

it in the same way. Now almost everything best is in the capitals and it is not enough for great results in economy. So then we should make a promotion for every region to get the professional skills clustering profits. Finally it will be easier to control, develop and analyze every area of economic activity.

Novitskaya M., Garin A.
Research supervisors: L. Bedritskaya, J. Vashkevich.
BSEU (Minsk)

OFFSHORE OUTSOURCING AS ONE OF THE DRIVING FORCES OF GLOBALIZATION

Today outsourcing is a common business practice for lots of companies. Generally, outsourcing is the practice of transferring operations to an outside supplier rather than performing them in-house. Offshore outsourcing, however, goes even further. It occurs when a company transfers its operations to a vendor outside the home country.

Since it was identified as a business strategy in 1989, offshore outsourcing has been developing in order to keep up with the changing objectives and strategies of businesses all over the world. Today it comprises most fields of business and various business and production process operations. More than 30 countries provide offshore services, some performing a full range of them, and some specializing on a particular kind of activity.

Among the many companies which use offshore outsourcing are such IT giants as IBM, Microsoft, Apple; PC manufacturers Hewlett-Packard, Dell, Acer; the toy manufacturer Hasbro; Boeing, the largest aerospace company; car manufacturers BMW (Germany,) Toyota (Japan); cement company Cemex (Mexico); software developer Applabs (India).

Outsourcing has become popular for a reason. It is advantageous in terms of costs and risk-sharing. It also gives the opportunity to receive high-quality services from qualified specialists. What is more, outsourcing non-core activities helps concentrate on the core ones.

Nevertheless, anything has its flip side, so offshore outsourcing has its disadvantages, most of which stem from the mistakes made by management while implementing outsourcing strategies. These include hidden costs, loss of confidentiality, lack of customer focus at the outsourced vendor, and internal disintegration at the outsourcing company.

Assuredly, there are ways to remove these obstacles. Firstly, it is important to consider all the possible costs in advance. Secondly, it is advisable to establish long-term relationships with reliable vendors to ensure confidentiality. Finally, it is more efficient to limit outsourcing to manufacturing so that the whole process of product development doesn't become disintegrated.

What concerns Belarus, the country is actively involved in providing offshore services, mostly programming and R&D (Research and Development). Highly-qualified specialists and lower wages are the main things which attract foreign firms to outsource from Belarus. Our vendors provide services to the USA and European companies.

So, as business strategies become global, offshore outsourcing comes in handy as an instrument of establishing contacts with the outside world. Thus, offshore outsourcing is a powerful tool for making the world grow smaller in terms of sharing information and technology. So, it is up to companies to decide whether to integrate it into their global business strategies.

Krakovyak, D.
Research supervisor: V. Ozhigina
BSEU (Minsk)

THE PACIFIC ALLIANCE: LOOKING AT ITS PLUSES, MINUSES, AND FUTURE PROSPECTS

It will not come as a surprise to you that 2 people are capable of doing at least twice as much as one person is; 2 companies are sure to create at least twice as much as one company is and 2 or even more countries, being united, are much stronger than just one. That is why the idea of economic alliances between neighbouring countries is becoming more and more widely spread these days. I'd like to have a closer look at the