**China's International Business Term Paper: Benefits and Difficulties of Outsourcing Country**

 **Background**

East Asia is home to China, often known as the People's Republic of China (PRC). Beijing serves as China's capital. With 1.38 billion people, China has the largest population in the world. With a total area of 9,596,960 square kilometres, it is the third or fourth-largest country in the world (3,705,406 sq. mi). China is home to 56 different ethnic groups, of whom the Han make up 5.2 billion people. China has a wide variety of climates, from subarctic in the north to tropical in the south. In the east and southeast of China, where the climate is milder, the majority of the country's people live.

Putonghua or Mandarin is the primary spoken language in the country. Chinese people practise Buddhism, Daoism, Christianity, and Islam. China uses the yuan as its currency. China currently has the second-biggest economy in the world, the largest export market, and the second-largest merchandise import market. China is predicted to have the greatest economy once more by 2030.

Bhutan, India, Burma, Afghanistan, North Korea, Kazakhstan, Kyrgyzstan, Laos, Mongolia, Nepal, Pakistan, Russia, Tajikistan, and Vietnam are some of China's neighbours.

**Proposal for Business**

The United States gains from outsourcing to China. There are many myths and preconceived notions around this subject. Without having a thorough understanding of the exact facts connected to outsourcing, people frequently focus on the disadvantages and form very strong opinions as a result. The following are a few of the beliefs or stereotypes: Because labour is so inexpensive in China, factory employees are overworked and underpaid, and "Made in China" products are of low quality, American businesses manufacture there exclusively. I think it's inappropriate to evaluate the entire corporate sector on the basis of such outliers. Poor working conditions and unethical corporate practises occur everywhere, not just in the industrial sector. Because it will clarify the logistics and justifications behind the data and provide a better understanding of the Chinese manufacturing business, I believe this topic to be both very intriguing and crucial.

**Analysis and Evidence to Support**

Because it boosts the American economy, outsourcing to China benefits the United States. It is better for our economy to hire people to work for less money in China than to pay them at least the federal minimum wage. In this instance, we are receiving more in exchange for what we paid for because money is the exchange of value. Money itself has no value; instead, the value lies in the goods and services being exchanged. By producing in China, a company not only saves money, but money that may be used and spent in the American economy as well. A healthy, functioning economy depends on how money is exchanged, not on how much of it is present there.

By lowering the cost of goods, outsourcing also benefits American customers. Retailers will decrease prices in an effort to draw in more customers and consequently boost sales, even if businesses won't pass all the cost savings on to customers ([Myarticles](http://www.myarticles.io/)). For instance, a visit to Kroger will demonstrate the astonishing accessibility of inexpensive products made in China. Americans have been able to spend far more thanks to Kroger and other comparable businesses that exploit outsourcing than they otherwise could. Reduced prices for items are immensely advantageous, especially for middle-class and low-income Americans who need them on a daily basis. Most people find it easier and more economical to live. Outsourcing also contributes to a more secure America and fosters peace by coordinating global economic interests. Associations between the United States and China offer a useful illustration.

Interactions between nations on a global scale are highly valuable. Many competing global interests exist between China and the U.S., ranging from concerns about human rights to the need for oil. However, due to their shared corporate interests in outsourcing, the two nations are very closely linked. Due to China's low-cost manufacturing, American consumers and businesses benefit financially. In exchange, U.S. investment and demand for Chinese goods contribute to support China's expanding economy. As newly created money in China is invested back into the United States, the cycle completes. It appears unlikely that either country would view an armed confrontation as a viable option to settle other disagreements given how interconnected and beneficial their economies are to one another.

**Contradictory Support and Analysis**

Even while outsourcing has numerous benefits, there are some drawbacks as well. Companies may have consequences when they compete to increase revenues from a variety of sources. For instance, some businesses that moved their call centres overseas have been held accountable and even lost customers as a result of misunderstandings and annoyance at not being able to understand foreign accents. Domestic issues can arise in businesses that outsource because domestic employees and unions fear for their jobs. There is tension between the company and the employees, which lowers productivity as a whole. Within weeks of a company choosing to outsource and closing a local operation, poverty, redundancies, and corruption may rise. The discomfort that can result from outsourcing is perfectly illustrated by the cities of Flint and Detroit, Michigan. Companies that relocate domestic labour abroad for corporate profit risk being mistreated and viewed as callous.

The consequences of outsourcing can be detrimental for those who are fired. If there are no wages coming in to pay for the goods, Kroger's low-cost items are not so low after all. It is true that people have the opportunity to find new jobs, but such jobs might not be in the same field or community, and if more businesses continue to outsource, displaced workers might have more difficulty finding new employment. In fact, according to some studies of industrial occupations, 1 in 3 people who lose their jobs due to outsourcing are still without a job after three years, and those who do find new ones typically face a 15% salary cut. Outsourcing has a detrimental effect on employment and robs locals of their jobs.

From a national perspective, outsourcing has some very real drawbacks as well. Different industry and regulatory ethics, for instance, can present serious difficulties. Recently, there have been a number of significant product recalls involving imported goods, including children's toys from China that were recalled last year because they were lead-painted. The United States buys items from other countries that do not adhere to the same standards, despite the fact that the United States maintains strict emission regulations. Climate change is another compelling problem. Additional issues include child labour and abuses of human rights. The United States definitely does not want American corporations to use outsourced labour where workers endure terrible conditions that are much below American legal requirements. Last but not least, as the conflict between Russia and Georgia may regrettably show, monetary interdependence between countries has the potential to have negative effects. Despite the compelling economic reasons for the West and Russia to cooperate, political and security concerns could influence the breaking of economic links and result in financial hardship for all parties, including those that have outsourced to the West from Russia or vice versa.

**Conclusion**

In the end, we will argue that outsourcing benefits the American economy. Outsourcing will improve competition and productivity on a global scale and is fundamentally an outgrowth of the free-market system. Spreading the long-term perspective of outsourcing and educating Americans about the advantages it offers based on improved output and higher standards of life are crucial to winning over opponents of outsourcing. The model of nationalistic thinking will hopefully change to one of global thinking as technology continues to shrink the world, and outsourcing will promote understanding among people from different nations and cultures.