Globalization of Computing Industry

Khoa Tran

University of Houston Clear Lake

**Introduction**

With today technology, almost everyone own a personal computer. Either a traditional desktop or a laptop, but also handheld devices such as smartphones, watches etc... That allow the users to access the web. This can all be thank to the globalization of computing production, because of it the cost for making computer hardware are 10% to 30% cheaper than it otherwise would be (Derick & Kraemer, 2008 p.4). The computing industry is supported by a large number of companies that either invested in the industry itself or suppling components, manufacturing services or involves in other ways (Derick & Kraemer, 2008 p.3). Emerging markets such as China and India are growing much faster than the more mature developed markets, and PC makers have begun to focus on innovation that addresses the needs of those markets at low prices. (Derick & Kraemer, 2008 p.4).

**Globalization**

The revenues for the PC industry in 2005 including $191 billion for desktop PCs, $28 billion for the servers and 16 billion in smart handheld devices (Derick & Kraemer, 2008 p.4). Looking at this number, one can say that the industry a multibillions industry and it providing more jobs for all those whose involves such as the manufactures, investors, retailers, providers, and specialists. Because Globalization play a large role in the growth in the computing industry that it raise an issues for the U.S companies and it Government.

U.S. PC makers are struggling to eke out a profit in an environment of falling prices and intense international competition. Government policy issues include tax incentives, anti-trust, immigration and market access. Universities must ensure that they are training people with the skills that industry needs, and workers must invest their own time and money to acquire those skills even as more highly skilled knowledge work is moved offshore. (Derick & Kraemer, 2008 p.4).

Because of this many U.S large Companies such as Apples to be able to make large profit follow manufacturing offshore. They will manufacturing parts and components and assembles their products in other countries. A more pessimistic view is that innovation will follow manufacturing offshore, leaving U.S. firms uncompetitive and draining the U.S. of the innovation that drives growth and employment (Derick & Kraemer, 2008 p.5).

**Impact on jobs**

Most of the potential jobs has already been taken place with offshoring and outsourcing of production during 1990 to 2005. There has also been a shift innovation related jobs after the year 2000. As for production jobs such as manufacturing, development and design activities has move to Asia (Derick & Kraemer, 2008 p.37). Additionally, in order to meet competitive pressure for continuous cost reduction, jobs such as engineering, software, industrial design, engineering management, and project management at all levels is likely will have movement of jobs offshore (Derick & Kraemer, 2008 p.37).

**Conclusion**

Although the U.S is still a lead innovation in the globalization of computing industry. As years goes on they are moving more activities offshore in both design and manufacturing. We know that most of the key suppliers of computer components such as processors, software, etc.… are from Israel or Japan and there also big market with low cost engineering talent such as India and China (Derick & Kraemer, 2008 p.38). Because of this, I think in a few decades most of the jobs related to computing will be offshore and oversea and the will be more and more competitive in the country then it is now.

**References**

Dedrick, J., & Kraemer, K. L. (2008). Globalization of Innovation: The Personal Computing Industry. 3-40. Retrieved March 22, 2016, from [http://web.mit.edu/is08/pdf/Globalization of Innovation PC.PDF](http://web.mit.edu/is08/pdf/Globalization%20of%20Innovation%20PC.PDF)