

# **INDIA – THE CEO’S HAVEN**

by

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Due to ice and snow in Atlanta, Georgia, my visit started one day late. I arrived in Mumbai (Bombay) on Tuesday, February 1<sup>st</sup>, around midnight and could not believe the hundreds of people at the airport, or thousands of cars and motorcycles still on the roads; all of them blowing their horns - the only criteria for driving in India. I was met by Kalai from the American Center for International Labor Solidarity. She was a great hostess and source of information.

As a Steward, Vice President, Area Representative and President of Local 3808; and Staff, Administrative Assistant, and Assistant to Vice President of CWA District 3, I ventured to India with expectations of helping these people to realize how abused they are by companies bringing work to them for one purpose alone – cheaper wages. It didn't take me long to realize that \$1.70 to \$3.20 an hour, American money, is white-collar work for these people. Our biggest obstacle is stopping the erosion of U.S. work and convincing these young techies that they must be united in order to protect their rights.

In Mumbai, the telephone Company is a state-run telephone company, and it is unionized. Basically, it is a company union. Sounds like President Bush has been there.

I was amazed to learn that there are over 200 Call Centers in Mumbai alone, doing work such as bill processing outsourcing, Customer Markets – Service Rep type work, Operator work, medical transcription and many more.

Many of the young entrepreneurs have started a company only to have it taken over by the larger USA and European-backed companies.

In Mumbai we met with the Seafarers and Dock Workers Federation who are affiliated with the International Transport Federation. As in the United States, this appears to be one of the strongest unions in India. They have union stores for food, clothing, banking, etc. to help their members in desperate times.

In India the average dues is \$5.00 per year.

After one and a half days in Mumbai, our final visit was to a state Call Center. Then it was off to Chennai.

Mumbai is very crowded, very poor, very third-world and yet, in its own way, very beautiful as you get downtown and see how the Arabic Sea surrounds it.

While stopping to take pictures in Mumbai, Steve Tisza and I started talking to a young gentleman whom we learned worked in a Call Center. The work he was doing had been outsourced from the USA. We talked to him about unions, and he said, “We sure need a union. The stress is killing us.” This was the first time we felt working conditions were similar to what we encounter here.

The next three days we spent in Chanai, hosted again by the ITPF. They were very beneficial in gaining us access to the Call Centers. We owe this organization a debt of gratitude.

We visited a Call Center the first day that did medical transcriptions as well as multi-media and animation service.

The next two days were spent meeting with different union officials from the public services, banking and hotel industries as well as visiting Call Centers in Tidal Park (59,000 workers, 200 companies) a huge multi-building Call Center complex.

The work stations in all were similar to ours here, some more cramped than others.

In most of the companies we visited, we began the meetings with the CEO or Head Directors of the companies. Then, were allowed to listen in and observe the work being done.

The employees were so happy to be working and making a living 100 times better than their parents, that we heard very little negative. Where in America could you walk in and meet with a CEO who would be very open about turnover, wages, hours, overtime, etc.? Steve and I decided - no place.

In one of the companies in Chenai, we met an American gentleman named Sherman Lawrence who had been a past AT&T employee. He had left AT&T some years ago due to lack of opportunities and was now living in Chenai with his family. Mr. Lawrence told us some of the positives to his Company being in India were: 1. Prerequisite of college education; 2. Labor much cheaper. The negatives were: Instability of power, but generator backup covers computers and phones.

Although quite helpful and informative, *my negative* was an 8x10 picture of President Bush on his desk reading, “Thank you for your early contributions to my campaign.”

In many of the companies we visited, the CEO was quick to inform us that they hired the physically challenged and it appeared they always showed us their token *one*. However, we visited one small company where the CEO hired the physically challenged as the majority of his work force as most companies will not hire them even though they have a degree.

In Chanai we visited a fishing village devastated by the Tsunami. To witness the loss of these who had so little is more than I can describe and they were so thankful for the help they have received.

The next two days we spent in Bangalore, the silicon valley of India where we met Mr. Saminathan, Chairman of ITPF.

One of our main visits was to a complex on the outskirts of Bangalore where we went from total poverty into a 55-acre complex where the grounds would surpass a resort in Hawaii. It was called Infosys. The compound or campus was surrounded by fences and security would remind you of any AT&T or Bell system complex with name tags, security, etc. – until you get inside. There are 44 six-story buildings with another 16 being built. There are 8,000 employees there now.

The main company is Progeron. Infosys was started in 1981 by eight entrepreneurs with 200 employees. They handle outsourcing of business processes, banking and collections, and are moving to other ventures. Their revenue averages 9-10 million each year with last year reaching 1.5 billion. They were the first company in India to introduce stock options. 3-1/2 million students in IT graduate each year. One million apply to their company and they select the top 1%. They promote corporate branding as this is the largest IT campus in the world. Most of their telecom business is from the UK. They handle disconnects or collections from many telephone companies. This is a 24/7 operation where the turnover is about one person every four years as compared to 10% in the IT industry and 15-23% in the business overall

Employees at Infosys are given stock options, insurance, 401K plus match which is portable, free transportation to and from work, free meals, family days for visits and each employee goes thru non-discrimination training. They also have a swimming pool, exercise room, shopping on premises, game room and hotel-type rooms for those working on projects. Some of their clients are DELL, SIEMANS and AT&T. Their boardroom was so ultra modern that it looked like something you would see at the United Nations.

Alas, our trip ended and we started our journey home. As Steve and I looked back, we realized we had witnessed American jobs slipping through our fingers; yet we felt for the Indian people who were being pulled from total poverty and yet still abused. How do you mesh the two?

We witnessed outsourcing of:

- E-Accounting
- Tax Returns
- Multi-media and animation
- Call Center & Project Services
- Help Desks
- Insurance
- Medical Transcription
- Library Transcription
- Operators
- Service Reps
- Software Companies

How do we stop it? Maybe Steve is right – when they outsource the CEO's and the politicians, maybe someone will open their eyes and listen. The three most important things that I learned

was that most of the Indian workers are a kind, welcoming people who like us, want to better themselves and their families; but they are becoming educated, yet still intimidated. It was quite evident that women are not seen as equals to men. Finally, that we must find a way to educate our members so they will prepare themselves thru training for jobs of the future, otherwise we cannot compete and more and more jobs will go away.

I can only say that due to the laws and regulations of India, Pete Castelli and Kalai's jobs appear to be an insurmountable wall that must be won, one battle at a time. I truly appreciate this opportunity from CWA and the AFL-CIO to have gone and made friends. I will never forget.

We will *never* agree with outsourcing, but as Chairman Saminathan from ITPF in Bangalore said, "Outsourcing is inevitable. Can we figure a way to work together for the benefit of all mankind?"

We were asked over and over if the American people were mad at the Indian workers and I replied, "No, we are mad at the CEO's who are abusing the American workers by outsourcing their work, and the Indian workers by paying them cheap wages."

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Facts discussed with us by different Unions and Organizations:

## 200 Call Centers in Mumbai Alone

### Call Center Jobs

- A. Require a 4-5 year college degree
- B. People in Call Centers with engineer, science and other degrees
- C. Average pay \$1.70 to \$3.20 per hour, or \$12-13 a day, which is white-collar work in India
- D. Call Center employees don't like to be called "workers" – they wish to be called "professionals". "Workers" in India are unskilled.
- E. Most young people in India have no union background. They come to work and are taught unions are a nuisance. Very hard to organize.
- F. Indian management is very dictatorial. Employees are taught to do what they are told – not to think outside the box.
- G. Similar problems to Call Center workers in the U.S. exist: stress, turnover (about 8%), medical related problems. One supervisor to approximately eight employees in each center.
- H. In medical transcription, they do honor HPPA laws and are terminated on spot for violation.
- I. Most Call Center workers start at \$119.00 a month or 5,000 rupees. A senior Director would start at \$480.00 a month or 30,000 rupees.

### Education

- A. 3-5 year degree required for most technical jobs
- B. IAT campuses recruit about 5,000 students a year
  - No drop-outs
  - Must have 95 on entrance exam to enter
  - Government subsidizes – some 200,000 apply; 5,000 accepted
  - Cost to student for 5-year degree (masters) is 200,000 rupees
  - 2.5 million English-speaking college graduates each year; 25% are IT graduates
- C. Literacy in India is 57%
  - 43% can't read
  - 35% below poverty level
- D. 15 official languages spoken in India
  - English is their secondary language and is started with kindergarten
- E. Unions are banned in certain zones in India due to past militant image

- F. Government is hands-off on union discussions with IT Centers. They say let the business grow, *then* we will address minor issues such as stress, turnovers, night shifts, etc.
- India offers USA and Europe to bring business in -
    - No taxes
    - Free shipping
    - No unions
    - Many times, free land
    - Cheap labor
- G. There are 50 million trade union members in India – 55% of the total population of workers. 74% are agriculture/farm workers, forest workers, cigarette workers, etc.
- House workers – maids, cooks, drivers – laws have been enacted to protect minimum wage for these people. \$1.00 a day going now, thanks to ITPF, to one Euro a day.
  - Child labor below 14 not allowed, but not enforced
  - Three standards of living
    - Minimum – house, clothing, food
    - Living – minimum, plus health and education
    - Standard – these, plus holidays and benefits
- H. In India, people very family-oriented. Push back at time away from their families. Most Union companies have 25 holidays a year. Approximately 30 days vacation, plus religious holiday.
- I. Unions
- There are 16 national centers like the AFL-CIO
  - Trade unions must organize by donations
  - Most unions stand alone, moving away from hub (AFL-CIO) type unions
  - Must be careful in organizing as government controls permits, visa's , etc. Big stumbling block for Pete Castelli with AFL-CIO Solidarity Center.
  - Public service organizations and banking most powerful
  - Most union organizers 60+ years old, built unions, don't want to diversify, don't want new people.
  - Seven members can start a union in India
  - In a government union, one termination case can take 5-20 years to solve as these cases are heard in the courts.
    - 5 years in lower court
    - 5 years in high court
    - 5-10 years in superior court
  - No incentive to join due to delay tactics.