

## ***ICT, the Knowledge Society and Changes in Work***

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### ***Workshop: ICT and Globalisation***

#### ***Networks or just a new breed of Multinationals? Relocation of eWork and the global restructuring of value chains***

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##### ***Introduction***

In the discussion on economic globalisation far-reaching changes in economic structures and patterns of organisation attracted increasing attention. New information and communication technologies (ICT) play a key role in the description and explanation of recent developments. According to the thesis of the “network society”, for example, ICT allow to establish close relationships and intensive exchange between small organisational units across corporate and country borders. This leads to a new situation not only regarding the delineation of workplaces but also for employment relationships and skill requirements (Castells 1996).

In the EMERGENCE projects<sup>1</sup> comprehensive investigations of relocation of *eWork* were carried out that not only provide valuable insights in the characteristics and incidence of telemediated work, but that can also be used as a window to the dynamics of the global information economy. The analysis of motives and driving forces of outsourcing and relocation already show that the relocation of work can be part of diverse processes of restructuring. Part of the movement of work indicates a hollowing out of companies and the emergence of networks of firms that resemble the global ‘commodity chains’ known from consumer goods industries (Gereffi/Korzeniewicz 1994), while other relocation activities are rather illustrative of the trend towards organisational centralisation and geographical concentration of business activities.

While this research shows that ICT without doubt widen the possibilities for the organisation of work as well as its spatial distribution, it makes clear that there is no organisational convergence towards the network form. Rather, different logics of restructuring exist next to each other, in which centralization within the framework of international companies is as significant as decentralization and the development of networks. The research on telemediated work and on processes of relocation therefore sheds light on diverse change processes in the global information economy. It can be used as a window to the restructuring of global companies, to the

dynamics of boundaries between corporations, and to the emerging new international division of labour.

Focussing on these three topics, the paper will first discuss the motives behind IT-service outsourcing and relocation. On the basis of typical examples of company restructuring on the basis of ICT it will then present conclusions on the emerging division of labour between companies and, in particular, the role and the strategies of global IT-service providers. It is argued that these transnational companies have not only attracted business and jobs from a wide range of companies and public service organisations, but that they also contribute to the international relocation of work through the worldwide distribution of tasks among their subsidiaries. This leads to the question as to how the restructuring of the information economy contributes to shifts in the international division of labour.

Overall the paper argues that in view of corporate restructuring and the emergence of “a new breed of transnational companies” (UNCTAD 2004), the global IT-service providers, does not support the thesis of the network society. While ICT and, in particular, the Internet certainly would make it possible to substitute networks of small units for large integrated companies, the actual trends of ICT-based restructuring rather foster trends towards capital concentration and the consolidation of activities in particular locations and metropolitan areas.

### **1. *The motives behind ICT service outsourcing and relocation***

One of the core thematic areas of the EMERGENCE case studies<sup>ii</sup> were the motives behind the relocation of *eWork*. The aim was to understand the driving forces of *eWork* relocation. The information obtained can also be used however to get insights into the restructuring of companies or value chains because very often the motives turned out to be related to corporate decisions on the organisation of internal or external relations.

In general, the EMERGENCE case study and other recent research have identified a range of motives behind ICT service outsourcing and relocation. These include:

1. cost differentials regarding labour and other costs
2. access to knowledge and availability of labour
3. cost savings achieved by economies of scale through consolidating activities
4. corporate restructuring including concentration on core business activities and the role of outsourcing service providers and intermediaries

While there is widespread agreement on the main driving factors, their actual importance differs depending on

- the business function involved (software development, IT maintenance, IT customer service and support, business process services etc)
- company size and structure (SME, large corporations, national, transnational, conglomerate etc)
- business cycle and situation on particular labour market segments

### **1.1. Cost differentials regarding labour and other costs**

In many cases the primary aim of relocation is to take advantage of lower wages in order to cut costs (UNCTAD 2002, Huws 2003, UNCTAD 2004, Boes/Schwemmler 2004). To this end, software development or data input are relocated to central and eastern Europe or to India and other non-European countries. This can take place as an isolated measure or in the framework of company reorganisation. Pressure on the parent company or management to cut costs coincides with perceived relocation options (Flecker/Kirschenhofer 2002). The wage differentials depend on the precise activity and on the location. In the EMERGENCE case studies companies reported differences in personnel costs for data entry reaching 1:10 between EU countries and developing countries. Experiences with relocating in particular software development to India however showed that wage cost differentials misrepresent the actual cost advantages: Taking into account other cost categories partly reduced the cost advantage from 80% to 50%, partly companies experienced that hardly any cost advantages remained after considering all costs involved. It was a surprising finding of the EMERGENCE case studies that hardly any detailed cost-benefit-analyses were made to prepare decisions on the relocation of eWork (Flecker/Kirschenhofer 2002).

In the “Offshoring”-debate the estimations of cost advantages have changed considerably. While at the beginning huge savings were reported, more realistic expectations have prevailed in recent years. A McKinsey report argues that overall companies in financial services can achieve cost reductions of only 3 to 5%, and even Infosys, one of the largest Indian IT-company, concedes that an average of 20 to 25% savings through relocation of work to India can only be achieved once the more costly starting phase is over and smooth co-operation is achieved (Boes 2005:24f.).

Not all relocation processes are triggered by cost consideration. According to UNCTAD low costs led the location determinants of call centre-FDI projects and of FDI projects in shared service centres in developing countries in the years 2002 and 2003, while low costs only rank fourth with IT-services FDI projects after market growth, skilled workforce and proximity of customers and markets (UNCTAD 2004:166). But also with call centres and shared service

centres companies mention the availability of a skilled workforce as important locational determinant nearly as frequently as low costs (ibid.).

### **1.2. Availability of labour and access to knowledge**

In the second half of the 1990s European companies often faced the situation that internal capacities, in particular human resources, did not suffice to meet the demand for IT development work that increased because of the year 2000, the Euro and the spread of Internet applications. Labour market shortages restricted the option to build up capacities internally. Partly, in this situation companies took recourse to relocation of work through outsourcing or foreign direct investment. In particular towards the end of the 1990s, in the boom period of the IT industry, European companies saw the need to relocate work, e.g. to India, to find the necessary resources to have new software quickly available or to carry out projects at all (Flecker/Kirschenhofer 2002).

Outsourcing may not only aim at alleviating labour market shortages in general, but also at gaining access to specific specialist knowledge in particular in R&D and in software development. Development is farmed out to specialised companies because the internal skills for it are insufficient and it is clear that these are not to be built up. The EMERGENCE case studies showed that in such a situation companies often do not even check as to whether the local labour market would make recruitment possible but take recourse to outsourcing in the first place. Depending on the availability of external service providers and of their geographical spread, this decision may finally result in spatial relocation of work and 'offshoring' (Huws 2003).

In the customer service function shortages of personnel or a high turnover of call-centre operators were identified as a major regional push factor and motivation for the relocation (Flecker/Kirschenhofer 2002). Sometimes the shortage of operators can arise from the concentration of too many (pan-European) call centres in one region and hence increased competition for staff between call centres, which in turn contributes to high labour turnover. High turnover rates, which may also be due to the often monotonous and standardised nature of the work, lead to exploding costs because operating and experiential knowledge is being lost and needs to be replaced each time an operator leaves.

Since the downturn in the IT-industry in 2001, labour market shortages are no longer a major reason for the relocation of IT-work because the availability of IT specialists has increased sharply. In Germany, for example, it was estimated that even among the holders of "green cards", immigrant IT specialists who were recruited around the year 2000, unemployment reached 7% in 2003 (Schreyer 2003). However, even for the years 2002 and 2003 the availability of labour with the appropriate skills was still reported to be a major factor of locational determinants. This is of

particular importance for FDI projects related to call centres, shared services and IT-services (UNCTAD 2004:165)

### ***1.3. Economies of scale through consolidating activities and pressures for flexibility***

In several business functions economies of scale can be reached by consolidating tasks at one site and thereby reducing the cost of infrastructure, training and management (UNCTAD 2004:165). This relates to IT-services such as computing centres, software development and IT support, but also to IT-enabled services such as call centres or business process outsourcing in the HR function, for example. The infrastructure for telecommunication, data transfer and the opportunities for remote maintenance of software make it easier to consolidate activities and geographically concentrate the work. In this process, comparative advantages of regions and cost differentials do of course play a role. But it could also be observed that in the restructuring processes larger units “survive” more easily and have additional tasks transferred to them. The original geographical distribution of units or the location of newly acquired units is thus to be seen a intervening factor that could mediate regional cost differentials (Flecker/Kirschenhofer 2002).

The advantages of centralisation also lies in the area of knowledge management and the company’s attractiveness for IT specialists. A large specialised unit is more easily able to deal with the demands of technological development and it can offer better learning opportunities to employees.

In their strategies to increase flexibility companies often take recourse to outsourcing. This is most obvious in the business function customer service where excess demand (“overflow”) is often taken care of by external call centres. But also in software development and IT-support companies make use of service providers to cover peak demand. In some cases the low costs and the dependent position of the external unit in India lead customers to excessively pass on pressures for flexibility. This may even lead to the impression on the part of Indian workers that Germans (or other Europeans) are badly organised and chaotic (Hirschfeld 2004).

### ***1.4. Corporate restructuring including concentration on core business activities***

Since the late 1980s and early 1990s there is a general trend in corporate restructuring to ‘concentrate on core activities’ and to outsource tasks in a range of business functions. Apart from costs this is motivated by considerations relating to management capacities, human resource, knowledge management and quality aspects. In countries with multi-employer

bargaining, such as Germany, differentials between, and the non-coverage by, sector level collective agreements are additional motives for outsourcing (Hendrix et al. 2003).

The outsourcing and offshoring business has attracted intermediaries offering their services both to companies planning to outsource activities and to service providers. Internet-based intermediaries facilitate outsourcing and offshoring of rather small projects or tasks and provide access to offshoring also to SMEs (Flecker/Kirschenhofer 2002:23)

Restructuring involving outsourcing of the IT function is often triggered by technological change. The banking industry, for example, in recent years has increased their Internet-related activities. These posed new demands on the internal departments for information systems. The recognition that these demands could be better dealt with by specialist companies, that development times could be speeded up and reliability improved, has become one of the driving factors of outsourcing and, partly, geographical relocation. In general, rapid technological change and the complexity of IT-technology can be seen as major drivers of outsourcing because companies may find it easier to cope by way of relying on specialised external service providers (Rohde 2003:611).

In fact, quality is seen as one of the single most important drivers of offshoring by the recent World Investment Report (UNCTAD 2004:165): ‘Quality improvements were cited by large European TNCs as the third most important benefit achieved from offshoring (after reduced labour costs and other costs), often exceeding expectations’. Outsourcing to a large IT-company with a good reputation, or ‘offshoring’ to a country like India whose IT-industry is meanwhile known for high quality work, is likely to reduce the insecurity regarding achievable quality levels.

## **2. Restructuring trends in the global information economy**

Over the last years, it has frequently been argued that on the basis of modern ICT work is spatially distributed leading to “virtual” or “networked” organisations. The following example is a good illustration of such a tendency:

*Second Hand Print Ltd.*<sup>1</sup>, a UK company dealing with used printing presses, wants to completely redesign its web site, as an ever larger part of the business is taking place over the Internet. The requirements are defined and a project is put out to tender. A one-person company (in the same city) applies with the intention of having the contract actually carried out by someone else, and wins the contract on the basis of its lower bid. Subsequently this one-person company seeks a

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<sup>1</sup> All company names have been changed to assure anonymity.

suitable subcontractor through the project outsourcing agency *Brightwork*. After *Brightwork* puts the job requirements on the Internet, 12 offers come in within a week. *Fluidum*, a Hungarian company, is awarded the job, having outbid a Nordic and a British company which also made the shortlist; this company then employed programmers and web designers in western Siberia to do the job. In all, six people are employed on the sales and project management team in Hungary and 11 further people in a development office in Russia.

This example illustrates that ICT-based relocation of work, or ‘offshore-outsourcing’, is not limited to large companies that can afford costly outsourcing projects. However, such cases of outsourcing and relocation over the Internet without personal contact were very rare within the EMERGENCE sample and limited to clearly delineated and specified tasks such as the programming of websites. Interestingly, companies like *Fluidum* participate in Internet-based call for tenders only to get access to customers and try to establish long term business relations with them. The reason is that prices have to be very low not covering the costs to win a contract in this way. Wherever possible, therefore, the service providers try to avoid market co-ordination and to enter in network relations.

It cannot be denied that outsourcing and relocation of work is indicative of a tendency of disintegration of companies and the emergence of market or much rather network forms of co-ordination of economic transactions. Global value chains are emerging in the information economy that are similar to the ones in the manufacturing and marketing of consumer goods (Gereffi et al. 2003). But it is also true that ICT is used to concentrate work and to integrate companies as has been illustrated with EMERGENCE case study findings. Obviously different types of logics of restructuring do co-exist. Therefore one particular development cannot be generalised and heralded as the main pattern of work and organisation in the so-called information or knowledge society.

The various motives of relocation of *eWork* presented above already hinted at a variety of restructuring strategies and processes. In the following I would like to focus on different types of logics at work in the use companies make of new technologies for the relocation of work. This is meant to contribute to a more realistic picture of current restructuring and of today’s and tomorrow’s workplaces.

### **2.1. Window to the restructuring of global corporations**

The discussion on the network society and on micro-enterprises should not keep us from placing the relocation of *eWork* in the context of corporate restructuring used by global or transnational enterprises to seek the most favourable location world-wide for each of their functions (Kogut 1985, Dicken 1992, Dunning 1993). Intensified competition in the face of globalisation and the

increased profit expectations arising from the dominance of the financial markets are putting enterprises under pressure actually to exploit the cost-cutting and innovative opportunities that can arise from such a distribution of functions. The attractiveness of regions and cities for new locations is measured in relation to a particular function, be it production, research and development, marketing or accounting, and no longer with regard to the demands that the whole enterprise makes on a location. As a consequence, transnational companies reach a higher geographical spread and a higher degree of specialisation of individual locations and subunits.

The restructuring of companies on a national, European or global level is further aimed at the utilisation of economies of scale. European integration in particular makes it possible for companies to orient their activities directly at a supranational market. Costs can be cut by merging previously separate establishments and activities oriented on national markets. A typical example is the establishment of pan-European call centres instead of customer service activities in each country (Flecker/Kirschenhofer 2002). It is indeed to be assumed that the most favourable location will be sought for the consolidated activities, but as a rule in such a process, existing establishments are expanded and others closed.

A third aspect of transnational companies relates to processes of governance. In many enterprises bureaucratic structures have to a certain extent given way to decentralised responsibilities and internal quasi-market relationships intended to increase both flexibility and management control. On the basis of standardised technical infrastructure and business processes and under the surveillance/supervision of corporate headquarters using sophisticated management information systems, work can be relocated swiftly between the corporate units. For example, an order for an administrative service or software development can be advertised worldwide within the corporation and given to the unit offering the best value. It is important to note that not only the Internet, EDI or similar standards facilitate the relocation of work. In all sectors integrated computer systems in the form of enterprise resource planning (ERP) systems are gaining importance. They support the centralisation and standardisation of information processing and thereby make the delocalisation of work easier. Some of the case study companies already used, or recently introduced, the system from SAP, one of the leaders in the ERP market. In a way, what the network is for the world of the micro-enterprises, epitomised by the Internet, the centralised ERP system designed for hierarchical use is for the world of the global corporations.

## ***2.2. Window to the restructuring of the information economy***

Relocation of work often takes the form of outsourcing of tasks or whole business functions. We usually look at outsourcing from the perspective of the company that uses subcontractors rather than its own employees for particular work. Since the early 1990s, there have been reports on

companies reducing their activities and relying on suppliers for more and more business functions. As the research on global value chains shows, network firms control global activities with only a handful of employees of their own (Dicken 1992). This experience seems to be behind the assumptions of the network economy populated by small and flexible enterprises. What is often overlooked however is where the work is moving to through outsourcing. Freelancers and SME subcontractors are only one part of the picture. The other part consists of large, global companies offering goods and services to other businesses. Within the EMERGENCE case studies on the relocation of the IT function, for example, it was a typical constellation that activities were outsourced to multinational companies specialised in IT-services. In fact, this industry is highly concentrated: In Germany, the four biggest service suppliers (T-Systems, Siemens Business Services, IBM and EDS) between them cover 80% of the market (Boes/Schwemmler 2004). Internationally, “the expansion of international outsourcing has contributed to the emergence of a new breed of TNCs that supplies services of other companies” (UNCTAD 2004:157). These TNCs are not only active in business-process outsourcing and IT-services, such as IBM Global Services, EDS, Accenture and Hewlett-Packard, but also in the call centre industry, where the largest contract service providers are Convergys, ICT Group, Sitel and Sykes (ibid.:158).

The competitive advantage of transnational IT-service providers not only stems from scale economies or reputation. They also find it easier to follow their transnational client companies around the world and to offer seamless services. T-Systems, for example, states to be able to follow its 60 international top clients to a new location within three months (Ramioul et al. 2005). In addition, these international service providers utilise cost differentials between countries and continents by way of distributing activities internationally within the corporation or by outsourcing parts of the work. For years, German companies such as Siemens and T-Systems have applied ‘mixed rates’: They could lower the costs of software development by establishing co-operation within projects between units in Germany or Austria and newly established subsidiaries in central and eastern European countries. While customer relations and system design remain with establishments situated close to the customers, programming and coding are being relocated within the transnational corporation to central Europe, Russia or India. The EMERGENCE research findings highlighted the importance for the global division of labour of restructuring within global IT-service providers. They also showed that the movement of jobs from rural areas and small towns to big cities and metropolitan areas may also be part of this very process (Huws/Flecker 2004, Standen/Sinclair-Jones 2004).

### **2.3. Window to the dynamic of the international division of labour**

Seeking particular advantages companies relocate work, or expand activities, to other countries. Access to the market, (labour) costs and available skills and knowledge seem to be the main motives. This has already resulted in a considerable shift in the global division of labour within the information economy. In particular India has been able to reach a prominent position on the world market for software and IT-enabled services (UNCTAD 2004).

In the literature on foreign direct investment (FDI) a distinction is made between different phases of activities of foreign companies (Dunning 1993). The EMERGENCE case studies on *eWork* also revealed that relocation is best understood as an open-ended process rather than a one-off measure. Although part of the relocations is cost oriented and the new establishments or the service providers are clearly in a dependent position, these may develop further and gain a more stable position within the company or the network of firms. Whether one looks at the locations of software development in India or in the central-eastern European countries, the general trend is in the direction of upgrading the new plants, in the sense that they are granted more independence and that more responsibility for entire projects is transferred to them (Huws/Flecker 2004). In India this has very much to do with the situation on the labour market. Companies must endeavour to be attractive for highly qualified IT-specialists. Of course, sufficiently high qualifications are available on the labour market and organisational processes in place that make it possible to take on high levels of responsibility. But the limits are in the relatively high staff turnover and the usually still difficult co-operation between Indian IT-specialists and European customers.

In central and eastern European countries too, a trend towards upgrading software plants to simplify organisation and increase staff motivation can be observed. Thus, staff turnover has recently become an issue in the capitals of the central-eastern European countries, and the outsourcing strategies here are changing. Companies have started to upgrade the locations and devolve responsibility for whole projects or even customer relations on the subsidiaries. The crisis of the IT industry and the abundance of IT specialists on the labour market of high-wage countries did not result in jobs coming back. On the contrary, downsizing seems to continue while the ‘destination’ locations in low-wage countries are still expanding.

The case study on *Shore-Offshore* is a good illustration of the upgrading of Indian units also in business process outsourcing and in IT-enabled services (see Hirschfeld 2004). The international financial services company *Shore* has about 28,000 employees worldwide and a strong market presence in Asian countries. In 2000, the top management decided on the global re-engineering of the HR function. The national HR departments’ activities were to be centralised, national diversity reduced and duplications of effort diminished (*eg* the number of retirement schemes).

Once standardised, the processes were digitised and centralised in *Offshore's* shared service centre in India to an Indian affiliate of *Shore*. Part of this two-year programme also involved the automation of many processes, allowing online self-service for *Shore* employees. 140 Indian employees are now working in the HR function while a hundred HR employees of the national departments have lost their jobs.

The role Indian IT-companies play on the world market is a further indicator for the shift in the international division of labour. Companies like Infosys, Satyam or Tata have become global players. Recently Indian companies have strengthened their presence in Europe in order to be able to better address and care for customers (Huws 2003). Some of them not only realise market oriented direct investments to improve customer service but also utilise low costs in eastern Europe. Rumania, in particular, has become the target of Indian direct investment in software development because the wages are considerably lower than in India (Ramioul et al. 2005).

The shift in the international division of labour is strongly accelerated through the rise of the transnational IT-service providers. The cross-border relocation of work often is a side-effect of outsourcing to companies such as EDS, SBS or T-Systems. These outsourcing service providers based in the US or in the EU operate internationally and are therefore in a position to allocate tasks to subsidiaries in different countries considering cost differentials and availability of skills. This means that outsourcing projects of European companies, that are not intended to include 'offshoring' in the first place, partly lead to a relocation of work to eastern Europe or Asia. 'Offshoring' can thus be seen as an indirect effect of the restructuring of companies and value chains and, conversely, the internationalisation of IT-service provider companies as an important driving force of cross-border outsourcing. This dynamic can be expected to gain momentum because precisely these global players have increasingly become "key targets for investment promotion agencies seeking to attract FDI into export-oriented services" (UNCTAD 2004:158).

### **3. Conclusions**

In this paper we have argued that the investigation of relocation of *eWork* not only provides valuable insights in the characteristics and incidence of telemediated work, but that it can also be used as a window to the dynamics of the global information economy. The analysis of motives and driving forces of outsourcing and relocation, core topics of the EMERGENCE case studies, already show that the relocation of work can be part of diverse processes of restructuring. While part of the movement of work indicates a hollowing out of companies and the emergence of networks of firms, other case studies are illustrative of processes of organisational centralisation and geographical concentration of business activities.

The research on telemediated work and on processes of relocation therefore sheds light on diverse change processes in the global information economy. In particular, it can be used as a window to the restructuring of global companies, to the dynamics of boundaries between corporations, and to the emerging new international division of labour. Focussing on the micro-level and being limited in number, of course the case studies cannot provide an overall picture of the global information economy. Rather, they can improve our understanding of the driving forces, the dynamics and the consequences of current restructuring.

The boom period in the software and IT-services business in the second half of the 1990s and around 2000 and the related debate on the scarcity of IT-skills (as well as an actual lack of some qualifications on the labour market) induced many companies to explore the options of relocating work to other countries. With hindsight it can be maintained that this particular historical constellation was the crucial trigger for the development of cross-border outsourcing and offshoring. Outsourcing or the establishment of subsidiaries in central and eastern Europe or in India was not only seen as a solution to problems at hand, they were also acceptable and not very menacing to labour. The crises of the 'new economy' at the beginning of this decade profoundly changed the situation: IT-departments were no more employed to capacity and IT-specialists became unemployed. This situation however did not lead companies to undo the relocation of work and to bring activities back to the 'old' EU-member states. On the contrary: Employment seems to be reduced even further in high-wage countries, while capacities further increased in low-wage countries.

Not only cost differentials lead to a continuation of the shift in the international division of labour. The structure of the information economy has changed considerably leaving many organisations in the financial services, in the public services or in other service industries with a lower level of integration. This 'dis-integration' however only partly gave rise to a network economy populated by small specialised companies co-operating through intensive use of ICT. Rather, the high degree of concentration of the market for IT-services indicates that a 'new breed of multinationals', the global IT-service providers, are playing a key role. Because of the complementary competencies between these and their customers as well as the mutual dependence we can expect what Gereffi et al. (2003) termed 'relational value chains' within the information economy. What deserves more attention however are the hierarchical and network relations as well as the geographical spread of activities within the global IT-service providers. These aspects seem to be crucial to the development of work and to the international division of labour in software development and the IT-enabled services.

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i The project “Estimation and Mapping of Employment Relocation in a Global Economy in the New Communications Environment” (EMERGENCE) was funded under the Information Society Technologies-Programme (IST) (siehe [www.cordis.lu/ist](http://www.cordis.lu/ist)). It was conducted between 2000 and 2003 and directed by Ursula Huws (IES, Brighton, Analytica, London). Members of the project consortium were Forschungs- und Beratungsstelle Arbeitswelt (FORBA), Wien; Danish Technology Institute, Aarhus; Hoger Instituut voor de Arbeid, Leuven; Institute of Sociology, Hungarian Academy of Sciences, Budapest; Economic and Social Research Institute, Rome; Institute for Management of Innovation and Technology, Stockholm; NOP Business, London; School of Communications, Simon Fraser University, Vancouver; Faculty of Business and Public Management, Edith Cowan University, Perth, Australien; Forschungsgemeinschaft für Außenwirtschaft, Struktur- und Technologiepolitik (FAST), Berlin; ISERES, Paris; Valter Fissamber Associates, Athen; Fondacio CIREM, Barcelona.

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ii Within the EMERGENCE project some 60 case studies on motives, processes and outcomes of the relocation of eWork were carried out in “old” and “new” EU-member states covering both the “source” and the “destination”. In the Asian EMERGENCE project some 50 case studies were carried out in South-East Asia and partly in Europe.