GLOBAL OUTSOURCING

Words

Look for the following words as you read the passage. Match each word with its correct definition.

Words	Definitions
1. boon	A. v., to call attention to
2. branch	B. n., central or most important place
3. catch up	C. v., to reach someone or something that is ahead
4. coincide	D. adj., rich
5. confront	E. adj., attractive
6. controversy	F. n., supporter
7. decisive	G. v., to happen at the same time
8. enticing	H. n., period of work time
9. epicenter[1]	I. adv., on a regular basis
10. firm	J. n., someone who disagrees and speaks out
11. looming	K. n., local office of a larger company
12. opponent	L. n., the rate at which employees leave and are replaced
13. point	M. n., a lot of disagreement affecting many people
14. preponderance	N. v., to face a difficulty
15. proponent	O. adj., important, affecting a decision
16. remainder	P. adj., nearing, usually said of a threat or difficulty
17. routinely	Q. n., a company, business organization[2]
18. shift	R. n., a benefit; advantage
19. turnover	S. n., the largest amount
20. wealthy	T. n., the rest, what is left

[1]BrE: epicentre
[2]BrE: organisation

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Reading

Global Outsourcing

Outsourcing, subcontracting work to another company, has always been a part of doing business. Firms hire other firms to do work they cannot do themselves or can have done more cheaply elsewhere. With today's global economy, the practice is now so prevalent that even companies in the business of outsourcing are outsourcing work to others.

Wealthy nations routinely send all types of work to countries where labor costs are cheaper, but currently the most frequently outsourced jobs are in information technology (IT), software, and customer service. Japan, Western European countries, and the United States outsource the most work, and India and China take in the most.

Language skills are a decisive factor in where work is sent, with India and the Philippines serving English-speaking clients, Argentina working with Spain, Mexico serving Spanish speakers in the United States, and China handling Asian languages such as Mandarin, Cantonese, and Korean. As a preponderance of corporations conduct business in English, the bulk of outsourcing jobs in recent decades have gone to India, where its status as a former British colony resulted in millions of people speaking English as their first language. About half of India's outsourcing work comes from the United States, with about a quarter from European countries and the remainder from countries such as Japan and Australia.

Some of the largest outsourcing firms in the world have headquarters in India. However, confronted with increasing demand, a looming shortage of skilled workers, and rising wages at home as the Indian economy grows, some of those outsourcing companies are now turning to other countries to help meet their own staffing needs. They outsource largely to China but also to dozens of other countries, including the Philippines, Mexico, Brazil, Saudi Arabia, and, in some cases, the country where the work originated. For example, a U.S.-based software company might outsource IT support to a company based in India, which then subcontracts part of the work to a company in the United States.

Much of the IT support market is now moving to China, where a vast supply of highly trained people are willing to work for lower wages than people in India. With newer Chinese companies not yet well established in the outsourcing business, Indian firms are opening branches there, where their knowledge of English and well-developed managerial skills give them an advantage, at least for now, in dealing with international clients.

Outsourcing has long been a source of controversy, with opponents pointing to the loss of jobs and damage to the economy in the home country and proponents viewing the savings in labor costs as a boon to business. The receiving countries generally consider the well-paying jobs a benefit to their economy, but employees are not always happy with the

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work. Staff turnover can be high when employees have to work long night shifts to coincide with the business day in the outsourcing country.

India remains the outsourcing epicenter for now, with China slowly catching up, but the situation will continue to change. Once wages rise high enough in India and China, foreign workers somewhere else will be as enticing to outsourcing countries as India and China now are to Europe, Japan, and the United States.

Answer the questions about **Global Outsourcing**.

Questions 1–7

Complete the summary using words from the list below.

Outsourcing is very common in today's global economy. A preponderance of companies in **1**..... nations send work to countries where wages are lower. These countries are **2**..... to large companies because labor costs are cheap. Because English is the language used by a large number of international corporations, a large percentage of outsourcing work has gone to India, and the **3**..... has been sent to other countries. Now wages are rising in India, and more outsourcing work is being sent to other countries. Proponents of outsourcing point out that, as well as being beneficial to the outsourcing companies, it is also a major **4**..... to the economies of receiving countries. Outsourcing companies **5**..... some disadvantages, however. For example, there is sometimes a high **6**..... of employees, who aren't always happy with nighttime work schedules. Labor costs are rising in India and China. When costs in these countries start to **7**..... with costs in wealthier countries, companies will start sending their work to other places.

boon	confront	firm	turnover
branch	enticing	looming	wealthy
catch up	epicenter	remainder	

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My Words

Write the words that are new to you. Look them up in the dictionary and write their definitions.

Words	Definitions

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