

The Impact of Business Process Outsourcing on the Philippine Economy

Introduction

Business process outsourcing (BPO) first became a major business phenomenon in the Philippines way back in 2001. During the onset of this new business trend, numerous investors from the UK, US and other developed countries began making investments in this line of business, employing hundreds of thousands Filipinos. Within a period of ten years, the exponential growth in this business sector led to a total revenue estimated at over USD\$6 billion per annum (Romulo, 2013). In terms of its impact on the economy, the BPO sector contributes about 4 to 5% of the country's total annual Gross Domestic Product (GDP). In addition, this business sector is recognized as the largest source of employment in the country, significant source of foreign currency earnings, and an overall major economic growth driver (Business Processing Association of the Philippines, 2010; Oxford Business Group, 2014).

Research Objectives

The aim of this proposed research study is to critically assess the impact of the business process outsourcing sector in the growth of the Philippine economy. The following are the primary objectives of this study:

- To evaluate the present state of the BPO business in the Philippines;
- To determine the growth trend in the BPO sector in the country; and,
- To gather statistical and empirical evidences on the effect of the business process outsourcing sector in the Philippine economy

Research Questions

The primary research question that will be answered in this proposed research study is: "How does the business process outsourcing sector influence the growth of the Philippine economy?". The following research questions will also be addressed in this study:

- What is the present state of the BPO business in the Philippines?
- What is the growth trend in the BPO sector in the country?

- Does the BPO sector lead to the growth of the Philippine economy?
- What is the overall effect of the BPO business in the Philippine economy?

Literature Review

The literature section of this proposed research study will include discussions on the following:

- a. **The current state of the BPO business in the Philippines-** the discussions will focus on the current size of the BPO sector, total estimated number of employees, nature of services/products of BPO companies and others.
- b. **The growth trend of the BPO sector in the Philippines from 2001 to the present year-** the discussions will focus on the growth in size of the BPO sector from 2001 to 2013, the factors that triggered the BPO sector's growth and the predicted growth trends in the next five to ten years.
- c. **The impact of the BPO business in the Philippine economy-** the discussions will focus on the economic impact of the BPO sector such as the GDP contributions and employment impact of the BPO sector.

Research Methods

Qualitative research will be applied in this proposed study. The statistical data and information that will be used in this study will be derived from scholarly journals, articles, books, magazines, conference documents, newspapers and other web-based sources that presented comprehensive information about the BPO industry in the Philippines.

Word Count: 513

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