

Draft PS Outline for LD Conferencing

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C2 Group 4

Introduction

Background Information/Context

Globalisation is the increasing interconnectedness between nations around the Globe for the purposes of economic trade and cultural exchange. In conjunction with the widespread advent of technology, globalisation has brought about both beneficial and detrimental changes in the economic statuses of developing and developed countries.

Problem Focus of the Essay

The essay shall focus on the widening income gap between the working class and the wealthy as a result of globalisation.

Definitions and Concepts

1. *Proletariat* - The working class
2. *Bourgeois* - The social class that owns the means of production, or in this context, the largest shareholders and managers of large companies
3. *Globalisation* - The process of increased global economic and cultural trade

Thesis

Globalisation is commonly acknowledged as a major driver of the modern economy where global reshifting of labour pools as well as increased access to larger markets have massively increased profits for companies. This change, however, comes at a price: a widening income gap. In developed countries, the outsourcing of labour to cheaper locations overseas has caused unemployment within the working class. This paper will discuss the efficacy of protectionist and social solutions proposed by economists and politicians.

Identification of the Problem

Sources

1. Rich man, poor man. (2007, January 18). Retrieved February 10, 2016, from <http://www.economist.com/node/8554819>
2. Ekmekçioğlu, E. (n.d.). The Effects of Globalization on World Income Inequality. Retrieved February 10, 2016, from <https://www.academia.edu/1600985>
3. Roberts, P. C. (2010, October 28). Globalization Creates Unemployment: American Job Loss Is Permanent. Retrieved February 10, 2016, from <http://www.globalresearch.ca/globalization-creates-unemployment>

Topic Sentence

Globalisation has created wealth for developed countries, particularly America, through the outsourcing of production lines and manufacturing. However, it has also taken jobs away from the proletariat class in these countries creating a wage gap between the working class and the wealthy.

Problem Description

Outsourcing is a problem for the less skilled workers in developed countries because foreign labour in developing countries is inherently cheaper. The adoption of outsourcing is a logical step for companies who wish to maximise their profits.

“GLUERS and sawyers from the furniture factories in Galax near the mountains of Virginia lost their jobs last year when American retailers decided they could find a better supplier in China.” (The Economist, 2007)

Concluding Sentence

The employment vacuum created by the export of labour requirements to foreign developing countries has decreased employment opportunities for lower skilled workers in developed countries while enriching corporate owners increase the gap between the poor and the rich.

Solution One

Sources

1. Williford, S. (2011, February 26). Outsourcing Is the Problem, Protectionism Is the Solution | Economy In Crisis. Retrieved February 10, 2016, from <http://economyincrisis.org/content/outsourcing-problem-protectionism-solution>

2. Moore, S., & Kudlow, L. (2015, August 26). Kudlow: Trump's protectionist ways will hurt US. Retrieved February 10, 2016, from <http://www.cnn.com/2015/08/26/why-trumps-protectionist-ways-will-hurt-the-economy-commentary.html>

Topic Sentence

Governments may implement protectionist policies to protect the interests of the local economy against the profit-driven motivations of the globalised capitalist free market.

Explanations and Support

1. **Describe an existing solution:** Implement protectionist policies on the local economy to prevent the export of jobs to overseas markets.
2. **Evaluate its effectiveness:** In the American free market, competition and the innovation drives the economy. If policies were implemented to 'place Americans first', the market might stagnate due to the decreased competition which might in turn cause fewer jobs to be created.
3. **Evidence:** According to an analysis of Donald Trump's proposal for American protectionism by Moore and Kudlow (2015), 'immigrants fill niches in the labor market that natives can't or won't fill'. Thus, the jobs that outsourced or immigrant labour adds to the overall productivity and can contribute to the creation of new jobs with the creation of new businesses.
4. **Why the solution may be a problem:** As mentioned above, immigrant or outsourced labour may take away jobs from the lower rung of society but contribute to the creation of jobs for the middle class. The solution does not address the people who live below the poverty line through any mechanism. The wage gap still exists between the rich and the poor.
5. **Modifications:** It is my opinion that extreme protectionism and extreme laissez-faire free market capitalism are both bad. We should seek a middle ground such that free trade may still continue to exist but in such a way that the needs of everyone are met before profit comes into the picture.

Concluding Sentence

Protectionism taken to its extreme can harm the economy but a measure of it is necessary to protect vulnerable citizens who are unable to participate in the process of globalisation from being left behind thus improving efforts to bridge the income gap.

Solution Two

Sources

1. Sutter, J. D. (2013, October 30). 7 ways to narrow the rich-poor gap. Retrieved February 04, 2016, from <http://edition.cnn.com/2013/10/29/opinion>
2. Rich man, poor man. (2007, January 18). Retrieved February 10, 2016, from <http://www.economist.com/node/8554819>
3. Jenkins, R. (2005), Globalization, Corporate Social Responsibility and poverty. *International Affairs*, 81: 525–540. doi: 10.1111/j.1468-2346.2005.00467.x

Topic Sentence

Globalisation is not inherently stable with the backlash it has been facing in modern times resulting in governments adopting protectionist policies as a response to an angry voter base. Companies should look towards defending globalisation from hostile legislation by taking the initiative to implement socially responsible internal policies that ensure society as a whole benefits.

Explanations and Support

1. **Describe an existing solution:** Corporate social responsibility is a voluntary initiative undertaken by corporations and companies to reduce the negative impacts of their operations on society. This is relevant to reducing the impact of outsourcing causing unemployment in developed countries. Grassroots initiatives may help people at the top of managerial staff understand the issues faced by the working class and guide the creation of progressive policies.
2. **Evaluate its effectiveness:** Proper inclusion of corporate social responsibility when planning operations in a company can be effective in alleviating burdens. For example, re-training programs can improve the hireability of employees who are laid off in favour of moving manufacturing operations overseas.
3. **Evidence:** Sutter (2013) cites Michael Norton, an associate professor at Harvard as evidence that the breaking down of social barriers between the rich and poor (aka a grassroots initiative) can help create conversations across the income division and spark the development of policies that are beneficial to both the proletariat and bourgeois classes.
4. **Why the solution may be a problem:** Most companies adopt corporate social responsibility as a means of brand control or a marketing strategy without actually having the poor at heart. This may run counterproductive to bridging the income gap. Regulation on the part of gov-

ernments for corporations to adopt progressive internal policies might also be counterproductive to the goals of a profit making organisation.

5. Modifications: NIL

Concluding Sentence

Corporations that participate in globalisation must be aware of their corporate social responsibilities and implement progressive policies that help cushion the impact of outsourcing on the working class in developed countries such as America. This acts as a means of closing the income gap by preventing the working class from descending into poverty as well as protect globalisation from protectionist policies implemented by governments in reaction to angry voters.

Conclusion

Restate Problem

Globalisation has introduced the concept of outsourcing: the export of labour requirements to developing foreign countries. This creates an unemployment vacuum in developed countries for the working class who find themselves laid off by companies who wish to maximise their profits. Ultimately, this widens the gap between the wealthy and the poor.

Restate Solution

The first solution to this problem involves governments implementing protectionist policies that ensures the needs of the local population before utilising foreign labour.

The second solution involves the corporations and companies making the compassionate decision to implement progressive policies as part of their corporate social responsibilities. This effect is twofold: the working class is able to keep out of poverty and dissuades reactionary governments from implementing heavier regulations on the free market.

Call to Action

Globalisation is a modern marvel that has improved the lives of the middle class in developed countries and has brought a higher standard of living to those in the developing countries. However, it is also a great divisor. It has the capacity to make a lot of money: money that ends up in the pockets of the top 1%. The introduction of policies both regulatory and voluntary can only go so far. For an egalitarian society to bloom, wealth should be re-distributed fairly and justly.