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## **Lobbying in U.S., Indian Firms Present an American Face**

By ANAND GIRIDHARADAS

MUMBAI, India — In the heat of the 2004 presidential race in the United States, [John Kerry](#) compared outsourcing to treason, Lou Dobbs harangued against it on CNN and the Indian outsourcing vendors were left scrambling.

Engineers to the core, their leaders fired back with data-packed PowerPoint presentations. Outsourcing is good for the economy, they said. It increases efficiency. It creates more jobs than it costs. But in the eyes of many Americans, those arguments proved no match for accounts of laid-off software engineers.

“Telling someone who loses their job in North Carolina or Jacksonville that this is good for the economy doesn’t work,” said Phiroz A. Vandrevala, an executive vice president at [Tata Consultancy Services](#), one of the largest Indian vendors, who serves as a Washington strategist for Tata and other Indian companies.

But if four years is a lifetime in Washington, it is an eternity in Bangalore. And as the 2008 campaign starts to pick up speed, the Indian outsourcing companies have returned to Washington as veritable insiders, slicker and better connected than ever.

They have hired a former official in the Bush administration as a lobbyist. They are humanizing the issue by bringing Americans they have hired into meetings with politicians.

And, most striking, they have mastered the Washington art of waging proxy battles through local organizations, which allows them to not appear to be foreigners with an agenda.

Lakshmi Narayanan, the chairman of the National Association of Software and Service Companies, which represents the Indian outsourcing industry, agreed that the approach was crucial. “The moment Nasscom says something, it is a vested interest,” he said. So in

the last few months, Mr. Narayanan said, the trade group has decided “to provide the data, work behind the scenes, but really to be fronted by the local organizations.”

The Indian companies are mounting this effort out of fear that the pressures of the presidential election, and of the Democratic primaries especially, will induce candidates to lash out at Indian vendors. Their business model is a perpetual lightning rod: the companies carve out tasks from their American clients and perform them more cheaply in India or other places with low costs for overhead and labor.

The Indian vendors’ main worries are two Democratic candidates: Senator [Barack Obama](#) of Illinois, whose campaign has hinted at opposition to outsourcing, and [John Edwards](#), former senator of North Carolina, who is running a populist campaign. Many Indian executives consider Senator [Hillary Rodham Clinton](#), Democrat of New York, more sympathetic to their industry, but they are concerned that she will be compelled to match the others’ statements in a tight contest.

The Democrats’ new majorities in Congress were built in part on opposition to unpopular facets of free trade like outsourcing. For the Indian companies, a recent attempt in Congress to further restrict visas for skilled workers underscored that a storm is gathering.

Some in Washington would like to make outsourcing an issue again, said one Washington lobbyist who represents some of the Indian companies and who asked not to be identified because of company rules.

But if the movement against outsourcing is roused again, it will find itself jousting with a changed opponent. The Indian vendors have in no way strayed from their belief that outsourcing benefits both India and the United States. But they have found smoother ways to get the point across.

The Indian trade group has hired as its chief Washington lobbyist Robert D. Blackwill, a former senior White House adviser who served as the ambassador to India for the Bush administration. As the president of Barbour Griffith & Rogers International, an arm of one of the most powerful lobby shops in Washington, he is a heavy hitter on Capitol Hill.

Over the last year, Mr. Blackwill and the Indian companies' executives have met with staff members of more than 100 lawmakers, said the lobbyist who asked not to be identified.

Mr. Vandrevalla said executives from the Indian companies visiting the United States, including those on a trip organized by the Indian trade group in May, have met with aides to all the major presidential candidates, including Mrs. Clinton, Mr. Obama, the former New York mayor [Rudolph W. Giuliani](#) and Senator [John McCain](#), Republican of Arizona. Several months ago, he said, the National Association of Software and Service Companies had an evening reception for members of the House's India caucus. It drew 40 to 50 people.

But the core of the Indian vendors' new strategy appears to be removing themselves from the limelight. Outsourcing is not about us, goes the new pitch to lawmakers, it benefits Americans, including ones in your district.

The Washington lobbyist who asked not to be identified said that a focus of the campaign was to collect data on Indian companies' investments in the United States and then to lobby members of Congress from districts where those investments have created jobs.

For example, a lawmaker from Washington State might be told something like this: Indian outsourcing companies may funnel some Seattle-area technology jobs to India, but with the affluence that creates in India, more and more Indians are flying. That has made India a huge buyer of [Boeing](#) aircraft and thus a creator of jobs in the Seattle area, where Boeing does much of its manufacturing.

Kiran Karnik, the president of the Indian trade group, said his organization has collaborated with research firms like the [Brookings Institution](#) and the Heritage Foundation. His group shares data on the outsourcing industry and provides access to Indian companies. It has also made what Mr. Karnik described as "symbolic" donations of about \$10,000 to \$15,000 to each of the major research organizations it works with. "Because we're able to give them a lot of data on information technology in India," he said, "maybe that enables someone to write a good paper on the global trade in services."

The Indians have also begun to use their own customers, which include the largest United States companies, as proxy soldiers. The vendors and

the clients belong to trade groups like the Information Technology Association of America, which help coordinate lobbying campaigns in which American chief executives write op-ed articles for newspapers or address Congress on topics that serve the American companies as well as the Indian vendors.

“We don’t want to be seen as very active there because it can seem that India is trying to poke its nose into the debate,” Mr. Karnik said. “We would prefer that the active effort of working the Hill is done by U.S. companies.”

Indian-American political groups in the United States can also be effective proxies. **The U.S.-India Political Action Committee has defended outsourcing vendors, most of whose employees are in India, although the group represents Indian-Americans. A profile of Mrs. Clinton on the group’s Web site notes that “even though she was against outsourcing at the beginning of her political career, she has since changed her position.”**

**In an internal memo leaked in June, staff members from the Obama campaign contended that Mrs. Clinton’s ties to wealthy Indian businesspeople had made her favor outsourcing. The memo cited the Clintons’ ties to Vinod Gupta, an Indian entrepreneur who founded InfoUSA, one of the United States’ largest brokers of information on consumers. Mr. Gupta, a major fund-raiser and benefactor for the Clintons who was nominated for ambassadorships by President Bill Clinton, was detailed in the Obama memo because his company outsources to India and he has vocally supported the practice.**

In a sign of their changing approach, the Indian vendors are also imitating a tactic used against them in the last election: putting a human, and preferably American, face on the issue.

Tata Consultancy has, for example, brought its American communications director, Mike McCabe, into meetings with lawmakers’ staffs and to a recent technology conference in Washington, according to an Indian executive who is familiar with the meetings and who asked not to be identified because of his organization’s privacy rules. The executive said the objective was to remind politicians that Tata hires Americans.

The Washington lobbyist who represents some of the Indian companies said that when the opposition paints outsourcing as bad for the United States, proponents can counter by making Americans the face of Indian companies.

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