

**Off-Shoring Of White Collar Employment
Readings for Week of Sept 26th**

White-collar Globalization from the Receiving End

This week will focus on how white-collar offshoring of the IT industry and to a larger extent the globalization of services affect a host country economically, socially and politically. I was surprised to find that most of the related journal papers focus on the economic impact of outsourcing on the US economy and ignore the transformations that such shifts cause in host economies. The majority of the literature available focuses on India and as I have some familiarity with the country, it will be the primary case study. In addition to the readings listed below, the discussion will refer to data that we covered last week in the McKinsey Report related to dollars spent and retained in the host country as well as some general commentary from “The New Wave of Outsourcing” (read the first week). I will also rely on a few news articles (mainly the NY Times and CNN) to give a broader picture.

Through the lens of the Indian situation we will explore:

- How does white collar offshoring shape economic development in ‘host’ nations?
- Will the spread of ‘middle class’ and higher-wage jobs change politics and culture in those nations?
- How does the structure of white-collar offshoring compare with more traditional offshoring of industrial processes and employment?

Readings: (all readings are available on-line in PDF format, but will be emailed to the class with subsequent news articles)

Please read 3 of the following papers and all 3 of the short news articles.

Off-shoring of services and deindustrialisation: Threat or opportunity –and for whom?
Frédéric Robert-Nicoud, University of Geneva and CEPR, April 2005

The Globalization of the Software Industry: Perspectives and Opportunities for Developed and Developing Countries
Ashish Arora, Alfonso Gambardella, March 2004

New trends in globalization of corporate R&D and implications for innovation capability in host countries: A survey from India
Prasada Reddy, *World Development*, 1997, vol. 25, issue 11, pages 1821-1837

Millions of Indians Await Benefits of Globalization
Jessica Einhorn, *YaleGlobal*, 25 February 2005

Globalization and the Outsourcing of Services: The Impact of Indian Offshoring
Rafiq Dossani, Asia-Pacific Research Center, Stanford University, April 6, 2005