reasons include the potential to produce things more quickly and achieve economies of scale in production terms. In addition, they can benefit from the expertise of other companies and thus focus on their own **core competencies**.
3. A number of positive effects can result from outsourcing. The positives for businesses in the West are the potential to save money. Companies can benefit for hiring workers in foreign countries to do carry out some aspects of their production processes. The benefits for Western consumers are that some goods and services have become cheaper. For instance, the cost of **labour** is considerably cheaper in China than it is Canada, which is why so many Canadian companies have their clothes made in China. Looking now at the developing world, the advantages are linked to job creation. When foreign businesses move parts of their operations to developing world (e.g., factories; customer call centres), employment opportunities are created. This helps reduce poverty, for instance, the **workforce** employed by foreign companies can afford better healthcare.
4. On the other hand, there are a number of negative effects arising from outsourcing. Outsourcing's disadvantages are mostly felt in the West. Arguably, the most significant costs are to Western workers. Since the 1980s, many tens of thousands of these workers have lost their jobs as businesses have moved factories and administrative roles to the developing world. Another negative consequence relates to the businesses that outsource. Some businesses have been criticised within their **domestic** markets for reasons such as cutting the size of their local workforces and the quality of their foreign-produced goods.

Match each paragraph, 1–4, with a 'paragraph title' from the list below:

- a. Reasons for why ... b. The pros ... c. The era of free trade ... d. Background context ... e. The cons ...

Academic language

All of the words in the box can be used instead of 'And', 'So', or 'But'. Add each to the correct line below:

Although | Therefore | In addition | Moreover | Furthermore | Because of this | Additionally
 However | Nevertheless | On the other hand | Nonetheless | As a consequence

And:

So:

But:

Background context

The following questions are related to videos on outsourcing, which are located here: www.aquascript.com/outsourcing/

Video 1: “Outsourcing, Pros and Cons”

1. What are the three key advantages of outsourcing?

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2. What are three main drawbacks of outsourcing?

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Video 2: “Outsourcing, Disadvantages”

1. What did General Electric do, and why?

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2. What did Apple do, and why?

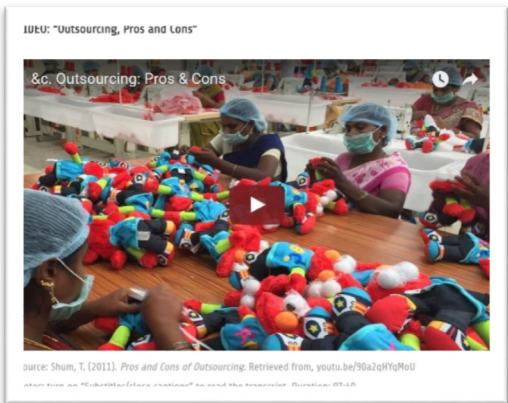
.....
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3. What problems did Boeing face?

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.....

4. What was the advice Samsung gave?

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.....



Video 1: “Outsourcing, Pros and Cons”



Video 2: “Outsourcing, Disadvantages”