

Lost Your Job Yet?

Opinion by
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APRIL 12, 2004 ([COMPUTERWORLD](#)) - Frank Hayes' fears about techies bailing out of a declining American IT workforce are already being realized ("[ITAA's Job Dream](#)").

I've done it. I concluded that IT is largely a dead-end career for Americans and opted out so that my wife could pursue advanced degrees in education and move up in a field that can't be so readily outsourced or filled by guest workers. I rebelled at my former employer's "wage compression," outsourcing and use of H-1B and L-1 visa holders.

One year ago, I resigned my IT job at NCR Corp., a Fortune 500 company based in Dayton, Ohio, because I was too disgusted and demoralized to continue working in a profession I enjoyed after my employer made it evident that American workers are disposable and replaceable no matter how loyal, productive, competent or well educated. I concluded there was no future for me at NCR or in IT. Like many other corporations, NCR was indifferent to its employees and American society. And, like many other companies, it has thoroughly embraced the policy of outsourcing.

NCR's outsourcing partners are HCL Technology and Saytam, which provide an IT workforce in India. NCR also has a contract with Accenture, and it has an Indian subsidiary that is also hiring a non-American workforce and isn't subject to American taxes or workplace laws.

Unlike Frank Hayes, I don't believe that it's widely possible to dodge the offshoring bullet by building up business skills and increasing face time with users. This sounds good, but techies are very busy with responsibilities. And I've noticed that IT writers seem a bit uncertain about how techies should remain competitive. Not long ago, we were being urged to gain new technical skills. How certain is anyone that broader business skills are now the answer to job retention? The truth is there really isn't much certainty regarding the actions to take or the skills to acquire to prevent outsourcing job loss. After all, many of us in the IT workforce have learned the indisputable truth that outsourcing and use of IT guest workers is really all about slashing labor costs, not increasing the quality of products and services.

I came to these conclusions long before the most recent ITAA study, which was the subject of Hayes' article. The public statements and actions of people like Harris Miller of the ITAA, Carly Fiorina of Hewlett-Packard, Sam Palmisano of IBM, and Lars Nyberg and Mark Hurd of NCR made it abundantly clear that there were declining opportunities for American IT employment. Many of us in the IT workforce saw the writing on the wall. I'm just more fortunate than most in that I was able to walk away altogether.

Though people like Miller and Fiorina deny it, America's displaced IT workers don't lack for skills or education. There is no urgent need for guest workers and no internal shortage of technically trained workers. Technology hasn't made American IT workers outmoded. Access to cheaper, more submissive and more manageable non-American labor has just made American IT workers undesirable and frequently unemployable.

I am not a person who expects others to manage my career or provide me lifetime employment. But on the other hand, I don't expect my government or powerful multinational corporations to conspire to undermine my employment opportunities and, more broadly, eliminate job opportunities for Americans. As I told Bob Herbert of *The New York Times* ["Dark Side of Free Trade," Feb. 22, 2004], I'm a moderate conservative now alienated from the Republican Party and the Bush administration because of free trade, outsourcing and the H-1B/L-1 visa programs championed by free-trade ideologues. People such as me are often disparagingly referred to as "disgruntled IT workers" by both politicians and many in the news media. Our arguments are dismissed as sour grapes and we are told to face reality. In other words, shut up and get another job because outsourcing will continue and it's part of doing business today.

The Visa Problem

Offshoring isn't the only way that American jobs are being eliminated. Many companies are also insourcing, importing low-wage, nonimmigrant H-1B or L-1 visa workers into the U.S. These visa programs are championed by people like Harris Miller and the member companies of the ITAA and are used by hundreds of multinational corporations intent upon cutting labor costs.

As with outsourcing, many in the media and politics make inaccurate statements regarding the H-1B and L-1 visa guest worker programs. These misrepresentations provoke frustration and anger similar to that evoked by the latest ITAA study. For example, *The Washington Post's* editorial "[Cap on Hiring](#)" states, "It isn't possible to argue that the holders of these visas bring down American wages. No one doubts that they do jobs for which there are clear, well-defined shortages of Americans." This is complete nonsense. Such statements are totally at odds with the reality of how these programs are used to replace American IT workers all over the U.S.

Some in Congress do believe there is a problem of job loss related to the H-1B and L-1 guest worker programs. On Feb. 4, 2004, the House International Relations Committee held a hearing called "L Visas: Losing Jobs Through Laissez-Faire Policies?" The testimony of Michael Emmons, Sona Shah and Patricia Fluno provided firsthand evidence of how L-1 visa programs are used by corporations to systematically replace Americans (and those who hold green cards) while abusing the imported visa workers. (A video [webcast](#) of the hearing is available.)

The H-1B visa program has long been used as a tool to facilitate outsourcing and circumvent the labor costs of American IT workers. Norman Matloff, professor of computer science at the University of California, Davis, has written extensively on this subject and testified before Congress about how the H-1B program has injured American IT workers. He is clear that the H-1B program is premised on misrepresentations and false studies. He has a new [article](#) on the subject in the *University of Michigan Journal of Law Reform*.

I have direct knowledge of these issues through my experience with outsourcing and guest worker replacement programs at NCR. I watched non-American (Indian) workers enter NCR facilities in the U.S. and receive "knowledge transfers" from American IT workers. Then the Indian replacement workers usually returned to India to do the work previously performed by the Americans who had trained them. On other occasions, the replacement workers remained in the U.S. on H-1B or L-1 visas and continued to perform necessary IT work in the same buildings in which the Americans had formerly worked.

This is not an urban legend; I watched it happen. It has occurred all over the U.S. Understandably, Americans who remain in IT jobs often work in fear of job loss since employers now have ready access to low-wage guest workers and have displayed a ruthless lack of concern for the American workforce. Most of us who have gone through this experience have finally realized that we are competing with a Third World wage scale while our employers continue to charge U.S. prices. It's not fair and it's not just, but thanks to the actions of the U.S. Congress and successive presidents, it is completely legal.

The Retraining Fallacy

Free-trade and outsourcing proponents publicly hold out the option of retraining into other professions, but these other professions are mostly unidentified. The reality, as I told Bob Herbert, is that there aren't any new middle-class postindustrial jobs for displaced Information Age workers. There are no opportunities to leverage our experience into higher-value-added jobs. Instead, there are persistent credible accounts of software engineers taking low-wage unskilled jobs just to survive.

Health care is often cited by outsourcing and free-trade proponents as an area in which new jobs are available. Free traders don't care to mention that many white-collar workers would see dramatic decreases in their earnings (wage compression) even if they could afford to undergo the time-consuming and costly retraining necessary to enter the health care profession. In any case, software engineers changing bedpans and giving injections would be a waste of resources and educational capital. What a loss of skills and knowledge to our economy! What a costly betrayal of workers!

There is no employment rebound for IT workers. Recent college grads or new entrants into IT can't even get jobs on help desks, which are now increasingly moving offshore. The reports from companies such as Challenger, Forrester and Gartner all point to increased IT outsourcing and use of IT guest workers. "Global competitiveness" sounds good in corporate boardrooms and political speeches, but the reality is that increasing numbers of American IT workers are suffering and losing confidence in our political and business leaders. We are locked in a merciless, unrestricted competition with low-wage workers of the developing world. This is ultimately an unwinnable competition. American IT workers, like many in the middle class, are learning that education, skill and hard work are no longer indicators of success. It's all about cheap labor -- a fact not lost on Harris Miller, Carly Fiorina, Mark Hurd and Sam Palmisano.

Global free trade is ultimately an emperor with no clothes. As Paul Craig Roberts has discussed in ["Clarifications on the Case for Free Trade"](#) and ["The Harsh Truth About Outsourcing"](#), the premise

for free trade to be beneficial to all parties is that some comparative advantage must exist for all parties. This is not possible with the full worldwide mobility of labor and capital. The U.S., its workers generally and American IT workers in particular have no comparative advantage in the world today. Nations such as China and India command an "absolute advantage" over the U.S. This situation is more than just the result of what Frank Hayes calls the "ITAA's fumbled efforts to hype the benefits of offshoring," and if it leads to an IT staffing nightmare for American corporate HR departments, my response is, "You reap what you sow."

John Pardon is a former technical writer, software engineer and database administrator who has worked for a number of software development and IT corporations. Since his departure from NCR in early 2003, he has written on the topics of outsourcing and the H-1B and L-1 visa programs, inspired by his own experiences and those of other U.S. IT workers, notably Scott Kirwin, founder of the [Information Technology Professionals Association of America](#), and [Michael Emmons](#). Emmons' story was told in Computerworld's sister publication, CIO magazine [["The Radicalization of Mike Emmons"](#)]. Pardon can be contacted at jpardon@worldnet.att.net.