**TEXT**

**The globalisation of work -and people**

Lynda Gratton, Director, Future of Work Consortium, 6 September 2012, BBC News

What is fundamentally transforming work is extraordinary connectivity.

In the near future, at least five billion people around the world will use some form of mobile device to download information, access knowledge and coach and teach each other. Some will have the intellectual capacity and motivation to really make something of this opportunity, wherever they happen to be born. These people will want to join the global talent pool and, if possible, migrate to creative and vibrant cities. By doing so, this vast crowd of talented people will increasingly compete with each other, continuously upping the stakes for what it takes to succeed. It seems to me that this will impact all of us in three ways - the hollowing out of work, the globalisation of virtual work, and the rise of the 'transnational'.

**Hollowing out of work**

As a result of connectivity and globalisation millions of jobs across the world are disappearing. This hollowing out of work is seeing the disappearance of middle wage, middle-skilled jobs such as managers, secretaries, or assembly line workers.

These jobs are at risk because they can either be outsourced to a region with lower wages, or they can be replaced by technology. So what is left is the jobs at each end of the skill and wage spectrum. At one end there are high-skill, high-wage jobs – like investment bankers, lawyers, engineers, or IT specialists - which need complex knowledge and expertise and cannot (yet) be substituted by technology. You can expect these jobs to be paid increasingly well. At the other end are the low-skilled, low-wage jobs like hairdressers, waiters, bank tellers and shop assistants. The jobs are difficult to automate because you have to be there to do them. But because many of these jobs require limited training, there is always a willing supply of workers - so wages will always be highly competitive.

**Globalisation of virtual work**

The West's positional advantage in educating its population will be rapidly eroded even for higher skilled jobs as online education platforms like MIT's OpenCourseWare, Open Yale, iTunes U and Khan Academy connect students in vast numbers, whilst enabling them to have very similar learning experiences and work towards similar qualifications. It might mean a youngster in an Indian village will have some of the same experience as her contemporary in downtown New York. Being educated is one part of the work equation, but there is also the question of jobs.

What will a highly-educated person in an Indian village actually do? It seems that in the coming decade even people in the remotest parts of the world will be able to work on online global tasks and projects. So in principle, whether you live in Uzbekistan, Uruguay or Uganda, the state of your national economy will not necessarily affect your ability to find work, as the virtual market transcends national economies. Right now, platforms like oDesk, eLance and Guru are able to connect buyers of specialist skills to sellers of these skills, providing access to web designers, software programmers, salespeople, translators and administrators from across the world. These platforms are enabling distributed buyers and sellers to be combined with speed and accuracy. There is every possibility that this combination of scaled education and scaled job finding will move work to regions where the most talented and motivated happen to be living.

**Rise of the 'transnational'**

The implications of the globalisation of education and job market is the rise of what we might call "transnationals". In the past this is a word to describe corporations - now it's a word to describe people. These are a worldwide group of people who are able to relocate at any time, making decisions based on relative global employment and investment opportunities. This global elite, with hybrid associations among multiple cultures and societies, will build competencies that bridge societies in terms of their management style, cultural sensitivities and social networks. Transnationals, able to speak more than one language and often carrying dual citizenship, will be able to adapt to the sort of cross-cultural communication that is so important for global organisations. In the past, people with these transnational capabilities predominately came from the developed West. Now, they are emerging from many countries around the world, amid clear signals that this re-balancing will continue. Expect to see a whole cohort of leaders emerging from India in the coming decade, and from China in the following decade as these countries' diaspora create ever stronger corridors between markets.

**TO DO:**

1. The topic of this article is outsourcing, transferring manufacturing or office services away from the company’s base to centres where wage costs are lower.

This reduces costs, saves a lot of money for the company and increases profit margins. How will this affect the company’s base?

a. Closure of entire departments? **Yes**

b. Salary increases for company base staff? **No**

c. Large numbers of employees made redundant? **Yes**

d. Reduction is staff morale? **No**

e. Reduced prices for customers? **Yes**

f. Increased sales turnover (=*chiffre d’affaire, entrée/sortie*) ? **Yes**

g. Increased product or service quality standards? **Yes/No** *(tricky question :))*

2. Think about the company you work for or a company you know well, which

sectors could be outsourced to centres where wage levels are lower?

a. Company management, directors, executives etc.?

b. Manufacturing?

c. Research, innovation, design?

d. Quality control?

e. Technical support services?

f. Office cleaning?

g. Accounting and auditing departments?

h. Office car parking?

i. Customer support telephone help desk?

j. Payroll department?

k. Sales management?

l. Any other departments?

m. If this work was outsourced, how would it affect the company’s future?

**B. Reading comprehension**

1. Read second article very quickly (3 minutes) and choose the best summary below.

a. The article is about a new thin mobile phone (7.7 millimetres) which has been developed in Japan.

b. The article is about successful Chinese, Taiwanese and Korean manufacturers outsourcing their manufacturing to Japanese companies.

c. **The article suggests that Japanese are no longer innovative and now innovation is coming from Taiwan, Korea and China.**

d. The article suggests that manufacturing has become too expensive in Japan, so Japanese companies now outsource their manufacturing to Taiwan, Korea and China.

2. Read the first three paragraphs carefully. Correct the following statements.

a. Sony was the first company to mass-produce lap-top computers.

b. Japanese technology firms started to outsource low-value activities too quickly.

c. Japanese technology firms focused on satisfying Western consumers with advanced features.

d. Over the past decade, NEC and Hitachi have announced good returns on assets.

e. Japanese technology companies have now started to buy their Asian rivals.

3. Read the next three paragraphs carefully. Mark these statements T [true] or F[false].

a. NEC has a successful business in manufacturing LCD panels.T/F

b. Lenovo, a Chinese computer maker has started a joint venture with NEC.T/F

c. Lenovo also manufacturers computers for IBM.T/F

d. Samsung, a Korean manufacturer will soon start making LCD screens for Toshiba. T/F

e. Sony’s television factories in Mexico and Slovakia have been sold to a Korean company. T/F

f. Hon Hai is negotiating to manufacture mobile phone LCD screens for Sharp. T/F

4. Read the last two paragraphs carefully. Correct these statements.

a. Taiwanese, South Korean and Chinese firms need to catch up with Japanese firms.

b. Deadly rivals cannot be partners.

c. Up to now, the success of Japanese technology firms has been based on selling small quantities of highly innovative products at premium prices.

d. NEC has announced it will produce the world’s thinnest trumpet.

e. NEC has also announced a phone for users without contacts.

**C. Vocabulary**

Look carefully at the words in italics below. Choose the correct ending to complete the sentence. Use your dictionary if necessary.

1. If you epitomise a quality, you …

a. appreciate that quality.

b. **are a typical example of that quality.**

c. do not have that quality.

2. If you pioneer a new invention, you …

a. **create it for the first time.**

b. earn money by selling the idea.

c. keep it secret for a long time.

3. If keep up with a changing world, you …

a. try to resist the changes.

b. are worried about the changes.

c. **adapt yourself to the changes.**

4. If you are tardy, you are …

a. badly dressed.

b. unhealthy.

c. **late.**

5. He accepted the job albeit …

a. **with little enthusiasm.** *(last choice)*

b. with an increased salary.

c. with a better contract.

6. The most ailing company …

a. **has the biggest problems.**

b. has the best chance of success.

c. has the largest car park.

7. If you decide to outsource part of your work, you …

a. sell the business to another company.

b. **subcontract another company to do the work.**

c. decide to stop doing it.

8. If you have a controlling stake in a company, you …

a. are a rival to the company.

b. own a small part of the company.

c. **own a large part of the company.**

9. If two products are little differentiated, they are …

a. smaller than similar products.

b. difficult to sell in mass markets.

c. **very similar to each other.** *(substituable)*

10. If you trumpet a development, you …

a. regret it.

b. **tell everyone about it.**

c. have decided to accept it.

ARTICLE 2

**The mighty, fallen**

Ex-world-beaters swallow their pride and do deals with foreign rivals

Mar 3rd 2011, The Economist

JAPAN’S electronics companies once epitomised its national power and defined late-20th-century consumer technology. Sony introduced the transistor radio and the Walkman. Toshiba was first to mass-produce laptops. Sharp—which got its name from inventing the mechanical pencil in 1915—pioneered solar cells and LCD screens. The companies earned their fortunes from running efficient operations at home that shipped in huge quantities to the West.

But the world changed and Japanese technology firms did not keep up. They kept too many low-value activities in high-cost Japan for too long. They focused on satisfying domestic consumers with advanced features that didn’t matter to customers elsewhere. And they were tardy in entering emerging markets. Over the past decade NEC and Hitachi posted returns on assets of around 2%. In an extraordinary reversal, last year Japan became a net importer of televisions and stereos (albeit often with a Japanese brand on the casing). In recent months the electronics companies have begun to overhaul their businesses by outsourcing operations and selling poorly performing units. And as they do so, they are striking alliances with Asian rivals that they once would have regarded as inferiors.

The biggest changes are taking place at NEC, which is also the most ailing. On February 25th it agreed to sell 70% of its LCD-panel production business to AVIC, a Chinese company. A few weeks earlier NEC had partially exited the personal computer business by creating a joint venture with Lenovo, a big Chinese computer maker. The deal is an implicit admission of failure: NEC is the top PC maker in Japan, with a 20% market share, but globally its share is less than 1%. It comes six years after IBM sold its PC division to Lenovo, and NEC’s delay means it was stung with more losses and got less for the business.

Toshiba said in December that it would outsource production of some logic chips. Samsung of South Korea will get some of the work. Toshiba’s decision to collaborate with a company with which it competes fiercely in flash memory, among other things, is remarkable.

Taiwan’s Hon Hai (also known as Foxconn), the world’s biggest outsourced manufacturer, is moving in. Last year Sony sold control of its television factories in Mexico and Slovakia to Hon Hai and transferred production to it; half of the televisions it sells are now assembled by other firms under its “asset-light” strategy, compared with just 20% a year ago. Hon Hai is also said to be talking to Sharp about outsourcing some LCD-panel production; and to Hitachi Display, which makes small

LCD screens for mobile phones, about buying a controlling stake.

This flurry of deals shows how Taiwanese, South Korean and Chinese firms have caught up with Japanese ones. It also shows how the Japanese have realised that such foreign firms can be useful partners as well as deadly rivals. The deals let the Japanese firms exit capital-intensive, low-margin businesses in which scale is needed but the product is little differentiated. This frees them to focus on becoming premium-brand marketers of products, and providers of services allied to them, as

well as on developing the next generation of gadgets—or that is their hope.

Japanese electronics firms remain powerhouses of innovation. Last month, as NEC announced its foreign tie-ups, the company also trumpeted the world’s thinnest mobile phone (at 7.7 millimetres) and the first contactless fingerprint and finger-vein reader for biometric authentication. NEC in particular still has a long way to go in turning itself around, but the Japanese firms’ technological strengths mean they should not be counted out yet.

**D. Listening comprehension**

Listen to this talk on ted.com: are droids taking our jobs

(http://www.ted.com/talks/andrew\_mcafee\_are\_droids\_taking\_our\_jobs).

1. What are some of the dangers and benefits of technology that Andrew McAfee

mentions in his talk on “Are droids taking our jobs?”

2. How will technology affect the people living in less developed countries?

3. Is Andrew McAfee mostly optimistic or pessimistic about the future?