**The impact of globalisation**

Advances in technology, in particular communications technology, more effective, lower cost methods of transportation, and largely unrestricted trade between countries have allowed the whole world to become a single, integrated marketplace. The term **globalisation** refers to this ever-increasing international cultural and economic interaction.



*FIGURE 4* Rapid technological advances have facilitated the process of globalisation — allowing the interaction of economies throughout the world.

In Australia, globalisation has had, and continues to have, a significant effect on work opportunities and the way people work. One of the key ways in which this effect has been felt is through the increasing practice of **outsourcing**.

Outsourcing involves engaging individuals or businesses outside of an organisation to fulfil functions previously carried out within the organisation itself. In an attempt to improve productivity, cut costs and increase their ability to compete on a global scale, many Australian businesses now outsource some of their non-core functions. Some businesses have taken this a step further, and outsource various functions to workers and organisations overseas – some have even moved their entire production process overseas. This practice is known as **offshoring**.

Offshoring provides a business with the ability to cut labour costs, which can be as much as ten times higher in a developed country such as Australia than in a developing country such as China, India or Sri Lanka. For example, a number of the telecommunication companies you may deal with have outsourced their call centres to places like India, Sri Lanka and China; similarly, an increasing number of companies are taking their legal or accounting needs offshore, having work completed in countries where labour costs are cheaper but skill levels remain high. Offshoring can also enhance the business’ ability to stay competitive and to develop an overseas presence by entering new markets.

The impact of globalisation on the Australian working environment can be examined in relation to the consumer, the worker and the business owner.

**Decline and growth of industries**

With many companies moving part or all of their operations overseas, the employment opportunities in some industries have decreased. For example, the announcement of the closure of production plants of the three major car manufacturers in Australia (Ford, Holden and Toyota) means that workers in this industry will need to seek employment in other fields. While ongoing technological advances can lead to job losses in some cases, where tasks that were once carried out by people are now able to be done by machines, they can also present opportunities for new businesses to develop – for example, in areas such as telecommunications and digital technologies. In the 1980s, jobs such as website designers, social media managers, e-commerce consultants and app developers didn’t exist. Thirty years later, they are a common part of the business world. Many of the jobs that will exist in the future may be roles that we cannot even imagine today.