

Applied Sociology Thematic Group *For Sociologists who work outside University*

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G'day everyone,

The 'Good Weekend' supplement in a recent 'Sydney Morning Herald', featured an article by Greg Bearup¹ about a person in Sydney who is making millions by providing a service that offers contacts for companies to outsource the work done by architects, accountants, lawyers, web designers, analysts, geologists, engineers and computer programmers and other 'knowledge workers'. He can find you a qualified person who lives in a society where your job can be done at, say \$5 per hour, instead of the \$50 per hour it would cost in Australia. We have got used to the situation where Australian manufacturing jobs or call centre jobs have gone overseas but I, at least, had not had occasion to think about the effects on the types of jobs, requiring higher degrees of skills and knowledge, that could be done overseas.

Having been alerted to this happening I started to look at what research was being done. I discovered that in 2007 Professor Alan S. Blinder of Princeton University, expected "that between 22% and 29% of all U.S. jobs are or will be potentially 'offshorable' within a decade or two"². He notes that the criteria are not the job's skill or its necessary educational requirements, but rather whether the service "can be delivered to its end user electronically over long distances with little or no degradation in quality". In Australia, I found A/Prof. Stephen Chen and Hassan Kharroubi, from Macquarie University had indicated in their 2010 Australian business survey; that 36% of their respondents are currently offshoring, a further 21% are in the process of moving activities offshore and a further 12% were discussing it. Of those who were currently offshoring, the most common function offshored was finance/accounting (36%) followed by procurement (31%)³. So this is not some future dream, it is already happening. As one architect has said¹, "the conceptual work will still be done in Australia, but the detailed drawings and plans are beginning to be done overseas because it is cheaper and this change is moving at a staggering pace". As Bearup¹ also comments: "The offshoring tsunami rising off the coast of the First World - when it hits, it will profoundly change our economy and wash away the careers of many of the people reading this article." "There is a tectonic shift to society that is under way and this shift is going to be so significant it is going to change the way that we live our lives, and the way we do business. It is going to change everything." Associate Professor Julie Cogin, of the Australian School of Business (UNSW) is reported as saying¹ "This is really, really scary. You think of the next generation. There is going to be far less job security, maybe reduced conditions and pay and a casualisation of the workplace. This has huge implications for our children and even for us now."

What occurs to me in all this is, that sociology is a discipline which described itself as being 'Characterised by empirically based social research.'⁵ and proclaims it is about the 'analysis of the structure of social relationships as constituted by social interaction'⁶, but what is sociology doing to make the community and the governments aware of the social consequences of offshoring as this article underlines or any other issue?

Sociologists for well over a hundred years have been indicating the consequences of profit driven social change. In 1776 Adam Smith (a pre-sociologist) wrote: 'A merchant is not necessarily the citizen of any particular country,'⁷ In 1887 Tönnies, with his concern about the growing power of the merchants, wrote:

*'Trade tends, finally, to concentrate in one main market, the world market, upon which all other markets become dependent. The larger the area, the more evident the truth becomes that the leaders and creators of trade do everything that they do for the sake of their own profit. They put themselves into the centre of this area, and from their point of view the land and labour of the country, like those of all other countries with which they deal, are actual or possible objects for investment and circulation of their capital, which is for them a means for augmenting their capital. In addition, the more the directors of actual work and production, as owners of the soil and other material factors and also as owners of labourers or purchased labour, conduct their business solely with a view to profit or increased value.'*⁸

And so on up to the present day. We know that Merchants, Traders, Big Business Multinationals, call them what you will, have as their motivator the increase of their profits. We also know that any technological development that will aid in this process will be used. However, because something **can** be done, it shouldn't mean that it **must** be done. Robertson, C., et.al⁹, contend that "investors use different moral paradigms compared with consumer stakeholders, as a result the stakeholder role an individual occupies significantly influences their ethical evaluation of offshoring and outsourcing decisions." Most of the offshoring papers that I found were from business schools. I did not come across one from a sociology department. Yet if "the tsunami rising off the coast of the First World will profoundly change our economy and wash away careers"¹, it ought to be in the sociologists court to confront the community with the consequences, before they happen.

I know it is hard to motivate the community to see it has the power to change what is happening. From the papers and research reports I have produced over the years, I can point to quite a few where I effected change in an organisation or an educational approach and some that actually did induce a change of the legislation about the way the community dealt with particular issues. To me, this is one area where applied sociology ought to be active. Applied Sociology takes the theoretical work and the accumulated data to actively demonstrate to the community what continuing down a particular path will mean and offer alternative solutions.

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References

1. Bearup, G., (2012), 'The Net Worker', in 'Good Weekend', Sydney Morning Herald, 25th February.
2. Blinder, A. S., (2007) 'How Many U.S. Jobs Might Be Offshorable?' CEPS Working Paper No. 142 Princeton University.
3. Chen, S & Kharroubi, H., (2010), 'The State of Offshoring in Australia', Macquarie University Department of Business.
4. Draft Threshold Learning Outcomes for Sociology, Consultation Paper.
5. Dictionary of Sociology (2006) Penguin Books, definition of Sociology.
6. Adam Smith, (1776), Wealth of Nations, Bk. III, Ch. 4;
7. Tönnies, F. (1957 (1887)), *Community & Society*, translated and edited by C. Loomis, The Michigan State University Press, East Lansing, p79.
8. Robertson, Christopher ; Lamin, J. ; Livanis, Anna ; Livanis, Grigorios, (2010) 'Stakeholder Perceptions of Offshoring and Outsourcing: The Role of Embedded Issues', Journal of Business Ethics, Vol.95(2), p.167-189.

p.s. If you want more horror stories read the essay 'www.yourjob.gone' by Anson Cameron,
News Review, Sydney Morning Herald, 10 March 2012, p22