



[Print](#) | [Close](#)

## Our pain, their gain

Monday, October 18, 2004

By **HUGH R. MORLEY**

*Second of five parts*

[▶ Series archive](#)

As a boy, Santosh Kumar figured he'd follow in his father's footsteps.

For 22 years, his father worked at one of India's deepest, oldest gold mines, maintaining a water pump at the top of a shaft thousands of feet deep. There weren't too many alternatives in the South India village of 10,000 people where Kumar grew up.



CARMINE GALASSO / THE RECORD

"We never knew outside that mining town," he said. "Had the mine been going, I probably would have gone in the mine. That's what people did."

But the 129-year-old mine closed in 2002. And Kumar, 27, is now a consultant for offshore outsourcing company Polaris Software Lab Ltd.

The ascendance of a mineworker's son to a highly paid job in India's most glamorous, fastest-growing industry reflects the rapid pace at which offshore outsourcing is changing life in this populous country.

Kumar and his generation are competing fiercely for lucrative jobs exported from the United States that will carry them from the mines, farms and poverty of their youth to the New India.

But for every offshoring success story in Chennai or Bangalore, there is often a tale of woe in Wayne or Ridgefield Park, where older American tech workers who also chased the dream of doing better than their parents face bitter choices and uncertain futures.

The job pays \$13,000 a year, a fraction of the U.S. salary

Polaris, a Chennai company with annual revenues of \$142 million and U.S. headquarters in the Iselin section of Woodbridge, N.J., has provided IT services to companies such as Citigroup, Commerce Bank, AIG and Johnson & Johnson. It pays Santosh Kumar 50,000 rupees a month, or about \$13,000 a year, to head a team of software developers. That's many times more than what he would have made in the mine and far more than the average Indian earns.

But it's less than 25 percent of what the same job would fetch in the United States.

His success, like that of many of his peers, gave his family fortunes a dramatic boost. His was the third generation to live in the Kolar Gold Fields. Both his grandfathers were farmers there, cultivating rice, sugar cane and silk, and one was also a miner. And because they had so many children - one had 10 children and the other eight - the two families struggled constantly, Kumar said.

Kumar's father, Krishna Murthy, 51, forged a slightly better life for his family. He got a diploma in mechanical engineering, which led to his job on the surface, instead of in the mine, Kumar said.

The family lived in a two-bedroom, single-story concrete house with a garden, the property of the mining

company, which also owned the town schools and community center.

As the country advanced slowly, so the family gained some of the economic milestones of the era - albeit far later than in the West. They had a television in the mid-1980s and a refrigerator by the end of that decade. They never owned a car until Kumar recently bought his parents a Hyundai - a major status symbol in a country where only seven out of 1,000 people own a car.

As the mine's closing drew near, Kumar's family pointed him toward college, where his interest in tinkering with radios led him to technology, and a master's degree.

"IT was the booming industry," he said. "Everybody was going into IT. From a student's perspective, it was the highest paid industry."

IT offered advancement based on merit, rather than time served.

"It's pretty defined in these old industries," he said. "The more experience you get, that's when you are promoted. But IT doesn't work like that. When people see you are capable of managing a team, you are given the opportunity and the time to deliver."

Kumar has already had one promotion at Polaris, and at the moment he helps lead a team that works for a Japanese bank.

He shares a two-bedroom apartment in the coastal city of Chennai with two other IT workers - one for Polaris and the other for iNautix Technologies, a subsidiary of Bank of New York. They split the rent - 9,500 rupees a month, about \$210 — and \$22 a month for a maid who cleans and cooks.

Kumar's neighborhood surrounds a tiny village square, where women in brightly colored saris sell stacks of bananas. On a recent evening the beating of a drum and the sounds of a wedding rose from a banquet hall three doors down. Inside Kumar's apartment, books about Bill Gates and George Harrison and Kumar's passion for classic rock were only the most obvious signs of Western influence.

"In the last 15 years, Indian culture has changed a lot, which it hadn't in the last 40 years," Kumar said. "In terms of the standard of living, the culture, we are getting more Western. That's the mark of a developing country. We hope it develops soon."

### **Ridgefield Park man sees job lost to India**

Gregory Fernandez felt the impact of India's growing IT skills two years ago when he returned from a Disney World vacation with his 9-year-old daughter to find his world thrown for a loop.

He had barely walked into the Somerset office complex where he worked as a programmer for Computer Sciences Corp., when he bumped into a colleague.

"My friend said, 'Hey, guess what? The second wave of offshoring has occurred,'"

recalled Fernandez, 50, a single-parent father from Ridgefield Park.

He reacted to the news with a short, sharp expletive.

The same day in July 2002, he was told that by the end of the year he would lose his \$81,000-a-year job. The job would be shifted to India to cut the cost of providing computer services to AT&T, Fernandez said.

He is still jobless, severed from an industry that had employed his family for generations: his grandfather, John A. Riener, worked in the telecom industry, and Fernandez's three brothers still do.

Riener was an inspector for Western Electric, then the manufacturing arm of AT&T. Fernandez's father was a Navy radio operator during World War II, went to Fordham on the GI Bill and spent most of his life selling

aircraft parts. By the time he retired, he was vice president of an aircraft-parts company.

It was a stable upbringing - family fun at Palisades Amusement Park and Bear Mountain, summer vacations at the Shore -that gave Fernandez the first tastes of a better life.

"We were the first ones to have air conditioning in the Sixties," he recalled. "We had a car. We had color TV when it came out in the 1960s."

It didn't take him long to see the value of work. At 9, he was helping a friend deliver papers. At 11 he had his own route, and while in high school he worked in a Saddle Brook book warehouse.

After graduating from Ridgefield Park High, Fernandez joined New Jersey Bell in 1972, installing phones for \$3.26 an hour. He spent 10 years working during the day and going to college at night, earning a business degree and then an MBA from Fairleigh Dickinson.

In, 1982, he was accepted into the company's computer-training program.

"I saw it as an avenue of advancement," he said. "Something I could do inside rather than climbing telephone poles in the winter. At 40 or 50 years old, who wants to be doing that?"

He spent the next 20 years as a programmer, leaving the industry briefly in the mid-1990s, and returning about a year later to take a job at AT&T. When he did so, Fernandez said, he noticed that many of the programmers were Indian nationals with U.S. work visas. They earned about half what he did.

In 2000, his job was transferred to Computer Sciences Corp. And in November 2001, he was told he had five months to find another job within the company, because his old one was going to India.

While he conducted the search, Fernandez said, he trained his successor, a young Indian programmer.

"It was like a kick in the ass," said Fernandez. "Here I've got to train this guy who is taking my job. It's not a real comfortable feeling, I'll tell you that."

Though he managed to find a job 10 days before he would have been laid off, Fernandez luck finally ran out eight months later, when that job was cut, too.

Computer Sciences Corp. declined to comment, but released a statement saying: "Any recent job actions within CSC relative to the AT&T account are not directly related to movement of work to India. CSC, like most global Fortune 150 companies, strives to work efficiently and economically for its clients, and provide service delivery from the most cost-effective source."

Fernandez said that in the last 23 months he has sent out about 400 résumés, had three telephone interviews and one face-to-face interview.

Now, he is setting up his own Web page design business (ABD-Enterprise.com), and dabbling in real estate.

He has about \$4,000 left of \$160,000 in savings, he said. He drives a 1988 Mazda he bought from his brother-in-law for \$500.

Neither he nor his daughter has health insurance, he said.

"I never thought I would be in this situation," Fernandez said as he sat in his Ridgefield Park home. "I guess you can't expect to have a job for life anymore."

He has given up on a return to IT work - mainly because he sees no point in retraining to keep up with the fast-changing IT industry.

"Why would I torture myself?" he said. "It's got to the point where I don't see a future in IT. More and more jobs are going to India. If I did get a job, how long would it be before that goes to India?"

Even a star glances over his shoulder

Uncertainty dogs Hari Krishna, too, even as his career in the white-hot IT center of Bangalore takes off like something out of the 1990s Internet boom.

In seven years, Krishna has had five jobs. He was sought out and hired as a network engineer by one company - software developer Virtusa of Boston - after little more than a 15-minute telephone interview, he said. And his salary has increased tenfold since he joined the industry.

Yet even as his star rises, Krishna, 31, is wary of the relentless corporate search for cost-cutting. Echoing his U.S. counterparts, he dismissed the suggestion that his future is stable.

"It's a very uncertain field," he said. "You can never know - there is so much competition coming up from China, the Philippines and other countries, that you don't know when the companies can pick up and move jobs to China and the Philippines."

These days, Krishna is a senior support analyst for Oracle, the California-based software company, earning about 50,000 rupees a month, or \$13,000 a year, and supervising eight programmers.

He chose the job partly to give himself exposure to the United States and its work culture. From Bangalore, he helps maintain the company's global computer system in Austin, Texas. When the U.S. technicians go home at night, Krishna and about 38 colleagues - working a day and evening shift, Bangalore time - keep the massive company's system running smoothly.

He flew to the company's Austin and San Francisco offices in January and spent three months learning skills from his American colleagues. He came back with a cheap DVD player and a flat-screen Panasonic television that now holds a prominent place in his small, sparsely furnished living room.

Indeed, for all his relative wealth, he lives a modest existence. He has no car, preferring to save for the house he and his wife, Kavitha, 25, hope to buy within six months.

Like her husband, Kavitha has worked in offshoring, transcribing recorded notes from American doctors.

Krishna grew up in Hyderabad, the son of a homemaker and a lawyer who both instilled in him a serious approach to school.

"Most of the time, we'd study," he said, recalling his college days. "That's what was taught to us to really have a good future, that there is nothing in sports and other things. ... The emphasis was on education."

He graduated in 1997 with a degree in mechanical engineering from one of India's highly rated institutes of technology. Jobs were scarce in the auto industry - his first choice - so he focused on IT, which was starting to boom as corporate America sought software programmers to solve their Y2K problems.

He spent 35,000 rupees - about \$800 - on a computer-training course. The move changed his life.

Though his IT salary is twice what he'd make in the auto industry, Krishna said he sometimes yearns for the simpler, more predictable lifestyle he could have had.

"There is not so much stress in that job," he said. "You go at nine, come back at five. Forget the work. Here, it's not that way. Definitely, there is more stress here in IT. You have to upgrade to the latest technologies and you are basically on-call all the time. Your job is not 9 to 5, it's not your time."

Husband and wife see their jobs go overseas

Charles Hroch knows about job stress - though for him, it's the stress of not having a job.

The computer programmer thought he had lucked out when IBM said he could work from home. No more commutes, he figured. Flexible hours. A better way to care for his young son.

"I thought it was a good thing," said Hroch, 40.

But it wasn't; it was the first step toward losing his job.

After all, if he could work from Monroe Township on a job in East Brunswick 10 miles away, why couldn't the work be done by someone thousands of miles away, someone willing to work for a fraction of what Hroch made?

In June 2001, Hroch said, he was told that the work he was doing would move to India.

He managed to find another position within the company, but the reprieve was short-lived. In June 2003, he learned his new position was being cut, too. By the fall he was jobless.

By then, however, Hroch knew the routine. Fifteen months earlier, his wife, Carol, a business analyst for IBM, also had been laid off. She, too, had worked from home.

Her job went to Canada, she said.

An IBM spokesman declined to discuss "specific client engagements," adding that, "it's important to note that most of our clients have global operations, and require a global, 24/7 delivery capability."

The couple said they knew virtually nothing of offshoring until they became victims of it.

"I don't think we realized how big of an impact it was - the havoc it would wreak," said Charles, during a talk at the table in the family's kitchen. But they would soon find out.

Charles and Carol met in 1995 at AT&T, and fell in love.

Both came from families drawn to the United States by the same yearning for a better life that attracts many immigrants, including many Indians.

Carol, 46, a Brooklyn native, is the descendent of Italian immigrants. Her grandparents, originally from Palermo, went through Ellis Island in 1910. Her father was a foreman in the New York Department of Highways.

Carol joined AT&T in 1981 as a billing representative. In 1994, she became a billing analyst, tracking customer phone usage through the company computer.

Charles, the descendent of Irish and Czechoslovakian immigrants, was born in Rahway. His mother was a gate attendant for Eastern Airlines and his father was a computer programmer.

Charles studied computer science at Embry Riddle Aeronautical University in Florida. He joined the ROTC hoping to become a pilot, but settled for computer programming. In 1990 took a job with AT&T in East Brunswick, programming software that documented and billed corporate long-distance calls.

They married in 1996 and had Zachary, now 6. They live in a 2,500-square-foot, four-bedroom colonial with a swimming pool in back.

Three years later, AT&T outsourced the work and the people who did it to IBM: the Hrochs and their colleagues became employees of Big Blue.

"We were doing the same job, just a different name on the paycheck," Carol said. "They said the contract was 10 years. ... So, of course, we didn't worry about our jobs. We didn't look for other opportunities."

In August 2000, IBM suggested they work from home.

"No difference at all. What you did at work, you did at home," she said, in a no-nonsense manner. "Virtual officing was a really popular thing at that time."

Less than two years later, Carol was laid off; Charles' turn came 15 months after that.

Though Carol had trouble finding a job, Charles was not worried.

"I thought it would be easier for me because I had the training and I had a degree," he said. But he soon learned otherwise. "I'm looking for a job and there was nothing. I would be celebrating if I got a call back."

Slowly, their life began to unravel. When they were laid off, both were making about \$60,000. Each got severance of about \$10,000, and they lived on unemployment.

They have taken no vacations and have cut back on spending, Carol said. For a while, they couldn't afford to keep up their health coverage. And with a \$1,900 mortgage payment, they eventually had to sell an investment property in East Brunswick, using the \$195,000 to pay credit card bills and debts.

"Oh, my God, we were almost going to lose our home," said Carol. "We were almost at the point of divorce. It was very stressful. I felt that he wasn't looking enough. He felt that he was. It was terrible.

"My son was getting upset about this," she said. "Because we rarely fight. it was very stressful for him too. ... Around the table we would say grace. And Zak would say: 'Dear God, please let Dad find a good job.'"

Finally, last February, Charles took a job as a waiter at an Italian restaurant.

"I remember the first time he came home from working at the restaurant. He started to cry," said Carol Hroch. "He said, 'I don't deserve this. I should be sitting at that table, not serving these people.'"

To make matters worse, they said, they couldn't afford retraining to learn new skills. They have now joined a lawsuit against the federal government, demanding that it pay to retrain computer and office workers whose jobs went abroad, just as it does for manufacturing workers.

In April, the Hrochs found some relief: Charles found a temporary job as a business analyst for Merck Health Solutions in Montvale. The salary is similar to his old one. But the job ends in December.

Carol, who now works as a school bookkeeper, has given up on IT.

"I'm done," she said. "I don't think I can live through another layoff. ... I feel now for people who lost their jobs in manufacturing. It's a living nightmare.

"You can't find a good job, a job that was comparable to the salary you were making," she said. "It's impossible to sustain the lifestyle that you are accustomed to, that we worked for. I'm very angry that no one is doing anything about this."

Dividing time between very different worlds

Krishna Rathi's mother, Chand, had cried when he told her that he was going to work in Los Angeles for a month or two.

Chand's two daughters had recently married and moved out of the family's small, four-room apartment in

Chennai. Now, her only son, a computer programmer, would leave - albeit temporarily - as part of his work for outsourcing company Polaris Software Lab Ltd.

"I have never been far away from here," said Rathi, 26, one recent evening. He sat cross-legged on a flattened mattress on his living room floor. "I have been with my parents always."

Nearby, his mother - a handsome woman dressed in a purple sari - sat on the floor, her arms decorated with gold amulets. She interrupted frequently in the Marwari language, saying she hadn't wanted to be separated from her only son.

Nevertheless, in January 2003, Krishna Rathi left. He made four trips to California that year, visiting a Polaris client, training there and returning to Chennai to do client work.

Rathi stands astride two worlds: that of the smart, air-conditioned order of a global outsourcing company - with its standards and décor set by corporate America - and of the traditional, chaotic and impoverished urban India.

Polaris was his first job after getting a business degree and studying computers at one of India's prestigious Institutes of Information Technology, modeled after MIT.

Until then, he was heading for accounting, the profession of his father and his grandfathers.

These days, Rathi's mother is focused on finding her son a bride. The problem is that, at 6-foot-4, he is so tall that she can't find anyone compatible.

"There have been people where the alliances is right," she said, referring to the Indian tradition of arranging marital vows between people from affiliated families. "But the height is wrong: 5-foot-2, 5-foot-3. Too short."

On a recent evening, as Krishna opened his door to visitors, a bullock stood outside, tethered to the door a few yards from the cart it pulls around the city delivering goods.

Krishna lives on the top floor of a three-story walk-up with a wrap-around balcony in a section of the city that bustles with import and export business. Motorized rickshaws, bicycles and motorbikes buzzed and rattled down the narrow, bumpy streets as a group of men stood and talked outside a tiny electronic repair store stacked with old radios and cassette players.

Water is delivered to the building by tanker, stored in the basement and pumped up to the apartments. It's an unreliable system, Rathi explained. So on this evening the apartment was filled with large plastic buckets of water, just in case the supply runs out.

The family moved into the apartment four years ago. They were able to flee a building that had even worse water problems, thanks to the extra income generated when Krishna joined Polaris. Though he declined to specify his income, a company official said the job typically pays 25,000 to 30,000 rupees a month, or \$550 to \$650.

Out of that paycheck, Rathi pays 900 rupees, or \$20 a month, for water, and 4,000 rupees a month for rent - about \$90. He hopes soon to buy a 1,000-square-foot, single-story house, which will cost 2 million rupees, or almost \$45,000.

Rathi bristles at the suggestion that India is poor, and says that the IT industry is helping to create a better future.

"I'm proud to be in this field, which has changed the country," he said. "Globally, it has made India a nation to be reckoned with."

E-mail: [morley@northjersey.com](mailto:morley@northjersey.com)

**Copyright © 2004 North Jersey Media Group Inc.**  
Copyright Infringement Notice User Agreement & Privacy Policy

[Print](#) | [Close](#)