

Much has been written about the negative impact of globalization on the world's poor, and especially on women. But globalization also opens up new economic opportunities if poor women producers and workers are enabled to take advantage of them. The need for assistance differs between independent producers on the one hand and wage workers in export industries on the other. In the former case, the need mainly is for increased access to global markets. In the latter case, the need mainly is for better organizing so as to bargain for better wages and working conditions.

This edited volume brings together six case studies. Three link local producers with global markets: a cocoa cooperative of 45,000 producers in Ghana who are co-owners of a chocolate company in the UK; family-based cooperatives in Samoa which produce organic virgin coconut oil for export; and small enterprises in Mozambique which are helping to regenerate the cashew processing and export industry. Three focus on improving the working conditions of the hundreds of thousands of wage workers in global value chains: those in the fruit exporting industry in South Africa; those in the garment export industry in Bangladesh; and those in the newly created call centres in India.

Each case study is written by a team of international and national researchers and aims to present decision makers with concrete examples which can spread the gains of globalization to the working poor through shifting the balance of access, power and returns within global value chains.

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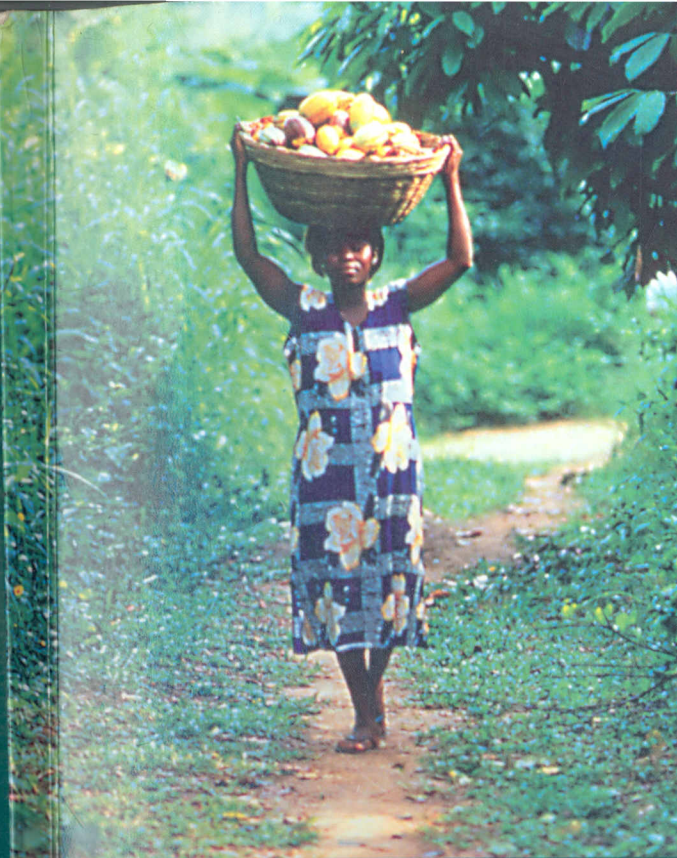
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CHAINS OF FORTUNE

Linking Women Producers and Workers with Global Markets Edited by Marilyn Carr



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On the Threshold of Informalization: Women Call Centre Workers in India

Swasti Mitter, Grace Fernandez and Shaiby Varghese

1 Introduction

The issue of offshore outsourcing of Information Technology Enabled Services (ITES), needed in areas such as customer care, data entry and medical transcriptions, has become central in the current discourse on the world trading order.¹ Most of the analysis, however, has focused on the implications of outsourcing for workers in the North and it has remained persistently gender neutral. This chapter aims to redress the balance by providing a perspective from the South and from the women involved. It does this in order to assess the opportunities and threats that the growing volume of offshore outsourcing of ITES from high-wage to low-wage countries poses for traditionally disadvantaged groups such as women in the poorer parts of the world. It highlights areas of policy intervention which could augment livelihood and employment opportunities for underprivileged women on a secure basis in the information economy. In the spirit of the UN Millennium Development Goals, which aim to reduce poverty and gender inequality, the chapter bases its arguments on a brief preliminary survey of the consequences of the relocation of customer care services to call centres in India, a country that is the prime receiver of outsourced ITES jobs. Call centres as an institution have been chosen not only because the centres have become an important focus of the North–South dialogue, but also because:

- women form the majority of call centre workers;
- the training required to be an operator in a call centre is not as expensive as the training needed to work in the software sector;

- with initiative and imagination on the part of policy-makers, NGOs and donor agencies, such training could be given to women and men from semi-urban and rural areas where poverty is generally more endemic than in the cities and towns.

The opportunities that call centre jobs open up for women and men in India, however, need to be assessed in the context of the vulnerability of these jobs in the face of:

- rapid technological changes that are likely to erode the relevance of the skills that women have acquired and can offer to call centres; and
- the growing protectionist lobby in the North against the offshore outsourcing of customer services and other ITES work.

Export-oriented development, as epitomized by the booming ITES sector in general, and call centres in particular, thus presents aspects of informalization based on the latent insecurity in the sector. However, as this chapter argues, the skills and expertise acquired in the process can be extended to strengthen the information and communications technology (ICT) base of the national economy, geared to the needs of the local communities and not simply to the business needs of overseas clients. The best practice, in this context, will be to combine global knowledge with local expertise to alleviate the problems of inequality based on class privilege and gender. The strategic vision should be to link the global with the local so that women, together with other disadvantaged groups, can aspire to have sustainable employment.

The experience of India could have significant implications for other Commonwealth countries in the South and the factors underlying India's success, including the role of the government in creating a conducive environment for the growth of employment opportunities, offer a basis for replicating the Indian experience elsewhere.

It is within this framework that the chapter evaluates and assesses:

- the benefits and threats that offshore outsourcing of ITES jobs bring to women in the South;
- the informalization of employment that these new jobs imply;
- the possibilities of extending the benefits of these jobs to under-privileged women of the South;
- the roles that policy-makers can play in utilizing the potentials of service sector jobs for poverty reduction.

2 The Global Information Technology Enabled Services Industry: The International Story

In the 1980s and 1990s, the introduction of computer technology led to an effective fragmentation of production processes and facilitated the outsourcing of manufacturing jobs from high-wage countries to low-wage ones. Young women in developing countries, inside and outside export processing zones, were the major recipients of these jobs. The implications of global assembly lines, particularly in textiles, clothing and electronics, for the quality of women's working lives have been an important area of debate and discussion in policy circles and NGO networks. Similar and perhaps more dramatic changes are now taking place in the relocation of service sector jobs, again involving women in the developing world.

The relocation of service sector jobs mirrors the experience of 'runaway' manufacturing jobs and is a consequence of business strategies as well as of technological advances. The convergence of computer and communication technologies, culminating in networking technologies, has made it possible to digitize a vast amount of information that can be transported, processed and retrieved to and from a distant location at little cost. From a technical and productivity standpoint, an information-processing worker sitting 6,000 miles away might as well be in the next cubicle and on the local area network. In this scenario, with the cost of telephoning steadily falling, the advantages of relocating ICT-related and ICT-enabled jobs from the US or the UK to India, Malaysia or Ghana are obvious. It costs a US company \$13,000 to hire a new graduate, with combined IT engineering and business skills, of the Indian Institute of Management, Ahmedabad. A Stanford University graduate with similar qualifications can demand somewhere in the region of \$95,000. These are what the trade describes as world-class graduates (*Business*, September 2003:116), but the cost differentials are equally noticeable at the relatively low-skilled end of the information processing sector, as in customer care services, medical transcriptions work, processing of airline tickets, accounting and tax return forms. These are described generally as Information Technology Enabled Services and are opening up novel opportunities for women. The worldwide market for ITES is set to grow at a rate of 66 per cent per annum in the coming years and it has been estimated that it will be worth more than \$500 billion in 2004 (Bhattacharya *et al.*, 2003). These services are a very important part of the Business-to-Business (B2B) component of e-commerce, arising out of what is described in trade journals as the offshoring of business process outsourcing (Mitter, 2004b). A large proportion of these new jobs are likely to be exported to low-wage countries. The logic is simple. The average annual wage of an

employee in a call centre in the UK is £12,500 (US\$23,000); the average annual wage of a similar employee in India is £1,200 (US\$2,210) (*BBC News Online*, 15 December 2003).

Thus, globalization now offers women in some developing countries opportunities to find employment in the ITES sector, arising from offshore outsourcing by global corporations, on an unprecedented scale. Women also gain because these jobs are of much better quality than those previously on offer in export-oriented manufacturing. Yet there are reasons to be cautious. Call centres primarily cater for the needs of overseas companies which control the supply chain – including the final market as well as the technology. Strategic decisions are taken outside the host countries with national policy-makers and employees having little or no say. In order to encourage global companies to bring business and employment, policy-makers sometimes alter or modify national employment regulations and legislation, which may or may not be to the advantage of the employees.² In addition, relocation of service sector jobs raises demands for protectionism from the trade unions and the public in high-wage countries which increases volatility in the South.

It is against this background of unpredictability in the quantity and quality of export-oriented service sector jobs that national policy-makers need to ensure that women, a traditionally disadvantaged group, do not bear the brunt of sudden adjustments if foreign companies pull out and some or most of the jobs disappear.³

3 The Global ITES Industry: The India Story

Growth of ITES in India

At the beginning of the new millennium, the worldwide demand for ITES was projected to grow at the dramatic rate of 66 per cent per annum (*Communiqué India*, No. 2, February 2002); India considered that it had the potential to bid for a large part of this market.⁴ In 1999, NASSCOM (National Association of Software and Services Companies), projected that by 2005 nearly 1.1 million Indian workers would be employed in ITES in India. By 2008, ICT services and back-office work in India is expected to swell five-fold to become a \$57 billion annual export industry employing four million people and accounting for 7 per cent of India's GDP. India's export-oriented ICT services are expected to generate 20 million jobs by 2020 – a welcome prospect in a country where 200 million people will be entering the workforce during the same period (*Business Week*, 8 December 2003) and where the unemployment rate for young men and women is already high.

There are no gender-disaggregated statistics on employment in outsourced ITES in India, although according to the Deputy Director of the

Box 1: Gender Structure in Back-office Services

Routine: requiring only basic skills – women predominate

- Data capture and processing
- Customer call centres – for routine queries, order taking and referrals
- Hotel or rental car reservations
- Virtual service centres (e.g. home delivery pizza companies)

Discretionary: requiring technical training and problem solving – women predominate

- Data verification and repair (e.g. optically scanned documents)
- Claims processing
- Mailing list management
- Remote secretarial services.
- Customer call centres – account queries, after-sales support

Specialized: requiring specific expertise and managerial authority – men predominate

- Accounting, book keeping, payroll processing
- Electronic publishing
- Customer call centres – problem/website design and management
- Dispute resolution
- Technical transcription (e.g. medical, legal)
- Medical records management
- Technical online support
- Indexing and abstracting services
- Research and technical writing

Source: Adapted by Swasti Mitter from *I.T. Information Technology*, Vol. 11, No. 2, December 2001, EFY Enterprises Pvt Ltd, New Delhi

Confederation of Indian Industries (CII) at least 40 per cent of these newly created jobs are filled by women (Field Survey, 2002).⁵ Prospects for women workers look good in this sector because the ITES segment of e-business is more resilient than the software sector. In the last few years volatility in the

US economy and on Wall Street has affected the volume of e-business in software. Even a NASDAQ-listed company such as Infosys, India's second largest listed exporter of software services, came under pressure as US clients sharply cut their spending on technology services (*Financial Times*, 11 April 2002). Yet Infosys has invested US\$5 million in setting up a business process outsourcing (BPO) unit as it expects to receive a steady supply of back-office tasks such as bill processing.

ITES that refer to relocated back-office operations open up opportunities for women. Yet one should be cautious about the future. There are various types of back-office services, requiring different levels of skills from women and men, and there is a discernible trend to hire women in operations that require less complex skills (Box 1). Businesses in ITES are generally seen as low margin and high volume, requiring repetitive skills that are amenable to automation. Thus, while jobs may disappear in the next phase of technological change, this type of work currently provides much-needed cushioning to companies such as Infosys against recession in the US and other client countries.

An additional reason for caution is that, in addition to threats of redundancies as a result of technological changes, most ITES jobs are 'footloose' in nature, and there is growing competition among Commonwealth countries in the South to attract these jobs. African countries such as Ghana, which have made visible entries into the internet economy, are attracting some of the jobs that went previously to India. Wages in some African countries are much lower than those in India and the lower cost makes these countries attractive sites if the requisite environment and skills can be found for outsourcing companies in the US. The average wage of a data entry operator is US\$480 per annum in Ghana; the wages for a worker with comparable skills is US\$1,250 in India and US\$25,000 in the US. These footloose jobs open up new opportunities and higher pay for women in Ghana, a country with a lower per capita income than India (*Business*, September 2003:159), but as with labour-intensive, export-oriented manufacturing jobs, there is reason to be concerned about the quality of work in what are sometimes referred to as 'electronic sweatshops' (Box 2).

India's comparative advantage

In spite of competition from other developing countries and the difficulties that global companies face in operating in India, it has been the most popular site of ITES outsourcing by US and UK based companies, particularly for call centres.⁶ It is worth exploring the reasons for this.

India is a country of contrasts. Despite its presence in the global digital economy, it contains the largest number of poor people in the world. 300

Box 2: Do Run-away Jobs from India Create Electronic Sweatshops in Ghana?

If you are caught playing your radio too loudly in Times Square, selling ice cream while parked in a Harlem crosswalk or dumping your kitchen trash in Prospect Park, your ticket does not go to City Hall to be processed: it goes to Ghana. Just days after the tickets are written out on New York City streets, they are scanned and sent as digital photographs to computers in a small office in downtown Accra, Ghana's hot and crowded capital. From New York's perspective, it hardly matters whether the work is done in Africa or Delaware: the contract is simply a way to process the half-million environmental tickets the city hands out every year. It is good work, by Ghanaian standards. The typists earn 500,000 cedis a month (almost US\$70) – three times the Ghanaian minimum wage and more than twice the average per capita income) to type the offender's name, address, fine and offence location into a searchable database that is sent back to New York. It can then be stored electronically and used to generate payment notices. The company's contract requires it to return the transcribed information with an error rate of no more than 1 per cent and within 48 hours of pick-up. The employees work in revolving eight-hour shifts that run 24 hours a day. They are immaculately dressed and sit silently at computer terminals, typing as fast as they can in a plain office. The workers get one 30-minute and two 10-minute breaks per shift to use the bathroom, eat and call friends. Their computers have no e-mail because it could be a distraction. Soon, workers will be paid by the keystroke, with deductions for errors. Data Management, the name of the office, is the largest internet centre in West Africa. Visitors at the internet centre downstairs jokingly call Data Management an 'electronic sweatshop'. But the jobs are so popular that dozens of people apply for each opening, even when the company does not advertise. And to many people in this city of open sewers and vast unemployment, the data entry operation represents a beacon of hope.

Source: Worth, 2002

million Indians subsist on less than \$1 a day; more than one-third of India's 1.3 billion citizens are illiterate. At the same time India has certain features that make it a prime site for relocated service sector jobs. The relatively low cost of manpower makes India a very attractive base for sourcing cross-border IT-enabled services. India's large English-speaking, highly educated and low-wage talent pool has established itself as one of the fastest-growing

outsourcing services markets in the world. A 12-hour time zone difference with the US and other markets for medical transcription or call centre services is also in India's favour. An article in *McKinsey Quarterly* in 2001 rated India as the highest preferred offshore service area among all countries. A recent survey by NASSCOM found that almost two out of five Fortune 500 companies currently outsource some of their software requirements to India. According to a study done by McKinsey, IT-enabled services offer an even better future than software and can generate substantial revenue and employment for India over the next four years.⁷ In the UK, unions predict that up to 200,000 jobs in the finance sector will be moved offshore, mostly to India, as companies take advantage of India's cheaper labour costs. A. T. Kearney Inc. in the US predicts that 500,000 services jobs will go offshore by 2008. State governments in the US, like the private sector, increasingly use India to manage everything from accounting to food stamp programmes (*Business Week*, 2003:67).

Cheaper labour costs are only one reason for choosing India as a place to relocate services. India also offers a conducive environment which other developing countries do not have. There are more IT engineers in Bangalore (150,000) than in Silicon Valley (120,000), creating an enabling cyber culture. India now produces 2 million college graduates a year (a number which is expected to double by 2010), of whom 80 per cent are English-speaking (*Economist*, 13 December 2003). Another country, the Philippines, that is well equipped to compete produces only about 300,000 English-speaking graduates a year. India's main competitors are China and Malaysia. Currently the cost of operations in India is 37 per cent lower than in China and 17 per cent lower than in Malaysia, but China in particular is putting its resources into the quality of education so that it can remain competitive in the ITES sector.

In addition, government policies in India have helped to provide an enabling framework for the industry. By the late 1990s, recognition of the potential of the ICT industry had led to the establishment of the National Task Force on IT and Software Development, and the Ministry of Information Technology. The Export-Import (EXIM) Policy 2003 has removed some of the formalities that stood in the way of software exporting organizations; this has also helped ITES companies in the country (*NASSCOM BPO News Online*, April 2003).

In March 2003, the Indian Cabinet approved a proposal to ratify the ILO Night-work (Women) Convention to provide flexibility in the employment of women during night shifts, and the State of Maharashtra has enacted laws to remove restrictions on women working night shifts in the ITES industry provided some conditions are met (*NASSCOM BPO News Online*, June 2003).

The pioneers in India who first began to host outsourced services in the country got business from American Express and British Airways in the early 1980s. Some of the key multinationals that have already outsourced their work to India include HSBC, Standard Chartered Bank, Hewlett-Packard, Microsoft, DELL, American Express, Convergys and GE Capital. Norwich Union (Aviva) in the UK, which announced it was transferring a further 2,500 jobs to India, is just the latest in a long line of companies ranging from Abbey to Tesco, British Airways and National Rail Enquiries which have transferred sizeable parts of their operations to India. A NASSCOM survey of the ITES market covering 310 companies revealed that the average number of employees in a company in the ITES sector is 190, within which there was an enormous range from as few as four to as many as 16,000 workers.

A turning point in the industry came when GE Capital began to set up large call centres around Delhi in 1996, thus demonstrating that relocation could take place on a large scale and giving the centres a high visibility. Within ITES, customer care has emerged as the most important segment with call centres catering to customer queries from overseas countries booming in India, not only because of low wages, but also because of the availability of high quality workers. Nearly all Indian call centre workers have college degrees. In contrast, many of their American counterparts are high school graduates. More education can be helpful, as consumers increasingly need complex technical or financial information. In addition the attrition rate is much higher in the US compared with that in India, where call centre jobs are seen by men and women as lucrative, at least in the short run, and not a dead-end job as they are seen by employees in the UK and US.

Call centres in India

One of the most publicized types of relocation of ITES from developed to developing countries is in the area of customer care services. Call centres are characteristic institutions of the internet economy and represent distant and/or external sites of companies for answering customer business queries. Offshore call centres are located in low-wage, multilingual countries where overheads are relatively low. There are already more than 160,000 men and women on the payroll of Indian call centres in India; approximately 45 per cent of them are women. In some companies, the figure can be as high as 70 per cent. Companies are now scouring the towns and countryside away from the big cities to locate employees who can be trained for jobs in these centres. If the trend continues, women in India are likely to benefit, at least in terms of quantity of work. The question that needs to be addressed is that of the sustainability and desirability of these jobs.

Box 3: Wipro Spectramind Pvt. Ltd – Case Study of a Company with Local Ownership

The New Delhi-based company Wipro Spectramind Pvt. Ltd is owned mainly by Wipro, one of India's software giants, which has 96 per cent of the shares in the company. The other 4 per cent is owned by Spectramind's management. The company claims to be the first third party outsourcing company in India and also one of the main BPO companies in the country with five centres in different cities and a sixth about to be opened in Calcutta. The company undertakes a large number of jobs outsourced by various companies located in different parts of the world, mainly in the UK and US. Assignments include services at the lower end of the value chain such as medical transcription from dictaphones as well as higher-end services such as providing technical support and marketing products through voice processing.

The company opened in 2000 with around 320 employees. Today there are 10,000 employees in the five centres, of whom 3,000 are employed in the Delhi centre. In Delhi, the ratio of female to male employees is 45:55 at the lower levels of the hierarchy and around 37:63 at higher levels. In Maharashtra the proportions are reversed, perhaps reflecting a more liberal society. All employees have a minimum qualification of graduation. Methods of recruitment include advertisement and campus recruitment. Candidates are screened, short-listed, and required to participate in group discussion and interview. Recruitment is followed by two months of rigorous training on accent, grammar and the culture of the client country. Employees are allocated responsibilities according to their performance during training. For senior managers, recruitment is done mainly through personal reference. Head-hunting by current employees is encouraged and a monetary incentive given for identifying suitable applicants. Advertisements are also placed on the company notice board so that employees with appropriate qualifications and experience can apply for promotion. The company prefers young people, who are expected to be more efficient and have better computer skills.

There has as yet been very little research on the business strategies and recruitment pattern of call centres. However, a brief survey undertaken by the authors in 2003 during the preparation of this chapter helps to provide some information. The survey covered two typical call centre companies in India, one a subcontractor and the other a subsidiary of an overseas company. This gives some indication of the growth of the call centre business and the impact of this on women (Boxes 3 and 4).

Box 4: Msource Corporation – Case Study of a Subsidiary of a Foreign Company

The Bangalore based company, Msource Corporation, is a subsidiary of Mphasis-BFL, itself a subsidiary of a leading US-based remote e-services company, .t. It was one of the first companies to establish a fully operational international call centre in India. It has two operations centres, one in Bangalore and the other one in Pune. Msource's main area of work is customer service, which is provided to foreign companies. It claims to provide high quality, value-added contact centre services and BPO services to Fortune 500 companies. Msource provides inbound and outbound voice services, as well as transaction processing and web-based services to many clients, including a US-based financial house and credit card company

The company started in 2000 with a small staff of 30 which has now grown to 3,200 people. More than 90 per cent of them are graduates and the remainder are postgraduates. Most of the employees are from educated and socially and economically well-off families. Most of them are unmarried. The majority of employees are female, although only a few women work at managerial level, and most are in their early twenties. They generally work for up to two years and then look for better prospects. Most of the female staff leave the job after marriage.

Working conditions

Recruitment in the call centres surveyed is done through advertisements, campus interviews and agents. Graduates and talented undergraduates are recruited after resumé screening, telephone interview, group discussion, written test and interview. After recruitment employees are provided with training for a period of 80 days on language, accent and the culture of different countries and about their work/product. There are regular trainers for these purposes, many of whom have been trained abroad. Salaries are not fixed and are completely dependent on experience and performance. The average initial salary for customer service employees is approximately Rs.8,000 per month (approximately US\$175). This increases to Rs.12,000 (US\$262.5) per month within a year. Trainers get around Rs.15,000–18,000 (US\$328–394) per month and managers get Rs.35,000–45,000 (US\$766–985) per month. Employees are given incentives and extra remuneration from time to time through competitions and there are possibilities for employees to reach higher levels within the recruitment rank. The employees are generally given two days leave per month.

Box 5: Electronic Sweatshops: The Mixed Reaction to Call Centre Jobs in India

'But to tell you the truth, the work itself is very boring. There is nothing creative or challenging in the work itself. Sometimes, we wonder what are we doing here.'

'As compared to other factory jobs, getting 5,000 rupees as a start seems good. That is only till you have family responsibilities.'

'We work five days a week. The off-days may vary from one month to another. But that is fine. Besides, we have meetings of the teams every once a month. We can raise any issue we want to in these. Like if we have problems with taking leave or anything.'

'But the main thing is that all of us want to leave at some point; so there is not much of an interest in improving things. You talked about some organization or collective body of employees. No, we don't have any such thing. That is the reason. There is not that sort of interest.'

'I like the job, find it challenging and feel that this industry has given the younger generation, especially girls, a welcome opportunity to know about the world and also to be able to earn well. The job has given me a sense of freedom, especially in terms of money and the training received has given me a lot of self-confidence.'

Source: Gothoskar, 2000

In almost all call centres in India, there are activities round the clock in different shifts. There are, however, adequate breaks during the shifts. Companies such as MsourceE organize 'family days' where parents of young employees are invited to interact with management and discuss their problems. Parents are reassured that their daughters may be working unconventional hours, including night shifts, but are doing a perfectly safe, decent and socially accepted job.

Since the centres are open 24 hours a day, it is standard practice to have a doctor on call. Facilities including gymnasiums, reading rooms and internet browsing centres are often provided to help employees keep fit and relaxed. The major problem, attrition of employees, is handled by encouraging employees to participate in relaxation programmes. Companies worry about women leaving once they marry as shift work, particularly at night, is not seen as compatible with married life. There are additional anxieties about

Box 6: Hi, I'm in Bangalore (but I Dare not Tell)

With frosted glass and funky amber lights playing off the turquoise walls, the offices of Customer Asset look more like a Santa Fé diner than a telephone call centre in southern India. The cultural vertigo is complete when employees introduce themselves to a visitor.

'Hi, my name is Susan Sanders, and I'm from Chicago', said C. R. Suman, 22, who is in fact a native of Bangalore and fields calls from customers of a telecommunications company in the United States. Ms Suman's fluent English and broad vowels would pass muster in the stands at Wrigley Field. In case her callers ask personal questions, Ms Suman has conjured up a fictional American life, with parents Bob and Ann, brother Mark and a made-up business degree from the University of Illinois. 'We watch a lot of *Friends* and *Ally McBeal* to learn the right phrases', Ms Suman said. 'When people talk about their Bimmer, you have to know they mean a BMW.'

'Or when they say "No way, José", there is no José', added Ms Suman's co-worker, Nishara Anthony. Nishara Anthony and C. R. Suman seem all-American at work in Bangalore, India. Ms Anthony goes by the name Naomi Morrison and, if asked, says she comes from Perth Amboy, N.J. The point of this pretence is to convince Americans who dial toll-free numbers that the person on the other end of the line works right nearby – not 8,300 miles away, in a country where static-free calls used to be a novelty. Call centres are a booming business in India, as companies like General Electric and British Airways set up supermarket-size phone banks to handle a daily barrage of customer inquiries. The companies value India for its widespread use of English and low-cost labour.

Source: *New York Times*, 21 March 2001

losing trained employees who are often poached by rival companies.

With a buoyant demand for employees who are computer literate and speak English, call centre jobs present young women with opportunities that they have never experienced before. The salary of \$200 to \$400 a month may look small by American or British standards, but it can provide a high quality of life in India. The work environment also appears to be women-friendly and caring

However, there is a high attrition rate among young women, reflecting to a large extent the stress that they experience in call centre jobs. The work is also highly repetitive and leads to burn-out syndrome. It is understandable that the call centres are often described as 'electronic sweatshops'.

A serious problem in the export-oriented segment of the business is that employees generally have to pretend to be European or American in order to convince the customers that the answers are not coming from offshore countries and that their personal information is not sent outside their country of residence. The cultural schizophrenia that this pretence entails on the part of the employees (Box 6) has its cost.

Despite the concerns and stress, however, women employees generally appreciate the benefits of newly found opportunities and acknowledge the social and economic empowerment that these jobs have brought.

4 The future

Security of employment

The reasons for apprehension about call centre jobs relate mainly to their long-term sustainability. Although located in the formal sector, the newly-created jobs display characteristics that verge on the informal. Insecurity in employment arises not so much from the current conditions and contracts of employment. It is more to do with the fact that the business is controlled by global companies that could withdraw their custom without having to face resistance either from the employees or from the national government.

The call centre jobs, as we know them now, may disappear as changes in technology may soon alter drastically the volume and the nature of call centre service provisions. Instead of providing a central base, call centre services may be provided virtually, supported by fast data communication linkages among a network of home-based teleworkers with consequent erosion of employment rights. The deployment of a portfolio of web-based technologies (Internet, Intranet and Extranet) may also reduce the market for call centre service provisions. In banking, for example, customers may organise their own transactions with the computer of the main company without the intermediation of the call centre operators. In this new techno-environment, instead of focusing upon a single task, call centres will be engaged in multi-dimensional tasks. Women will need to have access to generic training in order to retain their share of the evolving call centre jobs of the future.

Employment in export-oriented services sectors, including in call centres, is also highly volatile, as it depends a great deal on the economic and political climate in the client countries. India is already at a cause for concern in the US where politicians are starting to view offshore outsourcing as the root of the jobless recovery⁸ in the technology and services sectors. An outcry in Indiana recently prompted the state to cancel a \$15 million IT contract with Tata Consulting Services. The telecom workers' union is raising concerns and the US Congress is probing whether the security of financial and medical

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The reasons for apprehension about call centre jobs relate mainly to their long-term sustainability. Although located in the formal sector, the newly-created jobs display characteristics that verge on the informal. Insecurity in employment arises not so much from the current conditions and contracts of employment. It is more to do with the fact that the business is controlled by global companies that could withdraw their custom without having to face resistance either from the employees or from the national government.

The call centre jobs, as we know them now, may disappear as changes in technology may soon alter drastically the volume and the nature of call centre service provisions. Instead of providing a central base, call centre services may be provided virtually, supported by fast data communication linkages among a network of home-based teleworkers with consequent erosion of employment rights. The deployment of a portfolio of web-based technologies (Internet, Intranet and Extranet) may also reduce the market for call centre service provisions. In banking, for example, customers may organise their own transactions with the computer of the main company without the intermediation of the call centre operators. In this new techno-environment, instead of focusing upon a single task, call centres will be engaged in multi-dimensional tasks. Women will need to have access to generic training in order to retain their share of the evolving call centre jobs of the future.

Employment in export-oriented services sectors, including in call centres, is also highly volatile, as it depends a great deal on the economic and political climate in the client countries. India is already at a cause for concern in the US where politicians are starting to view offshore outsourcing as the root of the jobless recovery⁸ in the technology and services sectors. An outcry in Indiana recently prompted the state to cancel a \$15 million IT contract with Tata Consulting Services. The telecom workers' union is raising concerns and the US Congress is probing whether the security of financial and medical

records are at risk. The state legislature in New Jersey is proposing to make it compulsory for every call centre to identify its location and to give the caller the right to insist that her/his call be re-routed to a call centre in the US. There are similar protectionist pressures in the UK. As Norwich Union shed 2,350 jobs and exported the work to India, the Amicus trade union criticized the decision as despicable and vowed to fight it (*BBC News Online*, 11 December 2003). The UK Trade Secretary, Patricia Hewitt, announced on 6 December 2003 that she would be commissioning an independent inquiry into the implications of off-shoring (Connon, 2003).

More than a trickle down

Although call centres have brought much-needed employment opportunities for women in India, the informalization and potential disappearance of the jobs created warrants caution and action in India, and provides lessons for other Commonwealth countries. In particular, in the face of technological change, the movement of custom in search of lower wages and a protectionist global trading environment, it is important to think through strategies to limit the economic disempowerment of women, if and when these jobs disappear. An important strategy could be to use the current boom in outsourced work to create a climate of cyber culture where skills and expertise gained in providing services to overseas companies could be used to meet local needs on a sustainable basis. The spread of e-governance, as in Hyderabad, India, for example, opens up possibilities of improving productivity and employment opportunities of non-elite men and women in relatively simple information processing work.

The skills and expertise acquired through call centre jobs could also be used to promote self-employment. Familiarity with computer technologies and acquisition of expertise in the use of networking technologies in local communities could likewise enhance opportunities for marketing goods and services even from rural areas where the majority of the poor live. For example, the use of internet technology in monitoring the fluctuating price of soybeans in major markets has given farmers a competitive edge in trading in India (*New York Times*, 1 January 2004). Such success stories, based as they are on local experience, initiatives and needs, should not be difficult to replicate if interventions and assistance from government and donor agencies are provided in the area of infrastructure and technical training. However, the benefits of such interventions, in the absence of a gender focus, will elude women.

Finally, the benefits that globalization has brought or is likely to bring to the poor or underprivileged women and men of India are contingent on wider issues of education and life chances. Access to basic tools and networks is expensive and is thus beyond the means of the majority of India's

one billion population. The cost of infrastructure, however, may not be the most restrictive factor. Some community projects, including one in West Vinod Nagar in Delhi, initiated for slum children by the Institute of Social Studies Trust⁹ and supplied with computers by the Habitat Learning Centre,¹⁰ reveal that it is the lack of literacy, particularly in English, rather than the cost and availability of tools, that is the real obstacle which prevents children from slums being connected to the network world. Average literacy rates in India are low at 65.4 per cent, and particularly low among women at 54.3 per cent (2001 Census). Gender disparity in literacy rates essentially reflects the overall gender inequalities in access to material resources. In the New Economy, the question of gender and class inequalities remains just as valid in assessing sustainability, replicability and indigenization of best practices as it was in the Old Economy. Policy-makers need to take this into account in formulating measures which deal with the benefits and costs of ITES jobs.

Notes

- 1 The ITES industry refers to services delivered over telecom networks or the Internet to a wide range of business areas. Most of the functions are human intensive where technology is used as a tool to provide the services. Because of their human-intensive nature, these processes and services can be outsourced in order to achieve a cost advantage without giving up quality. ITES covers mainly back-office operations like accounts, financial services, call centres, data processing, geographical information services, human resource processing, insurance claim processing, legal database processing and payroll processing.
- 2 For example, night shift work for women.
- 3 For a discussion of this fear see Mitter, 2004a.
- 4 According to NASSCOM's 2001–2002 data, the MNC segment emerged as an important contributor to total software and services revenue with a share of 27 per cent, of which 45 per cent is ITES services.
- 5 Interview by Swasti Mitter with Sushanto Sen, the Deputy Director of CII, India on 8 March 2002.
- 6 Call centres in India face challenges that need to be addressed in order to achieve sustainability. One major challenge for the industry is the attrition rate, which is lower than in the US or UK but at 30–35 per cent is still high, apparently due to stress or low levels of job commitment. Staff working at call centres tend to be young and aspire to further study and other professions. Most women leave the job after marriage – and most Indian women marry young. Company response to staff attrition has included recruitment from smaller towns and cities, the hiring of older staff who are more dependent on income from their jobs, provision of nearby housing to cut down on commuting time and stress and the provision of various in-house entertainment/relaxation programmes to deal with job stress.
Another major challenge is meeting the high expectations of customers from different parts of the world. It has recently been reported that Dell, the world's largest computer seller, is scaling down technical support services in India because its corporate clients have complained about the poor level of service they were receiving. For the emerging management skills that the client company and the subsidiaries/subcontractors need to learn for successful quality control and transnational networking, see Bhattacharya *et al.*, 2003.
- 7 The UK trade union Amicus estimates that as many as 50,000 jobs have already been 'moved overseas', as the consultants term it. Employment consultants Addecco predict that by 2008, 200,000 more posts will follow – half the new call centre jobs it expects to be created by British companies over that period.
- 8 Jobless recovery happens when an economic upturn is not accompanied by a rise in employment. In the US in the last quarter of 2003, only 1,000 jobs were created in spite of an economic upturn. For the importance of ITES outsourcing to India in the current US Presidential campaign see, 'Bush Administration shows more support of free trade', *Online New York Times*, 31 April 2004; Finding lessons on outsourcing in 4 historical tales', *Wall Street Journal*, 29 March 2004.

- 9 For more information, see ISST's Community Centre: http://www.isst-india.org/Outreach_FccCommC.htm
- 10 Habitat Learning Centre is the innovation of India Habitat Centre, Delhi, to provide computer literacy to underprivileged children.

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