

A REVIEW OF SUPPLY CHAIN RISK – OUTSOURCING POLLUTION PERSPECTIVE

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ABSTRACT

High costs of production in developed countries have pushed some manufacturers outsource some of their production to developing countries. The relocation through outsourcing also shifts the pollution to developing areas. Developing countries or areas, however, accept this kind of manufacturing mainly for economic benefits. After the relocation of production with pollution, developed countries have significantly less pollution, but the pollution in developing countries like China has increased significantly. In addition, after the growth of the economy, there are also significant movements of pollution within China and to some Southeast Asian countries. The objective of this review is to highlight how more pollution is generated and spread around the earth for the same amounts of products made due to lax environment control regulations and law enforcement, lower standards, lower technologies, lack of facilities for pollution control, less concept of environment control and lack of well-trained professional staff in the developing countries / regions. Furthermore, China also exports pollution. Some factories with pollution are relocated to some Southeast Asian countries such as Vietnam. In the same way, India's pollution also goes to populous neighboring countries. This study found that the total amounts of pollution are generated more in this way for the same amounts of products made and end up damage the whole earth including the rich countries. The pollution in the water, soil is also transferred between countries. The heavy industry air pollution already runs from northeast China towards Korea, Japan and further to the west coast of the USA, and finally to the whole world. This study uses content analysis through the literature review for this supply chain risk issue and develops theoretical knowledge on environmental sustainability.

Keywords: outsourcing, pollution, developed countries, developing countries, China, environmental sustainability