CALLING FOR RESISTANCE: THE POLITICAL ECONOMY OF INDIAN AND CANADIAN CALL CENTRE INDUSTRIES

by

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Abstract

Call centres have in the last three decades come to define the interaction between corporations, governments, and other institutions and their respective customers, citizens, and members. From telemarketing to tele-health services, to credit card assistance, and even emergency response systems, call centres function as a nexus mediating technologically enabled labour practices with the commodification of services. Because of the ubiquitous nature of the call centre in post-industrial capitalism, the banality of these interactions often overshadows the nature of work and labour in this now-global sector. Advances in telecommunication technologies and the globalization of management practices designed to oversee and maintain standardized labour processes have made call centre work an international phenomenon. Simultaneously, these developments have dislocated assumptions about the geographic and spatial seat of work in what is defined here as the new international division of knowledge labour. The offshoring and outsourcing of call centre employment, part of the larger information technology and information technology enabled services sectors, has become a growing practice amongst governments and corporations in their attempts at controlling costs. Leading offshore destinations for call centre work, such as Canada and India, emerged as prominent locations for call centre work for these reasons. While incredible advances in technology have permitted the use of distant and “offshore” labour forces, the grander reshaping of an international political economy of communications has allowed for the acceleration of these processes. New and established labour unions have responded to these changes in the global regimes of work by seeking to organize call centre workers.
These efforts have been assisted by a range of forces, not least of which is the condition of work itself, but also attempts by global union federations to build a bridge between international unionism and local organizing campaigns in the Global South and Global North. Through an examination of trade union interventions in the call centre industries located in Canada and India, this dissertation contributes to research on post-industrial employment by using political economy as a juncture between development studies, critical communications, and labour studies.
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It’s difficult to account for all of the people and events that led me to complete a project that has consumed the past six years. My time at Queen’s University in the Department of Sociology started in 2003 when I first began graduate school as a Master’s student, so it seems like a better part of my adult life so far has been invested in finishing the PhD. Kingston has much to offer by way of people and community, so the city itself has contributed a great deal to my academic and personal development over the course of my graduate career. The welcoming environment of the Department, especially its amazing staff – Michelle Ellis, Anne Henderson, Christina Salavantis, and Wendy Schuler – cannot be understated. Without these extraordinary individuals much of the academic work that defines the university would grind to a halt.

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The countless union drives that have surfaced on campus prodded my interest in the labour movement and pushed my dissertation into the direction that is seen here. Finally, in 2010 Public Service Alliance of Canada Local 901 emerged as the representative of graduate teaching assistants and fellows at Queen’s University after years of hard work. The union drive of 2008 will forever be my reminder of how much time and personal anguish organizers and union members put in to these campaigns. On the union front I have to thank Christopher Wilson for believing that we could do it, even if it took two tries. From a researcher’s standpoint, many thanks to all of the members of UNITES, UNI, the USW, the ITPF, the YPC, and Unite the Union who generously offered their time to indulge a doctoral student trying to make sense of their organizations. I hope to keep these and other union ties alive for the foreseeable future.

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<td>ACD</td>
<td>automated call distribution technology</td>
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<td>business process operations</td>
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<td>CSR</td>
<td>customer service representative</td>
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<td>HRM</td>
<td>human resource management</td>
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<td>ILO</td>
<td>International Labour Organization</td>
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<td>IT</td>
<td>information technology</td>
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<td>information technology enabled services</td>
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<td>ITPF</td>
<td>Informational Technology Professionals Forum</td>
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<td>KPO</td>
<td>knowledge process outsourcing</td>
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<tr>
<td>MNC</td>
<td>multinational corporation</td>
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<td>Nasscom</td>
<td>National Association of Software and Services Companies</td>
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<td>OECD</td>
<td>Organization for Economic Cooperation and Development</td>
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<td>OMDR</td>
<td>Omega Direct Response</td>
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<td>SC</td>
<td>Strategic Communications</td>
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<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
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<td>Union Network International Development Organization Centre</td>
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<td>Unite</td>
<td>Unite the Union</td>
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<td>UNITES</td>
<td>Union for Information Technology Enabled Services Professionals</td>
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<td>USW</td>
<td>United Steelworkers</td>
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<td>YPC</td>
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</tbody>
</table>
# Table of Contents

Abstract ........................................................................................................................................... ii

Acknowledgements ........................................................................................................................... iv

Abbreviations ................................................................................................................................... viii

Table of Contents ............................................................................................................................ ix

Chapter 1 Introduction ....................................................................................................................... 1
  1.1 Introduction ............................................................................................................................... 1
  1.2 For a Political Economy of Call Centre Work .......................................................................... 6
    1.2.1 Political Economy and Post-Industrialism ...................................................................... 10
    1.2.2 Post-Industrial Unionism ............................................................................................... 22
  1.3 Methodological Concerns ........................................................................................................ 29
    1.3.1 Political Economy as Methodology ................................................................................ 29
    1.3.2 Epistemological Concerns ............................................................................................. 30
    1.3.3 The Study ....................................................................................................................... 36
  1.4 Chapter Outline ......................................................................................................................... 41

Chapter 2 Political Economy, Communication, and the New International Division of Labour .. 43
  2.1 Introduction ............................................................................................................................... 43
  2.2 Principles of a New International Division of Labour ............................................................. 45
  2.3 Political Economy of Communication .................................................................................... 52
  2.4 Regulation and Transformation ............................................................................................. 59
    2.4.1 Fordism and Post-Fordism ............................................................................................. 67
  2.5 Neo-liberalization and Post-Industrial Possibilities ................................................................. 72
  2.6 Globalization, Development, and Communications ............................................................... 76

Chapter 3 Post-Industrial Capitalism and the Organization of Work ............................................. 96
  3.1 Introduction ............................................................................................................................... 96
  3.2 Structures of Knowledge Production ....................................................................................... 98
  3.3 The Politics of Labour Processes ............................................................................................ 109
  3.4 The “New” Organization ........................................................................................................ 121
  3.5 Call Centres and the Labour Process ....................................................................................... 128
  3.6 Conclusion ............................................................................................................................... 140

Chapter 4 A Political Economy of Offshoring and the Call Centre Industry ............................... 143
4.1 Introduction ........................................................................................................................................................................... 143
4.2 Global Telecommunications......................................................................................................................................................... 143
4.3 Political Economy of Offshoring............................................................................................................................................. 149
4.4 Offshoring and the Call Centre Industry: The Case of Canada.......................................................... 167
4.4.1 Canada’s Call Centres ...................................................................................................................................................... 177
4.5 Offshoring and the Call Centre Industry: The Case of India......................................................................................... 195
4.6 Conclusion.............................................................................................................................................................................. 219

Chapter 5 Prospects for Labour Organizations in India ........................................................................................................ 225
5.1 Introduction .............................................................................................................................................................................. 225
5.2 Labour Relations and Prospects for “White-Collar” Unionism .................................................................................. 227
5.3 Organizational Structures and Emerging Labour Organizations................................................................................ 237
  5.3.1 IT Professionals Forum .................................................................................................................................................. 243
  5.3.2 Young Professionals Collective ........................................................................................................................................... 251
  5.3.3 Union for IT Enabled Services Professionals .................................................................................................................. 259
5.4 Conclusion.............................................................................................................................................................................. 277

Chapter 6 The USW and Canada’s Call Centres ..................................................................................................................... 284
6.1 Introduction .............................................................................................................................................................................. 284
6.2 Ringing in the Changes .......................................................................................................................................................... 287
6.3 Canadian Call Centre Economy and Unionism ............................................................................................................. 293
6.4 Call Centre Unionism ............................................................................................................................................................ 300
6.5 Call Centres and the USW ................................................................................................................................................ 303
  6.5.1 Omega Direct Response ................................................................................................................................................ 305
  6.5.2 Strategic Communications ............................................................................................................................................ 326
  6.5.3 CIBC Visa ............................................................................................................................................................................ 334
6.6 Conclusion.............................................................................................................................................................................. 342

Chapter 7 Union Internationalism ........................................................................................................................................... 347
7.1 Introduction .............................................................................................................................................................................. 347
7.2 Internationalism ...................................................................................................................................................................... 352
  7.2.1 The Crisis of (International) Unionism ........................................................................................................................... 357
7.3 Regulating Global Capitalism ............................................................................................................................................. 362
  7.3.1 Union Network International ........................................................................................................................................ 363
  7.3.2 Workers Uniting ............................................................................................................................................................ 379
7.4 Conclusion........................................................................................................................................ 392
Chapter 8 Conclusion ......................................................................................................................... 395
References ........................................................................................................................................... 411
   Primary Sources .............................................................................................................................. 411
   Secondary Sources .......................................................................................................................... 436
   Cited Interviews .............................................................................................................................. 471
Appendix A UNITES Membership ....................................................................................................... 474
Appendix B Interview Participants ....................................................................................................... 475
Appendix C Reflections on Methods .................................................................................................... 477
Chapter 1
Introduction

1.1 Introduction
An examination of the global call centre industry is no minor task, especially in the comparative context of India and Canada deployed in this dissertation. Such a study requires the use of several theoretical traditions in order to develop effectively an understanding of the globalization of work, the emergence of an industry crucial to the international operations of businesses, as well as the technological innovations that make this process possible. Thomas Friedman’s (2005) influential “flat world” treatise on the promises that open economies hold for the world’s population is more or less nearer the end of the story than it is the beginning. His account is also subservient to a deterministic vision of information technology and appeases a corporate vision of globalization. What this dissertation asks is how economic and political conditions precipitated the rise of call centres as particular developments in the history of telecommunications, especially their role as an important intersection between customers and citizens with businesses and governments. Secondly, the study departs from the idealistic depictions of call centre work as post-industrial workplaces, but simultaneously problematizes uniform characteristics of employment in IT enabled services workplaces. Third, the study situates labour as the central subject of investigation, with subsequent questions subordinate to the concerns, conditions, and heterogeneous interests of labour in this sector. Fundamentally, what this project seeks to understand is: what are the challenges facing call centre workers, and their representative organizations, in emerging and
developed economies, who have successfully organized with trade unions and worker associations? By answering this question, this dissertation’s central contribution is to provide a comparative analysis of union interventions in the Indian and Canadian call centre industry. From the perspective of labour, the dissertation examines five organizations: the United Steelworkers (USW) in Canada, the Union for ITES Professionals (UNITES), the IT Professionals Forum (ITPF), the Young Professionals Collective (YPC), Unite the Union (Unite) in the UK, and Union Network International (UNI).

Central to my thesis is that a turn to post-industrialism has not resolved the possibility of contradictions or crises within capitalism. For labour, often a neglected sub-category when compared to marvelous technologies that seemingly define an era, the question of organizing and unionism, as a means not only of resistance to employer power but also a mechanism of channeling collective strength into institutions of regulation, remains an important vehicle for workers. And the term “worker” is here used deliberately. As the case of attempts in India to organize information technology and information technology enabled services workers suggests, labour organizations have been forced to contend with how the making of identities, in E.P. Thompson’s (1963) sense of the process for working peoples, has meant a departure from “worker” to that of “professional”. This is not an act of false consciousness, itself a vulgar generalization of how collectivities and individuals are capable of understanding their social world, but a structural feature of the
industry and how the employees themselves are situated in relation to multinational enterprises and globalized markets. Unions have been forced to acknowledge the importance of transformation in their approaches to confronting employers and in recruiting membership. There is no uniform model to follow here and the traditional relationship between industrial relations practice and legislation no longer applies in some instances. As the concluding chapter of the dissertation proposes, union renewal is required at the international level as much as it is within national frameworks.

Giovanni Arrighi (2007) offers a useful reference point for the dissertation, considering how his final book, *Adam Smith in Beijing*, studies the changing contours of world systems and international political economy. The process of transformation was giving birth to what Arrighi (2007, 1) describes as an “economic renaissance of East Asia” because of the growing significance of the region in the world economy. An increasing flow of investment to the region from the developed economies is one feature of this transition. The conditions for this renaissance, he argues, have been building after a long and gradual revolt against the West’s hegemony in the world economy, with signs of social and economic empowerment starting to bear fruit throughout Asia. As a foundation for his analysis, Arrighi positions his interpretation of Adam Smith’s *Wealth of Nations* at the epicenter of charting the seismic shift in global power and economic relations from West to East. The release of Arrighi’s work was timely because it was published on the precipice of what many have labeled the most serious economic crisis since the Great
Depression – a moment in history, it should be added, that has created conditions for nations like India to take further advantage of an integrated global economy. For at least a decade, the media and popular consciousness in Canada and the U.S., as well as the UK, have been fascinated by the dramatic growth of emerging economies and the promise that they hold for generating corporate wealth.

The business imagination has been especially enamored with the promise of India, as the internationalization of capitalism has started to move substantially towards services after decades of being centered on manufacturing and primary commodity sectors. Indeed, the common conception of the offshoring and outsourcing of work is one determined by the idea of distant shores and foreign labour – as well as the decline of “domestic” opportunities and greater promises abroad – as the manifestation of globalization. Call centres are quintessential in this regard. In 2006, *Time* magazine featured on its cover an image of a female employee, presumably of Indian decent, dressed in a traditional dancer’s outfit donning a telephone headset. The 2006 release of *Outsourced*, a film depicting the story of an American call centre manager sent to India to train staff in the company’s new offshore facility, further popularized a particular image, albeit comical, of Indian call centre life. Four years later NBC aired a sitcom based on the movie of the same name. Even in India call centres have entered the popular imagination through novels like Chetan Bhaghat’s (2005) *One Night @ the Call Centre*, itself released as a
feature length film in 2008. Thomas Friedman (2005) had earlier written of the Indian back office and customer service agent as prototypes for his vision of the new global economy, staffed by eager and highly skilled workers who were helping to make the world a flatter and less expensive place in which to conduct business. For those who seek to embrace the riches that service offshoring has to offer, and on the other side of the debate those who lobby for restrictions on the use of foreign workers, India has became a convenient poster child for such causes.

Behind the convenient imagery of India as the back office and call centre hub for the world’s businesses and, increasingly, governments, is a complex and more “nearshore” reality to the internationalization of work. For years, Canada grew in prominence as a world leader in the offshore and outsourced call centre business, along with other OECD countries, like Ireland and the UK. This maintains what economic figures have long indicated: that the flow of trade and investment are strongest between the wealthiest economies, notably the privileged members of the OECD (UNCTAD 2004; 2006). Only in the last two years have developing and transitional economies begun to receive a near-equal share of FDI. In 2009, almost 75 percent of FDI outflows originated in the developed economies, down from nearly 85 percent in 2008, prior to the financial crisis (UNCTAD 2010). This is especially true for the higher-valued business and IT services trade. A shift has indeed unfolded in recent years from these higher-cost destinations to

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1 The film based on Bhagat’s novel was released under the title, Hello.
places like India and the Philippines, but the economic terrain of offshoring and outsourcing is hardly one where the so-called peripheral economies have been the only recipients of value-added services and employment. Authoritative accounts point to the United States as home to more call centres than any other country, employing over four million workers in excess of 60,000 facilities (Head 2003; Holman, Batt, and Holtgrewe 2007). As in India, the expansion of the call centre industry in Canada has been conditioned by technological innovations in telecommunications and relatedly, changing regimes of regulation. The question of development and the reproduction of inequalities and underdevelopment embedded in this process is as real in the advanced economies as it is in the developing South. It is no coincidence that Canada’s Atlantic provinces, notably Nova Scotia and New Brunswick, were at the forefront of recruiting call centres as an answer to the region’s economic stagnation. This is not to overlook the obvious differences between an economy like Canada’s and that of India – a country with a population exceeding one billion but a nominal GDP smaller than that of Canada\(^2\) – but the cases examined in this dissertation do maintain that the globalization of call centre work does not exist without structural contradictions and the maintenance of inequalities.

1.2 For a Political Economy of Call Centre Work

It is probable that any reader of this work has had some engagement with a call centre, part of the broader IT enabled services (ITES) and business process operations (BPO)

\(^2\) In 2010, India’s GDP in U.S. currency stood at $1.43 trillion compared to Canada at $1.563 trillion, according to International Monetary Fund (2010) figures. However, by 2015 estimates conclude that the Indian economy will reach a GDP of $2.412 trillion, outpacing Canada’s GDP of $1.880 trillion.
sectors. This interaction is often banal or irritating depending on the circumstance that brought about the conversation. But how often have we thought of the labour behind the call? Equally significant is the fact that much of our interaction with major institutions is now mediated through a telecommunications network that is in many ways as old as commercial telephony itself, despite our thinking of call centres as a relatively recent phenomenon. It was banks and telecommunication companies that initially pioneered the use of call centres as a dedicated instrument to interact with customers in the late 1970s and early 1980s, but in the past three decades call centres have been widely adopted by public and private institutions as a chief means of communicating with customers and service-users (see Russell 2009). In their present form call centres are most accurately defined as dedicated operations in which employees receive inbound or make outbound telephone calls, with those calls controlled and processed by an automatic call distribution (ACD) or predictive dialing system. The operations, which constitute call centre processes, permit customer-employee interaction to occur simultaneously with the use of display screen equipment and instant access to information. This technologically mediated interaction between agents and customers helps distinguish this type of work from other working environments (Taylor and Bain 1999, 102; Holman 2005, 112). What differentiates call centres from contact centres is the former’s reliance on voice-based interactions, whereas the latter depend on other technologically mediated processes, such as email or fax.
Call centre employment has been the subject of debate amongst critical labour scholars since the late 1990s, with much of the discussion stemming from the literature on computer-assisted employment a decade or more earlier. Evidence suggests that call centre work, which is highly routinized and subject to extreme electronic monitoring, is acutely stressful and leads to high levels of labour turnover, as well as physical and psychological health problems (Taylor and Bain 2001), part of what Simon Head (2003) describes as the “new ruthless economy”. Near the end of the 1990s, two contrasting portrayals of call centres had entered the public consciousness. The sector’s proponents presented exciting images of call centre, staffed by contented, professional workers talking with customers in a pleasing and skilled manner. Opposed to this vision, critical commentators offered a perspective whereby they claimed that electronic surveillance made total the supervisor’s power over labour and also made reference to sensationalized depictions of call centres as “new sweatshops” and “dark Satanic mills” (Fernie and Metcalf 1998). While the severity and extent of these dismal depictions have been justifiably challenged (see Bain and Taylor 2000), one cannot underemphasize how technological advances have indeed enhanced the capacity for managerial control over the work performed in call centres (e.g., computer monitoring programs, CCTV, etc.). Surveillance, in one form or another, has always been a crucial feature of capitalist enterprises, with monitoring and control argued to be at the centre of economic activity (Ball 2003).
Scholars routinely draw attention to the features of call centre work that are not unlike routinized employment conditions, which have long characterized industrial labour processes. Harry Braverman’s (1974) contribution to the field of labour studies is paramount in the development of a critical conception of work, both service and industrial, which has informed most of what is defined as critical labour process theory. Braverman’s *Labor and Monopoly Capital* advances the argument that the intrusion of scientific management, originating in the work of F.W. Taylor, was a pivotal moment in social history whereby labour was deprived of its control over the processes of work. Braverman’s reliance on Marx’s *Capital* as the cornerstone of his analysis demonstrates the political nature of work and management, which was subsequently strengthened by Richard Edwards (1979) and Michael Burawoy (1979) some years later. While these and other studies of the labour process are not without critics, the principal aim of these critical labour process scholars was to establish a political economy of work that brought together technology, social relations, and regimes of control to the study of labour. It is also Burawoy (1979; 1985) who recognized the limitations of Braverman’s “objective” elements of work and maintained that the nature of control can only be effectively understood if our attention turns to the *politics of production*, notably the social relations embedded within the processes that are simultaneously technical and political. While the focus on knowledge and information employment is relatively underdeveloped in their work, these scholars nevertheless set the stage for future treatments of post-industrial labour that more effectively capture the nature of knowledge and information labour
processes. Cassedy and Nussbaum’s (1983) *9 to 5*, a text that previewed the agenda of working women’s associations in the United States which excited Hollywood star, Jane Fonda, to produce a film of the same name in 1980, helped to account for the gendered nature of work as well as to dispel myths surrounding post-industrial employment. As a politically charged “how to” guide for working women, *9 to 5* acknowledged trade unionism’s importance to office workers as the ranks of service employees grew. What follows here is a similar project that is attentive to conditions of work and modes of resistance. Indeed, this, I argue, is a foundation to the political economy of call centres.

1.2.1 Political Economy and Post-Industrialism

Political economy is an effective means of articulating the complexities of capitalist systems. Not satisfied with a basic materialist description, political economy is used here because of its capacity to connect the economic, political, and cultural/ideological moments of social life (Clement 1997). Breaking through disciplinary boundaries, the field constructs a totality that includes the political, social, and cultural realms where the whole is irreducible to the sum of its parts and focuses on a “study of the social relations, particularly the power relations, that mutually constitute the production, distribution, and consumption of resources” (Mosco 2009, 25, original emphasis). The social totality that is produced in the process is loaded with tensions and contradictions that create conditions for the emergence of struggles and resistance. A *critical* political economy, therefore, is concerned with how intellectual and practical resistance can inform a commitment to understanding and *transforming* the prevailing social order. As a means
of comprehending capitalism, political economy is just as concerned with the study of the labour process as a political process that plays a part in reproducing social relations. What underlies this account is the argument that economic systems are best observed as sets of relationships that prefigure labour processes, which includes how work is done, what work is done, and how the output is distributed and consumed (Barone 2004).

Drawing from the work of Vincent Mosco (2009), the approach to political economy used in this dissertation understands the significance of mutual constitution, namely that social processes cannot be fully grasped without piecing together a comprehensive and emergent program of analysis. Work, economic development, offshoring, outsourcing, globalization, and neo-liberalism, for instance, cannot – in the space of my project – be discussed without a description of their interrelationships. Political economy, then, is best described as a conceptual and methodological tool calibrated precisely for the task of addressing the power relations invested in economic management. In the classic sense of the word, political economy is, as Adam Smith (2003/1776, 537) described, “considered as a branch of the science of a statement or legislation” concerned with the provision of subsistence and revenue for the state and its people. Foucault added to this explanation that political economy is also a process of “isolating the economy as a specific sector of reality” and a science of intervention by the government into that reality and wielded as a modern discourse of governing (cited in Birla 2010, 21-22). In both cases, the concept
denotes sets of practices and ways of rendering intelligible the intersection of state structures, economic affairs, power, and social formations.

It is through this interpretation of political economy that the contemporary structure of global capitalism is understood. This dissertation maintains that a re-articulated version of classical economics, generally understood as neo-liberalism, has become a leading force in the shaping of contemporary globalization. Broadly understood, the trajectory of global economic development has been one determined by a neo-liberal philosophy, which was embraced following the political interventions by leading banks, insurance companies, retail chains, automobile manufacturers, oil companies, aerospace firms, and other corporations located in Western nations, as well as Japan, which sought to reorganize the political and economic landscape in the interest of rapid profit accumulation and the fluidity of capital (Schiller 1999). This development was spurred largely in response to the economic crises of the 1970s, specifically the stagnant profit rates commonly attributed to Keynesian policies. Following classical economic theory, neo-liberal models stress that the absence of barriers to trade and the flow of capital is inherently beneficial for both private enterprises and the citizenry in general, who benefit from increased wealth, lower prices, and expanded economic opportunities (Weeks 2001). In the words of David Harvey, neo-liberalism results in the “financialization of everything and the relocation of the power centre of capital accumulation to owners and their financial institutions”, which is marked by a de-centred and unstable evolutionary
process (Harvey 2006a, 24-25, 41). This process has been empowered by intellectual traditions and economic actors operating in a purposeful manner with the intent of configuring government policy-making around the interests of capital accumulation (see Harvey 2005a; 2005b). The defining features of this system – namely an expansive regime of commercialization, liberalization, and privatization (Mosco 2009) – are brought upon by intensive state interventions on behalf of organized capital. It would not be inaccurate to define these accomplishments, from the viewpoint of multinational enterprises, as what Karl Polanyi (1944) feared to be the ultimate subordination of social institutions to economic interests and practices.

Neo-liberalism, I maintain, is established by intensive regulatory frameworks (governed by the market) that limit the power of labour, allow for rapid and unfettered flows of capital and money, and further enforce the sanctity of private property. This has meant subordinating social policy making to economic interests that favour technical (but ideologically motivated) indicators of growth and development over democratic participation in political affairs, especially as they pertain to the generation and distribution of wealth. Neo-liberal systems are also defined by attempts to entrench a form of possessive individualism amongst the population, fulfilled by mounting profound assaults on existing forms of social solidarity, and by transforming the role of the state to protecting gains made in the interest of capital rather than by investing in social programs and public goods. As an historical tendency and business-led agenda, neo-liberalism has
been imposed amidst tremendous opposition and confrontation. Even Adam Smith (2003/1776, 95) recognized that powerful classes bind together and “call aloud for the assistance of the civil magistrate, and the rigorous execution against the combinations of servants, labourers, and journeymen”. Labour, on the other hand, has historically been prohibited from such combinations and subjected to persecution and repression, as Webb and Webb (1920) recount in their classic study of trade unionism.

It is equally important to understand neo-liberalism as a struggle for hegemony, albeit incomplete and nowhere established in a pure, unadulterated form (Pearce and Tombs 1998). In the chapters that follow, these assertions will be evidenced by examples of state interventions that have acted as a leading catalyst for the development of information technology (IT) and information technology enabled services (ITES) industries. In India, Five Year Plans since at least 1997 have been attentive to the significance of state and national government involvement in building the country’s information technology sector. Pro-business reforms in the country actually preceded liberalization and were brought about by political forces that channeled the support of certain sections of capital towards transforming the regulatory structure of the economy in the direction of market-driven competitiveness. Similarly in Canada, government subsidies and changes to provincial legislation have helped entice foreign companies to establish call centres in the country. Foreign direct investment, reduced corporate income tax policies, and weaker labour market regulations continue to be part of this transition in both national cases.
What I argue is that the ideological propositions related to the development of neo-liberal economic management have been similarly imposed upon a definition, and subsequent application, of post-industrialism. The premise of post-industrialism is based on both a mythical and material ascendancy of knowledge and information production as the leading resource within advanced economies. Accelerating the commercialization and liberalization of telecommunications regimes has been a central contributor to the growth of ITES, of which call centres are a part. Fiber optic networks, satellite communication systems, advances in microprocessor technology, and the growing use of computers in the workplace have indeed provided the physical infrastructure for post-industrial economic formations. Nevertheless, it has been the policies of governments and decisions of corporations that have decided the course of economic development. Indeed, as McChesney (2007, xii) explains, the communication revolution was not a consequence of “geniuses and free markets”, but the result of structures and markets “created and shaped by policies and extraordinary public subsidies”. The noble traits commonly associated with high-tech innovation have ideological designs and embody different meanings in practice compared to the cultural myths surrounding them. Similarly, Herbert Schiller reflects that it is “deceitful to allow preoccupation with electronic technology and technique to obscure the institutional underpinnings that continue to be responsible for the direction and focus of the new instrumentation” (Schiller 1973, 174). Power relations, in other words, overshadow the potential of information technology.
Post-industrialism is hardly a solution to current crises and is instead a *shift* in the terrain of capitalist modes of production. Daniel Bell remarks in his landmark, *The Coming of Post-Industrial Society*, that the “idea of a post-industrial society, like that of industrial society, or capitalism, has meaning only as a *conceptual* scheme. It identifies a new axial principle of social organization and defines a common core of problems which societies that become more and more post-industrial have to confront” (Bell 1999/1973, 114, emphasis added). Others have suggested that the term *post-industrial* represents a marker standing in place of a more substantive label that will emerge later in the historical process, signifying a stage of transition rather than a conclusion (Block 1980). The term post-industrialism actually emerged in the early 20th century, coined by the English-trained Indian scholar, Ananda K. Coosmaraswamy, who advanced the notion that industrial civilization would collapse and allow for the return of a decentralized society. A post-industrial society, Coosmaraswamy maintained, would involve a rediscovery of cultural diversity, which was threatened by centralized and standardized practices of industrialism (cited in Mattelart 2003/2001). The mythologizing of post-industrialism is central to the “end of history” thesis, advanced by Francis Fukuyama (1992), wherein a technology-induced vision of political and economic forms of organizations reaches levels of development unlikely to be surpassed. Sensationalist claims such as this have been the subject of criticism for decades. Futurists like Alvin Toffler (1980) acknowledged the social implications that accompany their technological predictions and
political economists point out the interconnected realities of myth and social institutions invested in these processes (Mosco 2004).

Critical reflections on the study of communications have been equally concerned with uncovering problems and contradictions within the economic and cultural structures that embody this field. Post-industrialism, as a conceptual tool and a phase in the development of capitalism, has, as its circulatory system, communication networks that permit the flow of information and knowledge. The maintenance of post-industrial modes of production is conditioned by such systems. Dallas Smythe and Herbert Schiller, founding scholars of the political economy school of communications, took to task questions of power as they existed in the fields of mass media and generally, mass communications.³ One of the guiding concerns that steered Schiller’s (1973) work was the extent to which consciousness and political manipulation influenced the character of, and prospects for, new information technology. The question being asked was: *for whose benefit and whose control would such technologies be implemented?* In Canada, Rideout (2002), Babe (1975; 1990; 2000; 2008), Mosco and Schiller (1996), and a host of others (see Kozolanka 2006; Mosco and McKercher 2006a; Moll and Shade 2008a) have wielded this question to understand the historical context lending to the development of policy and infrastructure of the country’s telecommunications system. India’s booming

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³ For a concise treatment of theory and research in mass communication, see Bryant and Miron (2004). The authors chart the emergence of schools of communication from the Frankfurt School, British Cultural Studies under the guidance of Stuart Hall, and the Vienna Circle among others.
telecommunication market has also drawn significant scholarly and policy attention, as chapters three and four explain.

Where a political economy of post-industrialism and communications converge is in the field of work and labour. Bell (1999/1973) may have written one of the most recognized treatise on a coming post-industrial society, but earlier attempts at understanding the significance of economic transformations were evident in the work of Fritz Machlup (1962) and renowned management theorist, Peter Drucker (1959), as early as the late 1950s. Machlup positioned as a point of departure labour and employment in the growing knowledge economy. “The question”, he asks, “is whether, how, and to what extent the occupational composition of the labour force and of employment has changed, and how this change is connected with the changing role of knowledge-production in the economy” (Machlup 1962, 377). In the 21st century, policy makers and academics have yet to resolve these concerns, lending substance to the claim that post-industrialism is indeed a term describing a transitory era. The government of Ontario spent a lavish $2 million commissioning a report, Ontario in the Creative Age (Martin Prosperity Institute 2009), headed by Richard Florida, spokesperson for the “creative class” and creative capitalism thesis (see Florida 2002). India’s premier IT-ITES industry group, Nasscom (National Association of Software and Services Companies) has for years taken on the question of how the knowledge and information society has impacted the country’s economic terrain and contributed to social development (see especially Nasscom 2008a).
These are by no means empty attempts at economic planning. Machlup and others indicated in their projections of economic development that the rise of service and knowledge production would herald new challenges not only for governments and industry, but also for labour. The transition, these scholars recognized, would construct new inequalities in the labour market as well as maintain old ones, creating social and economic problems that needed to be managed politically. Call centre workers and the industry itself, this dissertation maintains, are situated in this spectrum of knowledge work.

A division of labour that has come to characterize post-industrial capitalism has conditioned India and Canada’s fortunes in the information economy, particularly as it relates to the call centre industry. The questions that social theorists and policy-makers raised about knowledge and information production throughout the second half of the 20th century have taken on international dimensions. In the early 1980s, Folker Fröbel, Jurgen Heinrichs and Otto Kreye (1980) wrote of the emergence of a new international division of labour and charted the changes taking place in the world economy. While their thesis paid closest attention to the industrial sector, Fröbel and his collaborators observed that the emergence of a global economy throughout the 1970s created conditions in which the survival of major companies could only be assured through the transnational reorganization and relocation of production. This transformation brought about the development of an international division of labour through which commodity
production was increasingly subdivided into fragments that could be assigned to different parts of the world, in turn providing the most profitable combination of capital and labor in the global networks of manufacturing (Fröbel, Heinrichs and Kreye 1980, 14). Where the “old” international division of labour was based on the trade of raw materials by underdeveloped regions, the “new” division of labour is one dependent on the relocation of production, mainly of labor-intensive processes, to less developed countries where labor is more plentiful (Taylor and Thrift 1982). South-East and South Asia are the leading recipients of FDI among the developing regions for the reasons Fröbel et al outlined in their classic study, with India and China counted in the top five investment locations in the world (UNCTAD 2009).

Advocates for the liberalization of trade emphasize that a growing international division of labour has led to increases in standards of living, as measured through quantifiable economic metrics, such as GDP growth. Much of the intellectual and ideological support for “free trade” is built upon the arguments advanced by 19th century political economist, David Ricardo, which maintain that an extension of foreign trade would “increase the mass of commodities, and therefore the sum of enjoyments” (Ricardo 1911, 77). But Ricardo’s claim does not simply denote a division of labour premised on absolute advantage, as Smith (2003/1776) argued, but one of comparative advantage, in which economies would concentrate efforts on producing goods that they are the least poor at producing. Eli Heckscher and Bertil Ohlin (see Heckscher and Ohlin 1991), Paul
Samuelson (1947; 2004), Albert Hirschman (1945), and other economists extend the Ricardian model of comparative cost differences, adding to the development of what is understood as classical political economy (see Caporaso 1987). Throughout the 1980s critical political economists started to pay closer attention to knowledge-intensive production and the changing internationalized strategies of multinational firms (see Mytelka 1987). The newest dimension of the global division of labour is one decidedly oriented around information and knowledge production, as the UNCTAD (2004; 2006) recognizes.

For knowledge workers, the new international division of labour has extended the possibility of economic turbulence that characterized the globalization of manufacturing. Offshoring and outsourcing, initially a practice adopted by multinational industrial firms, is becoming standard for leading IT and service companies from the wealthy and developing world. Over 60 percent of total foreign direct investment (FDI) stock is now flowing to the service sector, compared to less than a quarter in 1970 (UNCTAD 2004). The offshoring of work is a reflection of the liberalization of trade and part of the broader efforts to implement comparative advantage as the central support base for trade policies. These tendencies are supported by the fact that in 2009, 71 out of 102 new national policy measures affecting FDI favoured a move towards further liberalization and promotion of foreign investment (UNCTAD 2010). What labour scholars have recognized for at least a decade is that the globalization of information and knowledge
work has come to condition the prospects for labour organizations, namely trade unions, and their allies. How workers have begun to respond to the new international division of service work is a leading concern in union literature and research (see Mosco and Stevens 2007; Huws 2003; Mosco, McKercher, Huws 2010; Mosco and McKercher 2006a; Sarikakis and Shade 2008; Frenkel, Korczynski, Shire, and Tam 1999; Young Professionals Collective and Focus on the Global South 2005; Van Jaarsveld 2004; Brophy 2006; 2009).

1.2.2 Post-Industrial Unionism

Bell (1999/1973) observed that a full-scale analysis of the problems facing labour in post-industrial society would have to include the nature of trade unionism, especially with regards to the changing occupational structures that these organizations represent. Unions would necessarily have to reconfigure their strategies to recruit workers from sectors that had traditionally fallen outside their scope and interest, namely from professions dominated by women. Identity formation and status constitute an additional challenge.

The neo-liberal forecast of post-industrialism described by Peter Drucker (1959) suggested that the knowledge society would be driven by entrepreneurialism and liberal individualism. Drucker added that this new generation of worker would be decidedly middle class and identify as “professional” in “outlook, expectations, rewards, opportunities and values”; class, he emphasized, would be outstripped by educational attainment as a material basis for inequality. This conceptualization of “professionalized”
workers has had real consequences for union organizers trying to make gains in the IT and ITES sectors.

Much of the analysis of how labor organizations have been able to recruit supporters invokes an engagement with Tilly’s (1978, 7) description of mobilization as “the process by which a group acquires collective control over the resources needed for action”. Industrial relations scholar, John Kelly (1998, 38) takes this claim further by emphasizing that we must also ask how individuals are transformed into collective actors “willing and able to create and sustain collective organization and engage in collective action against their employers”. This question is pertinent when addressing the formation of unions and labour associations in industries that foster a sense of “professional” identities – an archetype for the individual, skilled, and mobile white-collar career person, who is reluctant to engage in collectivist practices traditionally associated with trade unions. As Strauss’ (1964, 535) treatment of engineering unions in the 1950s suggests, as a professional and an employee, the professional “wants to expand the power, status, and freedom of his group”, to be more successful at work, and to win greater job control and economic security. These aspirations, as both a professional and employee, Strauss argues, prompted the engineer to identity with a group. Similarly, the capacity of labor organizations to mobilize employees in IT and ITES is founded on their ability to appeal to the professional and employment-related needs of these workers.
Drawing a distinction between purely professional associations and trade unions that represent professional employees is unrealistic. For Hurd and Bunge (2003, 180), “[g]rowth (and indeed survival) is contingent upon being able to adapt to the changing needs and interests of professional and technical workers”. Social movement theorists support these claims and further argue that new repertoires, or historically specific constellations of power strategies (Piven and Cloward 1998), need to be developed that are capable of confronting the specificities of global capitalist relations. Professional associations seek economic objectives, I maintain, just as unions similarly perform professional functions. It also means that unions require a multitude of organizing strategies and bargaining priorities in order to provide meaningful representative structures for workers throughout the information sector. This is part of the “diversity thesis” advocated by labour academics who identify a shift in worker attitudes toward individualism (Kumar and Schenk 2006b; see also Lévesque and Murray 2006; Hurd and Bunge 2003; Gall 2003). Ultimately, there is no fundamental incompatibility between unionism and advanced, post-industrial capitalism, despite the fact that globalization has put unions and workers on the defensive (Jackson 2004).

What Daniel Bell grasped was the imperative for change within labour unions in the post-industrial society. As structural economic changes outpaced existing strategies and industrial relations regimes, organized labour would necessarily have to adapt to the transition in order to remain relevant. This has become the topic for academics and union
activists, who have drawn attention to the significance of union revitalization and renewal in order to expand and maintain political influence (see Turner, Katz, and Hurd 2001; Kumar and Schenk 2006a; Fiorito 2004; Bronfenbrenner, Friedman, Hurd, Oswald, and Seeber 1998; Milkman and Voss 2004a; Fairbrother, Williams, Barton, Gibellieri, and Tropeoli 2007; Voss 2010; Tucker and Mucalov 2010). As some labour scholars point out, revitalization and membership growth has been the result of centralized organizing efforts and not solely bottom-up rank-and-file intensive mobilization (Voss 2010). However, in much of the literature, union revitalization is seen as a convergence of tactics and a renewal of trade unionism as a social movement. This ambition is hardly novel, but the relevance of transformation has taken on renewed significance in the context of post-industrialism and global capitalism. Dyer-Witheford (1999) has situated worker mobilizations, of which unions are a part, in the “circulation of struggles” of his high-tech capitalism, wherein labour organizations enter into coalition politics with welfare, antipoverty, student, consumer, and environmental social movements. This is a necessity emerging from the demise of Fordism, he argues, and the historic compromise brokered by leading labour unions in the West and other capitalist states.

The mutual aid logic of unionism, wherein trade unions are recognized as legitimate social institutions that foster feelings of camaraderie not just bureaucratic service organizations, is further recognized as a key to collective mobilization (Bacharach, Bamberger, Sonnenstuhl 2001). Revitalization and renewal, in other words, are possible
only if members involve themselves in the activities of their representative organizations. Administrative functions are not discounted in the process of renewal, as the nature of industrial relations and international trade demand a coordinated effort at lobbying and bargaining (see Compa 2001), but are subordinate to the social purpose of unions. Clawson (2003) has similarly called for a renewed union movement, one that is founded on a united front of movements and social commitments as part of a hopeful “upsurge” in labour activity. And there is reason to be optimistic. Among the ten major occupation groups in Canada, unionization recently rose in three, all of which are listed as part of the (private) service sector: finance and administration, natural and applied sciences, and management (Statistics Canada 2007; see also Jackson 2004). It is for this reason that this dissertation draws from the experience of the United Steelworkers (USW) in Canada and the union’s expansion into the post-industrial economy. What unions must attend to is whether or not they seek to expand out of necessity or with an interest in building a new trade union movement.

Finally, the new international division of information labour has forced unions into a position of having to recognize the necessity of global solidarity. Even public sector unions have had to contend with the displacement of employment as members are increasingly confronted with privatization and the contracting out, and sometimes offshoring, of government services. Austerity measures in the UK have prompted the government to employ Indian call centre workers to service the country’s National Health
Service in efforts to slash deficits (IBNLive 2011). The push to cut the exploding cost of private health delivery in the United States has also forced health sector companies to look to the subcontinent’s back office providers as a relief to rising administrative costs at home (Barnes 2010; The Economic Times 2010). Labour unions situated primarily in the manufacturing sectors have had a head start in this regard. The United Steelworkers (USW) and their allies in Europe and Oceania continue to build on the solidarity networks that have taken root in Latin America and South Africa, as major mining companies and steel manufacturers have been expanding their operations into the Global South for decades. Global union federations (GUFs), like the International Metalworkers Federation (IMF), the International Transportation Federation (ITF), and others, have acted as centres for developing union networks across borders, breathing some life into the possibility of union internationalism. But even these institutions are at a crossroads. Critics maintain that GUFs reproduce the same inability to engage the rank-and-file and have failed to mobilize as social movements. This was the thrust of Peter Waterman’s complaint against what was, until the formation of the International Trade Union Confederation (ITUC) in 2006, the world’s largest labour organization, the International Confederation of Free Trade Unions (ICFTU), which prompted an exchange with the GUF’s president, Bill Jordan (Waterman 2000). For knowledge sector labour organizations, the ambition has been to avoid these pitfalls and develop cross-border strategies that draw directly from the conditions of employment – Union Network International (UNI), for example, is examined in chapter seven for this reason.
Knowledge and information workers certainly have a long and rich tradition of union activity, as the existence of media, print, engineering, and health sector unions indicates (McKercher 2002; Mosco and McKercher 2008; Lipset, Trow, Coleman 1956; Strauss 1964). Workers affiliated with IT firms, however, are highly unrepresented. IT and ITES professionals who are unionized are often represented by labour organizations that cover entire industries, like the automotive and manufacturing sectors. In India, call centre workers, software engineers, and back office BPO workers have, since the dramatic growth of their ranks in the mid-1990s, existed outside the scope of established unions. Interviews with the Union for ITES Professionals (UNITES) and the IT Professionals Forums (ITPF) reveal that it has been precisely because of the international character of the respective industries that information technology sectors have developed outside existing regulatory environment and largely beyond the reach of unions. This has also meant that the emergence of these notable white-collar jobs has taken a trajectory away from the highly politicized and powerful unions, which currently represent bank and state employees, themselves economically and socially privileged. UNITES, through the support of Union Network International (UNI), the world’s leading service sector GUF, has worked to construct a union movement that avoids affiliation with traditions marked by long histories of militancy. As chapters five and seven indicate, knowledge sector labour activism is also decidedly international, both in India and Europe. UNI officials
and their allies in India are cognizant of how the new international division of labour has changed the way that workers are organized, particularly in the “new economy”.

1.3 Methodological Concerns

1.3.1 Political Economy as Methodology
Political economy is deployed in this project as an analytical tool through which power relations between social and economic agents can be effectively uncovered. In this sense a political economic framework provides a basis for a theoretical model and a methodological lens that makes possible a rendering of work and unionization in the call centre industry. This offers a basis for a coherent research design, which effectively “describes a flexible set of guidelines that connect theoretical paradigms first to strategies of inquiry and second to methods for collecting empirical material” (Denzin and Lincoln 2003, 36). As a researcher, this means situating how the subject of study is connected through specific sites, collectivitiesthe, institutions, and persons relevant to the appropriate documents and archives through a qualitative investigation.

Using political economy as a methodology also means complicating the relationship between researcher and subject(s). Critical interpretations of social phenomenon deliver expectations that, for an investigation to be meaningful, it is required to propose, or at least examine, possibilities for resistance and opposition. For some scholars this standpoint is, at least, problematic and perhaps a threat to the credibility of social scientific research because qualitative approaches are “impressionistic, anecdotal,
unsystematic, and biased”, compared to the “verifiable” data collected through positivistic research designs (Charmaz 2006, 5). Others, in contrast, maintain that critical researchers see reality as both objective and subjective. There is also an acknowledgement in this tradition that ideology and methodology are linked in some capacity (Brown and Strega 2005). This is a contributing factor leading to the identification of the project as researching a “sensitive” topic, where the publication of results could precipitate undue tensions within or between individuals and organizations. As Lee (2003, 206) describes, “researchers must walk a tightrope; careful neither to conceal too much, nor disclose too little”. Recognition of this challenge does not convey intent to conceal results, only that proper attentiveness to ethical standards of conducting research must be considered. How one undertakes a project and develops a research design is certainly worth scrutiny and the process through which the project unfolds should indeed be reflected upon with disciplinary rigor. It would not, however, be sincere to say that as the author of this dissertation, I stood outside as a disinterested political subject, or that the point of departure for this examination was serendipitous. Personal and academic interests were intertwined during the development of the research project. The method of analysis and the methodologies themselves were selected as a basis to accomplish such a design (see Appendix C for further details).

1.3.2 Epistemological Concerns

Critical realism, as developed by Roy Bhaskar (1978), constitutes an epistemological foundation of this political economic project. Accepting the primary tenets of the critical
realist epistemology – that the world exists independently of our knowledge of it, that the social and historical are transitive, and that our knowledge of the natural and social world is fallible – permits an engagement with the possibility of considering how social processes are capable of change and the extent to which such transformations can be predicted and manipulated by particular social forces and actors. These are only possibilities, to be sure, since a comprehension of the world does not subsequently mean that one is enabled to change it. As Bhaskar (1986) emphasizes, an alteration of the natural and social worlds demands more than the effort of individual or collective wills, and that structural forces that constitute the social world are not spontaneously malleable. But, it follows from the notion that the social sciences are not merely about interpreting the world but about intervening and doing things to it (Sayer 2000; 1992) that the transitive character of social processes are susceptible to the intervention of human actors. Knowledge, like social change, is similarly produced and used through such efforts, notably through the process of labour. As Sayer (1992, 17) reminds us in his account of critical realism’s importance to the social scientific method, labour is “any kind of human activity which is intended to transform, modify, move or manipulate any part of nature”.

A further, and indeed more substantial tenet of critical realism is the acceptance that action is reproductive and transformative, whereas structure is antecedent and conditioning (Frauley and Peace 2007). These contentions draw from the work of Karl
Marx, who famously argues, “the writing of history must always set out from these natural bases and their modification in the course of history through the action of men [sic]” (1978/1845, 150) and that “men make their own history, but they do not make it just as they please” (1970/1853, 398). But never are people passive objects of history or mere carriers of knowledge – they actively produce understandings of the world and, either consciously or unconsciously, make history (see Sayer 1992, 19). Critical realism has been rightly attributed to Marx’s own investigative methods and more generally political economy’s ability to make objective claims that link human agency with social structures (Albritton 2007). The focus of study is, therefore, the impact that social structures have on determining individual consciousness and subsequently, how one can move past a localized analysis of what exists and pursue an engagement with how a given system has developed and what insight existing characteristics can give us in terms of possible future development.

Critical realism’s connection with Marxist thought – and the evident space occupied by political economy in this tradition – makes this epistemology a crucial methodological resource for the dissertation. There is a history of polarization within Marxism, between those who see it as a science capable of guiding social change, and those who accept Marxist thought as a type of praxis that reveals forms of oppression and creates possibilities for their transcendence. What a critical realist critique offers to this debate is an ability to draw value from both positions by identifying the strengths and limitations
of each. The result is a partial synthesis that recognizes the explanatory potential of a science and the transformative possibilities of praxis. Political economy contributes to a critical realist research program by suggesting possible structural changes that, as Ted Benton (2007, xv) writes, “might go some way to combining social justice, civil rights, and ecological sustainability” where the “unmediated philosophical nostrums of [critical realism]” fall short. Indeed, there is a mutually supportive relationship between Marxist political economy and critical realism, which enforces the value in using these traditions in an effort to investigate the globalization of call centre work and the prospects for unionization.

The strength of political economy and critical realism also lies in their capacity for abstraction and the subsequent application of conceptual models to concrete subjects. Following Sayer’s (1995) recommendation, a critical realist analysis demands a closer examination of the contingent emergence of capitalism, particularly with regards to its contemporary form, and the properties internal and external to its development. How global capitalism functions, the extent to which it shapes social relations, overcomes non-capitalist formations, and adapts to and confronts agents of resistance materialized through human action, shapes the central focus of this investigation. A single abstract theory of capital, then, is not sufficient in attempts to grasp a fuller understanding of the development of global call centre industries, although it does fashion a suitable point of departure. The multi-faceted and indeterminate features of international
telecommunications can only be adequately examined by asking more pointed questions pertaining to, among other things, government economic policies, trade regimes, cultural forces, resistance, international financial institutions, communication and information technologies, the development of high-tech workforces, the expanse and limitations of IT’s capacity to be offshored, customer interaction with call centre agents, labour laws and regulations, trade unions and worker associations, and so on. As the approach taken by Morgan and Sayer (1988) in their study of the electronics industry in the UK suggests, concrete political economic understandings demand a synthesis of many abstract analyses where different elements of a concrete situation mediate and influence one another.

Here it is important to recognize critical realism as a social scientific method of inquiry and its purpose in this study. “Method”, for Sayer (1992, 12), suggests a considered way of “approaching the world so that we may understand it better”, which starts with a basic idea of the nature of the relationship between ourselves as researchers and the objects being investigated. The knowledge that is generated in the process is done so through a range of social practices in conditions that are neither under the researcher’s absolute control nor immediately comprehensible. From a critical realistic vantage point, objects, like social structures, possess causal powers and particular susceptibilities that are capable of generating events under certain circumstances and not others. Outcomes developed by a given research design may be imperfect, but they allow us to act in the world with new ideas and understandings that were not previously available. What makes
critical realism stand apart from other methodologies is its use of \textit{retroduction}, or a mode of inference that explains events by postulating and identifying mechanisms that are capable of producing them (Sayer 1992). Indeed, it is critical realism’s focus on examining the possibility of causal mechanisms, and the contingent relationship they hold with particular effects, that makes this approach important and unique. For, it is not simply a set of independent variables that condition the prospects for union formation in call centres, but the mutually constituted structural dynamics of an international division of labour, management practices, labour movement strategies, economic forces, cultural factors, and the processes of labour which generate possibilities for collective and individual mobilization. Using critical realism for this purpose involves working to establish a conceptual model, however fallible, to uncover tendencies and generative mechanisms and not to deduce predictions from events or observable data alone.

Frauley and Pearce (2007) add to this debate by arguing that a critical realist research design is, as a point of departure, concerned with discovery, and not the inductive and deductive processes of reasoning that define positivist or phenomenological epistemologies. These approaches are preoccupied with the confirmation and verification of hypotheses, and not the establishment of theoretical models capable of explaining the existence of objects being investigated. At its conception critical realism provides an antidote to the supremacy of positivist – equivalent to \textit{empirical} realism – accounts of science (Bhaskar 1978), which identifies the real with the empirical or what we can
experience (Sayer 2000, 11) as an excessively individualistic experiencing subject (Collier 1994, 73). Yet, as Andrew Sayer declares, realism “does not require some kind of denial of ‘subjective’ influences or standpoints and researchers’ social context” (2000, 53). Realism, rather, sets out to examine these standpoints and guards against the misrepresentation of objects through individualistic observation and interpretation. Following Sayer’s (2000) suggestion further, subjective voices are not neglected in the process of deciphering the structure of social forces, but are included as a perspective contributing to the constitution of such structures. Interviews facilitate the discovery of how particular social phenomena are experienced and how existing relations are accepted, resisted, and transformed through these mediated understandings. It is the researcher’s role, therefore, to derive meaning from subjective accounts of the social world by situated these engagements with actors into the broader terrain of social structures – in other words, creating a picture of how individuals and collectivities, and their views of the world, are produced through a set of social mechanisms and how they subsequently reproduce or attempt to transcend existing relations.

1.3.3 The Study
There are several key reasons for using India and Canada as comparative nations for analysis. First, both countries neighbour formidable economic powerhouses and vast consumer markets. In important ways, Canada and India act as gateways to further market expansion into the U.S. and China. Second, during the early 1990s both Canada and India underwent significant economic restructuring. Under then-Finance Minister
Manmohan Singh, dramatic changes were made to the Indian tax structure, labour laws, provisions implemented for Special Economic Zones, and the general manoeuvring away from a planned economy took place. Similarly in Canada, the erosion of social programs, labour laws, existing tax levels, the signing of NAFTA, as well as moves towards privatization and deregulation marked the country’s transition into a competitive global capitalist economy. Finally, Canada and India are prominent sites of outsourced industries.

Critics of this approach may be quick to argue that Canada and India are vastly different in many respects and indeed this assertion is true. While both are parliamentary democracies, their evolution under the British imperial system differed dramatically, with India having been subject to centuries of brutal colonial rule and Canada developing as a European settler society. Furthermore, much of India’s population still lives below the global poverty level and hundreds of millions of its citizens remain tied to agricultural production. The political terrain is also very diverse, with the Communist Party of India (Marxist) holding power in several states and currently forming part of the country’s governing coalition. And, where Canada has a history of refusing nuclear armament, India’s position in the sphere of global politics is determined by its membership in the nuclear club. However there is also a great deal that can be gained by a comparative sociological analysis. As leading sites of outsourced IT and ITES industries, these two countries need to be examined in terms of labour’s capacity to form bonds of
international solidarity, react to the flight of capital, and ensure sustainable and stable economic growth, good working conditions, fair wages, benefits, and attention to human rights. The position of Canada and India in the global economy cannot be summed up with the simple categories of core and periphery, since these disparities exist between wealthy and impoverished provinces as well as nations. In light of this, my dissertation explores the extent to which the call centre industry and work itself varies depending on location. What the study concludes from this comparative investigation is that for service and knowledge sector employment, the convenient separation between economies in the Global North and Global South does not fully apply. Investment directed towards developing the call centre industry on an international scale has allowed countries like Canada and India to both plug into the global division of knowledge production through the practices of offshoring and outsourcing, as chapter four explores.

Throughout the course of the research I conducted forty-three semi-structured, open-ended interviews both over the phone and in person (see Appendix B for a complete participant list). Transcripts of interviews were then thematically coded. This component of the research is loosely premised on grounded theory, famously advanced by Glaser and Strauss (1967) in their efforts to move qualitative inquiry “beyond descriptive studies into the realm of explanatory theoretical frameworks” (Charmaz 2006, 6). This approach has established protocols that allow for the development of abstract conceptual understandings of social phenomena based on the analysis of observable data. Grounded
theory commences from the position that research begins with the collection of data through observations, interactions, and the collection of materials about a topic; theories are constructed through induction and an analysis of empirical events and experiences gained throughout a study. And here is an acknowledged tension with critical realism, which effectively criticizes the narrow, situated focus of the inductive method that characterizes grounded theory (see Frauley and Pearce 2007). While critical realism does not object to the use of interviews as an important insight to social structures and agency, the process of deriving meaning from participant observations is more effectively laid out in grounded theory approaches such as that offered by Charmaz (2006).

Interviews conducted with industry representatives, call centre workers, union organizers, and officials have indeed helped build conceptual models related to union activity, the nature of IT and ITES employment, and industry development. More importantly, these interactions have permitted new understandings of the subject at hand, even though the development of a theoretical model is not premised solely on the use of these sources. Further, as the tenets of political economy and realism suggest, a research design cannot be seen as value-neutral or existing without theoretical or political presuppositions of the world; nor is a theoretical model generated solely through a reflection on perspectives offered by social actors. This helps explain both the strengths and limitations of the grounded theory framework deployed here. First-hand accounts provided by research participants add to the process of generating a comprehensive theoretical account of
mechanisms that explain the connections between labour and the international structure of the call centre industry, but the reason for pursuing the project is embedded in a vested interest in a political economy of labour and unionization.

Second, grounded theory and critical realism stress the significance of extant texts as vital resources. Critical realism, however, places more emphasis on the concept-dependent nature of these sources and the significance of interpreting them through the researcher’s own frames of meaning. Extant texts include public records, government reports, organizational documents, mass media, literature, personal correspondence, and earlier qualitative materials (Charmaz 2006). Such texts are consistently deployed in research on call centres and unions (see Beirne, Riach, Wilson 2004; Mulholland 2004; Norling 2001; Remesh 2004a; 2004b; Taylor and Bain 2008; 2005; Taylor et al 2007; Buchanan and Koch-Schulte 2000). These sources also work to chronicle historically contextualized understandings of social phenomena, making it necessary, therefore, to explain their production and material effects, as well as interpret and render an understanding of their meaning (see Sayer 1992). Political economy and media scholar, Robert McChesney (1999), cites the importance of delving into a broad spectrum of materials, especially those that come from business and government sources. He writes, “one cannot merely yank quotations out of context from a trade publication and consider that satisfactory evidence to establish a point. An author, McChesney (1999, 8-9) adds, “must be immersed in trade and business literature to use it as the foundation for a scholarly
argument”. He goes on to maintain that the effectiveness of this method is conditioned by the ability to assess when trade publications, for instance, are worth taking seriously and when their validity should be discounted. I reject the binary distinction between the “acceptance” and “discounting” of texts explained here and instead consider the unpacking of contradictions and shortcomings of official reports produced by any institution, be they government, corporate, or union.

1.4 Chapter Outline
The dissertation is divided across six substantive chapters. Chapter two takes on the question of political economy theory and the interrelationship between globalization, development, and the emergence of a *new* international division of labour, which has constituted regimes of capital accumulation. The ambition of chapter three is to provide a foundation for the examination of a political economy of call centre employment through a review of existing research on call centres work, starting roughly in the late 1990s to the present. An analysis of a political economy of communication is established to engage with the question of how post-industrial workplaces and institutions are organized. Moving on from these formulations, chapter four addresses the specific political economic condition that defines the internationalization of the call centre industry. The examples of Canada and India are examined in this chapter. Here, government policies, corporate activities, and technological advances globally and nationally are accounted for in the broader regime of global telecommunications. Chapters five and six bring to the forefront the dissertation’s contribution to studies of
union interventions in the Canadian and Indian call centre sectors. Finally, chapter seven
draws attention to internationalist efforts by UNI, the global union federation at the
cutting edge of mobilizing IT workers, Unite the Union, and the USW, in their attempts
to build a trans-national union movement. The dissertation’s concluding chapter reflects
upon the outcomes of the study’s central findings. It moves on to recognize limitations of
this research project and makes observations about the importance of furthering studies of
knowledge work and labour mobilization.
Chapter 2
Political Economy, Communication, and the New International Division of Labour

2.1 Introduction
As economists and governments talk of structural deficits and public debt, corporations across sectors in Canada and the United States report record profits or, at least, a return to pre-recession levels of profitability (Statistics Canada 2011; Rampell 2010).1 Flush with cash reserves and resilient to the most catastrophic outcomes of the downturn, major companies and privileged elements of society maintain their call for tax cuts and fiscal austerity – a euphemism for the dismantling of public services. Job creation and investment are contingent on the further deregulation of business, the argument goes, and the loosening of rules governing the mobility of capital. In Canada, economic figures indicate that domestic employment has rebounded quicker than in the previous two recessionary periods, the first in 1981 followed by the recession of 1990. Evidence south of the border, however, suggests that many of the new jobs created by major American firms have emerged outside of the United States.2 As Jeffery Sachs remarks, U.S. firms are compelled to take advantage of foreign labour markets in order to remain competitive

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1 In the third quarter of 2010, *The New York Times* reported, American businesses earned profits at an annual rate of US$1.659 trillion, the highest recorded figure since the Commerce Department began keeping track (Rampell 2010). Canada’s figures in the fourth quarter of 2010 were more modest, at CAN$65.5 billion, up 7.9 percent from the previous quarter. A total of nineteen out of twenty-two industries reported higher profits, with the non-financial sectors taking the lead (Statistics Canada 2011).

43
The improved quality of the global work force over the past decade has meant that higher value jobs, such as those in business services and knowledge production, are now being staffed by skilled and educated workers outside of Western economies. Profits are up and stock prices have rebounded, but this does not mean that businesses are hiring in their home countries. This is hardly a new phenomenon. The conditions described here were made possible by decades of transformation in the global operations of multinational firms and, relatedly, a changing division of labour.

Chapter two sets out to accomplish two main tasks. First, taking into account Sachs’ commentary on the need for companies to remain competitive in global market places, the chapter engages with the debates on how the contemporary structure of capitalism became international. What I argue, following the work of David Harvey and others, is that technological, economic, and social demands by capital have mobilized for the purposes of transforming regulatory mechanisms that govern the operations of major corporations and class structures. Here, the terms of debate for what precipitated the emergence of a global information technology (IT) and information technology enabled services (ITES) sector – part of a grander communications regime – will be explained. The principal contention is that technical innovations and political economic conditions

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2 It took twenty-seven months for the Canadian employment numbers to recover its October 2008 level, compared to thirty-nine months from 1981 to 1984, and fifty-two months from 1990 to 1994 (Statistics Canada 2011).
mutually determine the existence of an international call centre industry, as the chapter explains in a section on the political economy of communication. Second, the chapter considers the interrelationship between globalization, development, and the emergence of a new international division of labour through which regimes of capital accumulation and labour regulation are contested and constructed.

2.2 Principles of a New International Division of Labour

In their thesis, Fröbel et al (1980) argue that there were three underlying reasons for the development of a global phenomenon they describe as the new international division of labour. First, a massive and seemingly “inexhaustible” reservoir of cheap labour had come into existence in developing countries. Second, the division and subdivision of production processes became ever more advanced, to the point where disparate and fragmented operations could be carried out with an ever-diminishing level of skill. Finally, advancements in transportation and communication made possible the production of goods anywhere in the world, since technical and organizational limitations no longer prohibited access to distant labour markets. An important catalyst and indicator for this shift towards production in the developing economies was that of foreign direct investment (FDI), which the authors suggest had been steadily increasing throughout the 1970s. With much of these new investments directed at export-oriented production, they argue, these newly created industrial enclaves had little connection to the local economy, save for the utilization of cheap labour and local inputs such as energy, water, and services.
It was during the financial crises of the 1970s that pressures began to build in developed and developing countries to restructure their existing macro-economic policies. Developing countries became increasingly compelled to attract FDI in the process of liberalizing trade, investment, and labour markets. By 2009, developing and transition economies received almost half of all FDI inflows (UNCTAD 2010). Based on traditional comparative advantage theory, offshoring has been perceived as beneficial for all parties because a more efficient allocation of resources supposedly enlarges the size of the economic pie on a global scale (Paus 2007). This will be discussed at length in chapter four. Proponents of these processes argue that this is a realization of the benefits emerging from a global division of labor and trade, which had been described centuries earlier by the classical economic theories of Adam Smith and David Ricardo. In this light, offshoring is generally attributed to poor nations that are able to offer their most precious non-natural commodity to international buyers – inexpensive and, now more commonly, skilled labor.

Smith proposes in the *Wealth of Nations* that in “civilized society” the individual is “at all times in need of the co-operation and assistance of great multitudes”, and the benefit of all is accomplished through the appeal of self-love and mutual interests (Smith 2003/1776, 23-24). The division of labour in production, as in the market, could compound the skills and abilities of fragmented producers to provide more plentiful
outcomes through efficiency gains. The “invisible hand” that Smith speaks of is in fact a metaphor for this process, through which the pursuit of rational self-interest – in production, the acquisition of goods, and in trade, both domestic and foreign – not benevolence enriches the commonwealth (Smith 2003/1776, 572). An extension of liberalized foreign trade, Ricardo (1911, 77) added, would simultaneously increase the mass of commodities available to a given market and, thus, the “sum of enjoyments”. Both political economists proffer theories that advance the argument of general welfare improvements, but the traditions that they helped establish suffer from a blind spot in addressing the concern of distribution (see Caporaso 1987).

For corporations and policy makers in the wealthy economies, the international division of labour provided the advantage of controlling inflationary wage rates by allowing for the import of cheaper necessities from the low-cost sites of production. The effect of the new international division of labour was to tame wages during a period of shrinking profit rates by expanding the availability of lower-cost goods and to discipline workers through global labour market competition. A greater sum of goods was indeed made possible through a complex division of labour, but the general distribution of wealth has certainly been uneven. Radical political economists have long maintained that the

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3 Raul Prebisch had long suggested that the “free trade” could, in fact, maintain colonial divisions of labour and enforce dependency on advanced economies. Global integration, he argued, was very much unequal. Upon the founding of the UN Conference of Trade and Development (UNCTAD) in 1964, Prebisch stressed that asymmetries in economic structures would have to be countered by a model of economic governance premised on reciprocity, not subservience to theoretical appeals and supposed outcomes developed by economic propositions (see Toye 2003).
unequal development of productive capacities and wealth allocation to be synonymous with market expansion at the world level (Amin 1990a; 1990b). Such models of economic geography have been understood through the *world systems* view, which posits that *core* regions, those that are considered to be the most economically advanced, extract surplus value from the *periphery*, areas that are largely based on agricultural or resource-dependent economies, thereby gaining from the maintenance of underdevelopment (Wallerstein 1979; Amin 1974; 1977; Frank 1967; Mosco and Herman 1981; Peet and Thrift 1989). Where work is located and the conditions under which production sites develop have implications both for the development of capitalism and modes of regulation and resistance.

Subsequent scholarship focuses more strenuously on the role multinational corporations played in facilitating the expansion of an international division of labour. As this process extends beyond manufacturing, delocalization and the internationalization of knowledge-production activities, through joint ventures between firms, help corporations to influence and, in fact, develop future markets (Mytelka 1987). The commercialization of the computer and its growing capacity to process more information means that large multinationals can better manage their business models in increasingly sophisticated markets. Developments in administration, information processing, the centralization of information and decentralization of control, new management techniques, and more complex and profitable financial management tools help to spur a corporate organization
capable of being a truly transnational entity. As Coase (1937) describes in his classic analysis on the nature of the firm, these legally defined organizations make possible the allocation of resources vis-à-vis the price mechanism by acting as the entrepreneur-coordinator. With the establishment of a global network of subsidiaries, multinationals can change their focus from the most profitable area in which to expand towards relying on foreign bases to produce the highest returns (Taylor and Thrift 1982a). For instance, India has become an important component of IBM’s global strategy. As part of the “globally integrated enterprise” vision promoted by IBM chief, Sam Palmisano, IBM’s initiative in India emphasizes that “work flows to the places where it will be done best”, putting people and jobs anywhere in the world “based on the right costs, the right skills and the right business environment” (cited in The Economist 2007b). Technology-outsourcing giant, Electronic Data Systems (EDS), similarly identifies “low-cost” countries as part of the company’s global expansion project. After shedding 12,000 employees in 2007, the company sought to hire 10,000 additional workers from emerging economies (Associated Press 2007). Central management of a large corporation is not weakened through decentralization, but instead, as these examples show, information and communication technologies make it possible for the exercise of strong leadership to be maintained over semi-autonomous units and complex networks (see Perez 2003). Indeed,

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4 Similar to the organizational strategy adopted by IBM, Convergys, a globally recognized firm in the outsourcing market, opened up an Indian subsidiary in 2004. This strategy was meant to develop a lower cost structure and offer greater control over operational resources for clients seeking to enter the offshore outsourcing market (Convergys n.d.). The company was also responsible for spearheading “accent-modification” and “cultural-appreciation classes” for its Indian employees through the CAN 8 Virtual Lab Language Laboratory.
what makes the new international division of labour new is the architecture of corporate structures and the development and deployment of information technology.

Expertise accumulated through best practices and capital-intensive investments in the corporation’s organizational structure, scholars argue, has traditionally given multinational corporations (MNCs) a particular advantage over indigenous enterprises and forces the latter to increase their competitiveness (Taylor and Thrift 1982b). This is part of what is described by the Regulation School as the crisis of post-Fordism, in which the transformations taking place in labour markets, trade, state policies, and industrial organization challenges the system of institutional ordering (Drache and Gertler 1991). As political economist Susan Strange (1991) recognizes, the information revolution unseated existing state influence and, in some cases, monopoly control over the operations of communication services, meaning that governments lost their authoritative position in negotiating with even domestically-based multinational corporations. Free trade policies reciprocally facilitate the reduction of government oversight in the operations of foreign firms domestically, notably by lifting the cap on foreign ownership clauses and clawing back regulations governing mergers and acquisitions, while at the same time restructuring state regulation of foreign firms operating in national markets.

In contrast to the projections offered by Marxist development scholars such as Samir Amin (1990b; 2003), who writes about self-reliant development and delinking, the
trajectory of economic development in the emerging economies follows a path that has involved a greater incorporation into world capitalism. Part of this process entails an explosive growth in the international labour market. As *The Economist* (2006) reports, with the embrace of market capitalism in China, India, and the former Soviet Union, the global labour force has effectively doubled and the combined output of emerging economies accounts for more than half of total world GDP. By some estimates, the scale of these new workers exceeds 1.4 billion (Nathan 2007)! It is not simply a global labour market expansion that grants capitalism an opportunity for expansion, but also the prospects of exploiting the advantages offered by conditions of trade, immigration, and social mobility. The opening up of these labour markets, as chapter four explores, has facilitated offshoring and outsourcing. These developments extend, rather than create, practices that have been traditionally deployed by corporations – the Southward flight of New England’s textile mills in the 19th century is a notable historic example (Mosco and Stevens 2007). For developing countries, additional pressure on the relatively privileged organized sector workers comes from labour situated in the informal sector, those without contractual ties to a local firm, who fall outside the protection of existing labour regulations and are willing to undertake industrial labour for less than what factory workers are paid. Changes in labour market regulations have profoundly unseated the security that was once offered by certain forms of employment. In addition to technological innovations, casualization, flexibility, and changing labour laws play an important role in shaping the new international division of labour.
2.3 Political Economy of Communication

“The spectacularly improved means of producing, organizing, and disseminating information has transformed industrial, political, and cultural practices and processes”, Herbert Schiller writes in *Information Inequality*. “The production and sale of information”, he continues, “have become major sites of profit making. What had been in large measure a social good has been transformed into a commodity for sale” (Schiller 1996, 46). As a political activist and internationally renowned public intellectual, Schiller demonstrates how communication technology has emerged as a means of extending U.S. command over international communications. The theme of commodification and the enclosure of public spaces recur throughout Schiller’s work, providing bedrock for critical studies of media, communications, and social movements. One of the guiding questions for my investigation, as Schiller asks in *Mind Managers*, is: for whose benefit and whose control will information technology be implemented?

In the communication and information-based industries, technological innovations and changing regimes of accumulation enable the expansion of an international division of labour in post-industrial sectors (Mosco 2009; 1988). Information technology and its role in contributing to the internationalization of white-collar work specifically has caught the attention of labour scholars, some of whom have examined the international circuits of IT-enabled industries like call centres (see Huws 2008; 2003). Hierarchical structures of knowledge production, particularly the variance in skill and educational requirements, further enables the categorization of employment based on the propensity to be
outsourced and offshored. Indeed, software commoditization, or the standardization of software development practices and tools, permits a demand for low-cost and highly productive labour in this industry (Carmel and Tjia 2005). A political economy of communication articulates the ways in which these structures are made possible.

As a theoretical model and a methodological tool, political economy renders meaningful the relationship between production and consumption in the context of communication technologies and industry. Mosco’s (2009, 67) description of communication, which begins with the idea that it is a “social process of exchange, whose product is the mark or embodiment of a social relationship”, helps explain institutions and social forces as constituent elements involved with the shaping of international communication networks. Indeed, the implications are just as much social as they are economic. Both policy makers and corporations capitalize on the emancipatory potential of information and communication technologies. Critical communications scholars similarly support the potential of these technological revolutions to enhance democratic processes if wielded by the citizenry rather than corporations and the state (see McChesney 2007 for a useful reflection on the history of these traditions). To this list of technologies we can add the Internet, rapidly evolving personal computer systems, and a global network of fiber optic cables, satellite networks, and so on. Developments in technology subsequently give support to a range of optimistic hypotheses from notable scholars like Francis Fukuyama (1992) and his “end of history” to, more recently, Thomas Friedman’s (2005) “flat
world”. Advances in the globalization of services, a co-chairman of Infosys’ board of directors observes, have further contributed to the flattening of the world, creating a profound effect on demand and supply activities (Nilekani 2008). Such claims fuel a popular conception that cultural and economic borders are eroded by the march of technology, empowering both business and civil society.

Renowned Canadian economist and historian, Harold Innis (1972), argues that there are deep connections between the cultural and economic worlds. The mechanization in knowledge production and distribution, he suggests, gives rise to information industries which dramatically affect the physical attributes of media and their biases towards supporting control over time or control over space. Departing from what mainstream economists conceived of as givens in the market and price system, Innis understands these institutions as instruments through which dominant cultures “penetrate” and transform traditional ones into societies oriented towards self-interest, commodity exchange, and individualism (Babe 2000). Innis’ conclusions are not unlike the “possessive individual” described by political scientist C.B. MacPherson (1962), and run parallel to the “culture industry” claims that Adorno and Horkheimer (1972) established from the Frankfurt School. A central theme is that scholars of cultural materialism raise the question of how we can understand the reconfiguration of geographic, economic, political, and social domains of power through the lenses of both culture and communication.
Radical alterations of spatial and social configurations through communication technologies – particularly computerization, revolutions in telecommunications systems, and the emergence of the Internet and cyberspace – are built on a foundational myth derived from a form of Enlightenment politics that, as Mosco (2004, 108) writes, is a “presumed ascendant triumphalism of the individual spirit, a faith in the rational ability to think and act correctly, and an embrace of the idea of progress”. The promised freedom from spatial constraints is itself part of an emancipatory project. Political proponents of this refashioning of geography-bound politics vis-à-vis communication technology share in the myth that cyberspace can usher in the demise of conventional politics. In the course of raising these concerns, Raymond Williams, a seminal figure in the critical materialism school of communication studies, urges for an abandonment of technological determinism, opting instead for a view that recognizes other causal factors involved in provoking social change. Particular technologies, for him, are symptoms of change of some other kind. Specifically, technology “only acquires effective status when it is used for purposes which are already contained in this known social process” (Williams 2003/1973, 1). As a means of overcoming historic inequalities and building a civic democracy founded on the end of geography myth, Schiller reminds us of the uncertainties associated with any new technology. “It is deceitful”, he argues, “to allow preoccupation with electronic technology and technique to obscure the institutional underpinnings that continue to be responsible for the direction and focus of the new
instrumentation” (Schiller 1973, 173). Indeed, such perceptions of technology, which both Williams and Schiller oppose, are embedded in a cultural fabric which seeks to embrace utopian fantasies rather than engage with the material nature and implications of particular innovations.

Questions surrounding the material significance of communications are illustrated in Dallas Smythe’s attention to a “blindspot” that he observed in earlier manifestations of Western Marxism. The sphere of commodity production, Smythe argues, cannot be isolated outside of the home – both work and leisure contribute equally to the social reproduction of capitalism. Smythe’s major charge is that Western Marxists neglect the economic and political significance of mass communication. He concludes that, of “off-the-job work time, the largest single block of time of the audiences … is sold to advertisers. It is not sold by workers but by the mass media of communications” (Smythe 1977, 3). The major radio and television broadcasters, in addition to the print media, have become major fixtures in the domain of monopoly capitalism. However, their influence as agents within both the base and superstructure is largely neglected by Marxist scholarship at the time. Smythe takes to task several issues related to what exactly advertisers buy with their advertising expenditures and what institutions produce that advertisers buy. Most importantly, he inquires into how demand-management, vis-à-vis advertising, relates to the labour theory of value and to common sense assumptions about “leisure” and “free time.”
The *audience commodity* hypothesis further reduces the separation between work and leisure by emphasizing the household as a space in which not only income-spending decisions are made, but also where ideologies are constructed and enforced and the production-consumption totality reified. This strengthens the case for communication as a constituent element of the economic base and ideological superstructure. The mass media of communication, Smythe continues, is an important part of the base in part “because their principal product is audiences which perform a material productive service in accomplishing the mass marketing of mass-produced consumer goods and service” (Smythe 1981, xvi-xvii). The audience commodity construction raises further concerns about the capacity of capital to restructure social life through technologies that enable the commodification of supposedly private spaces. The standardization of human interaction and feelings is another example of economic rationality encroaching on social space, through which emotional labour is subject to the laws of supply and demand (Hochschild 1983; Leidner 1993). But there is also a crucial question that is left unresolved in Smythe’s theory: that of *commodity fetishism*. Indeed, the “blindspot” that Smythe identifies is characterized here as the process of fetishization or the obfuscation of social relations embedded within the commodity.

Marx’s definition of the commodity form entrenches the social element of production and provides a starting point for political economists. “A commodity”, he (1967, 77) argues,
“is a mysterious thing, simply because in it the social character of men’s labour appears to them as an objective character stamped upon the product of that labour”. But in audience commodity theory, the situation is doubly complicated because there is reluctance to acknowledge leisure as labour or the reception towards advertising as taking on the commodity form. It is worth turning to Arjun Appadurai’s (1996) conceptualization of production fetishism and fetishism of the consumer. With regards to the former, Appadurai (1996, 41-42) explains it as an illusion created by contemporary transnational production loci that masks translocal capital, transnational earning flows, global management, and often faraway workers (engaged in various kinds of high-tech putting-out operations) in the idiom that spectacle of local (sometimes even worker) control, national productivity, and territorial sovereignty.

Equally important is fetishism of the consumer, which claims that the “consumer has been transformed through commodity flows (and the mediascapes, especially of advertising, that accompany them) into a sign… in the sense of a mask for the real seat of agency, which is not the consumer but the producer and the many forces that constitute production” (Appadurai 1996, 42).

Space and locality, outside of the usual vernacular that associates work sites as domestic or offshore, can be deployed to understand the disruption of private(leisure)/public(work) separation. It also invokes Henri Lefebvre’s (1979, 287 emphasis added) assertion that space is social and a means of production, itself a product that “cannot be separated from the forces of production, techniques, and knowledge; from the international division of
social labour; from nature; or from the state and other superstructures”. Fetishism, then, must include space and consumption into its framework. Just as this model can be used to draw connections between the seemingly objective nature of production (the base) and the subjective contours of consumption (informed by the superstructural processes), fetishization operates on two interrelated planes – one masks the crystallization of social relations in the commodity, the other shrouds a capacity to observe the cultural and spatial components of commodity production. It is also, I argue, a symptom of tying processes of production generally to material production specifically – in other words, there exists a structural ignorance of a division of labour associated with and within “brain work” and knowledge-based labour. The advantage of constructing an information network, as Downey (2001, 224) proposes, is that the “commodification of the virtual serves to mystify the material”. Appadurai’s taxonomy of fetishism can be expanded, therefore, to include a mystification of the division of labour, which renders invisible structures of inequality within the terrain of post-industrial economic formations. Where and how work and consumption take place become all the more important when factoring in the growth of global production networks.

2.4 Regulation and Transformation
Capitalist development must be taken into account in the analysis of offshoring and outsourcing. Central to this debate is the identification of the corporation as a leading actor in the structuring of global capitalism. Writing amidst the anti-Communist climate
of the 1950s and 1960s, Paul Baran and Paul Sweezy’s numerous treatises on monopoly capitalism point to the changing structure of both the capitalist system and its most powerful and advanced agent, the corporation (Baran and Sweezy 1966). A feature of this transformation involves a shift from what is commonly understood to be competitive capitalism, a vastly disparate economic structure of loosely organized as well as allied interests, to corporate or monopoly capital, which features a complex network of stock ownership, wealth, and socio-economic relations that separates the functions of control, ownership, and management. Baron and Sweezy’s accounts offer broad claims about the general feature of these large enterprises, but equally important is the extent to which models of economic organization, or specifically, corporate structuration have been conditioned by regional, cultural, and historical influences (see Woodiwiss 1998; Taylor and Thrift 1982b).

A second consideration is the technical and social innovations that gave rise to what is now realized as the modern corporation. This does not displace the economic utility of corporations as legally recognized entities, but it does provide an historical account of why these organizations emerged. Coase (1937) recognizes that the operation of a market has costs, and that the formation of an organization with authority to direct resources allows for a rationalized distribution of these expenses. The ascendance of the modern business enterprise also gives rise to both managerial capitalism as the corporation acquires functions previously carried out by more-or-less disparate actors in the market,
i.e., owner-managers and their assistants. The so-called “visible hand” of management, Chandler (1977) reflects, was brought about through the development of new technology, expanded markets, and innovations in production methods and design. Demands for ever-increasing stocks of capital also conditioned the closer interaction between financial houses, banks, and industrial firms, which in turn created the need for further specialization in the management of wealth. Continental expansion of railroads throughout the 19th century and corresponding developments in communication networks (first the telegraph, then the telephone in the early 20th century) intensified market expansion, accelerated the demands for mass produced goods, and necessitated a sophisticated coordination and supply of raw and finished materials, larger and more complex work forces, and ever more complex processes of marketing and distribution. Only firms capable of marshaling sufficient capital would be fit to survive in a market where larger, vertically integrated firms were coming to dominate the economic terrain. Oligopolies and monopolies were at the same time “natural” and themselves products of vicious competition between ever-massive operations.

As this examination maintains, the corporate enterprise, particularly its trans- or multinational configuration, has become the dominant agent of capitalist globalization. Both the size and sophisticated integration of technology and organizational design help corporations facilitate an international division of labour through a process known as convergence (see McKercher 2002). Between 1970 and 2000, the total number of
transnational corporations increased from just 7,000 to over 60,000 at the turn of the century (Kiely 2007). By 2008, the number of TNCs surged to 82,000, 28 percent of which were based in developing and transition economies – these economies now host a majority of foreign affiliates’ labour force (UNCTAD 2010). Despite the appearance that economic influence has shifted away from a handful of mainly-Western corporations to a vast constellation of companies in a diverse range of increasingly competitive and diversified markets, a relatively small number of firms wield tremendous influence in most sectors, which challenges the claim that economies have returned to a period of entrepreneurial capitalism. Most world trade still takes place between the wealthiest economies represented in the OECD and the bulk of investment is channeled through firms headquartered in these countries, despite the fact that TNCs from developing countries are making gains in the world economy (UNCTAD 2004; 2006; 2010). For instance, in the business service outsourcing sector, an overwhelming market share is held by Accenture, IBM, Tata Consultancy Services, Wipro Technologies, Aramark, and Convergys – three of the top ten are Indian firms (IAOP 2009; 2010). While monopolies, both government- and privately-owned, have been undermined by waves of deregulation and privatization, particularly in telecommunications, substantial economic control has regrouped in a handful of powerful corporations through mergers and acquisitions.

The initial establishment of monopoly capitalism, as Baran and Sweezy (1966) maintain, also ushers into existence a historically unprecedented situation – overproduction. In
other words, the capacity to consume is outstripped by the capacity to produce, a symptom and cause of endemic contradictions within capitalism. The periodicity of subsequent crises that accompany the realization of overproduction brings into question the existing model of capitalist regulation. Oscillations within the business cycle, as Marx observes in the third volume of *Capital*, are a reflection that the effects of these periods become, in their turn, causes; that the movement of modern industry depends upon the constant transformation of a part of the working classes into unemployed or half-employed populations (cited in Sweezy 1956, 153-154). I add to this the expansion and contraction of demand for natural and human resources, as economic development accelerates or diminishes the price of key commodities, namely labour and the raw materials required for industrialization and post-industrialization. But these are endemic features of capitalism generally and not of this or that regulatory model. The economic crises of the 1970s and 1980s were tied to a decline in capital accumulation and profitability, brought about in part by stagnation in economic expansion amongst Western economies. In both scenarios, macro-economic transformations are called upon to bring an end to the existing crises. And, where crises prompt severe consequences because they entail the devaluation, depreciation, and destruction of the labourer, they act as a means to counter disequilibrium by restoring the balance between production and consumption. The Regulation School and its attentiveness to the structural forms of institutionalized and historical social relations develop as a response to the inadequacy of classical
economic theories to explain capitalist relations through general equilibrium (Aglietta 1979).

As Regulation School theorists point out, regulation is essentially an act of intervention into private economic activity that works to resolve crises through the establishment of economic and political concessions. In certain cases these concessions are directed at segments of the working classes, provided they not jeopardize the stability and functioning of the system as a whole (Sweezy 1956). This re-articulation of the state’s role within the economy took the shape of social democracy, New Deal politics, and other manifestations of government-led activities that effectively gave rise to what is expressed commonly as the Keynesian state. For unions, this meant the formalization of industrial relations through government legislation. The move towards state involvement in economic planning in capitalist economies was an exercise in taming extreme cycles of boom and recession, which were posing a problem to the system’s reproductive capacities.

When economies sink into recession, according to the Keynesian perspective, businesses tend to become pessimistic about profitability and the prospects for investment spending, just as consumers become weary of consumer spending. No matter how low interest rates fall, the propensity to spend remains curtailed. Businesses stop hiring even though wages are stagnant or sinking and consumers remain skeptical about spending their income even
as prices decrease. Without an increase in either investment or consumer spending, the
economy is prohibited from recovering and stays in a slump. Governments are then
required to invest in economic development through short-term deficit spending as a
developed to mitigate these consequences through regulation and concessions did not go
unopposed by organized capital, which resisted the state’s encroachment on what was
conventionally seen as the sphere of private enterprise. Nor were interventions into
labour markets simply functionalist responses by the state, but involved the active
political and social mobilization of labour, notably through unionization, coalition
politics, strikes, and other forms of labour action. Working class histories make clear the
trials faced by labour movements in making these reforms. In this sense Keynes, Harvey
(2006b) argues, is far more concerned with the short-run phenomena and government-
legislated stabilization policies, whereas Marx focuses more on the long-run dynamics
and the inner logic of capitalism itself. Keynesianism, then, and its associated regulatory
mechanisms acted as a palliative for what radical forces saw as an economic system that
was collapsing under the weight of its own supposed triumphs.

Regulationists paid close attention to these tendencies. Alain Lipietz (1987) describes
such government responses as the tool box of Keynesian intervention, which includes the
use of monetary policy to stimulate or slow down the economy by juggling spending and
revenue through tax cuts, increased spending, and relying on revenue generated by the
economic recovery to cut its deficit and resolve its debt situation. Legislated minimum wage and welfare expenditures, as well as formal labour relations policies, nationalizations, etc., are similarly components of this broader regulatory trend. Compromises, it is important to note, were determined in the active struggle between capital and labour. The most radical elements of working class movements were expunged in exchange for collective bargaining, particularly in the boom years following World War Two. In some ways, Keynes’ prescription of demand-side economics and government intervention was an effort in social engineering rather than a fundamental shift in ideology. This reality leads Sweezy to remark that the Keynesians take the economic system out of its social context and “treat it as though it were a machine to be sent to the repair shop there to be overhauled by an engineer state” (Sweezy 1956, 349). Indeed, state intervention is not without contradictions and does not consistently involve an equal betterment of standards of living or empowerment for all classes. Unlike the demand side interventions of the 1930s that involved a recognition of a social wage contract, collective bargaining, and unemployment insurance relief, the current crisis is being dealt with through an upward redistribution of income via regressive tax policies and the capitalization of financial institutions. Minimal effort is spent on reversing the (de)regulatory framework that precipitated the problem in the first place. In effect, finance capital’s response has been to shift the burden onto the working classes, whereas in the 1930s the tendency was to shift more of the burden onto capital (Araghi 2008).
2.4.1 Fordism and Post-Fordism

An antecedent to Keynesianism’s formal implementation during the Great Depression, and in many respects a complementary dimension to this regulatory system, is Fordism, which Aglietta (1979, 117) defines as the principle of a pre-scripted relationship between processes of production and modes of consumption that underlines mass production and the universalization of wage-labour. Fundamental to this position is the centrality of the radical changes in the general conditions of the reproduction of capital. Fordism also represents the nexus of the organization of industrial production generally and industrial labour processes specifically, as I argue in chapter three. Like Frederick Winslow Taylor’s belief that a dramatic reorganization of production processes through scientific management could produce a society of affluence, Henry Ford emphasizes that a new kind of society could be constructed through a particular deployment of corporate power. The purpose of the five-dollar, eight-hour day was to secure worker compliance with the highly disciplined, but productive, assembly-line system. Devoted cadres of social workers, part of the company’s Department of Sociology, would be sent into the homes of Ford’s largely immigrant workforce to ensure the development of a “new man” perfectly adapted to large-scale production with the proper moral sentiments (Harvey 1990, 126). The purpose behind the considerably high wages and shortened workweek was an experiment in macroeconomic policy that presaged New Deal politics in the United States as a type of corporatism.
Emerging after the World War Two, Fordism became the dominant regime of accumulation in the OECD countries, differing substantially from the mode of regulation operating in 19th capitalism (Lipietz 1987; Gramsci 1971). Fordism, then, is best described as the articulation of a then-dominant mode of organizing production and the ideological and practical development of consumption patterns vis-à-vis advertising (see Ewen 1976; Baran and Sweezy 1966). Keynesianism, on the other hand, involves a broader set of macroeconomic policies governing the state’s regulation of the economy. Together both constitute what Lipietz (1987, 14) describes as a regime of accumulation or a stabilization of the allocation of social production between consumption and accumulation. This implies a transformation of the conditions of the reproduction of wage-labour, as well as the interaction between modes of production that exist within and between the developed and developing worlds. To be sure, Fordism remained dependent upon fragmented labour markets and a base of subcontracting, particularly beyond core sectors of the economy, where workers employed in the monopoly sectors experienced far more privileges than their counterparts in the more diverse “competitive” sectors (Harvey 1990).

Fordism’s dominance was dependent upon expansion, internationally and domestically. The United States benefited from a dominant market share in global manufacturing, especially in the automobile industry. In 1974, U.S. auto manufacturers held an 85 percent global market share of domestic consumption, which dropped significantly to 56
percent by 1991 (Carmel and Tjia 2005). The long boom years following World War Two were due, in part, to the dominance of American economic and military power over Western Europe and Japan, emphasizing the wider geo-political dimensions that helped to support Fordist relations of production. But, with the virtual monopoly over international markets there developed a susceptibility to innovative foreign competition. By the end of the 1960s, the crises that Keynesian economic policy and Fordist regulation had successfully managed began to resurface. Intensive international competition amongst a longer list of newly industrializing countries jeopardized American hegemony within Fordism. Standardized mass consumption came under attack for its basic line-up of consumer goods and services. The growth in demand for non-standardized, higher quality and short shelf-life goods, in conjunction with the development of non-specialist and highly flexible manufacturing technologies and flexible work practices, contributed to the undermining of Fordism (Amin 1995; Piore and Sabel 1984).

It was not solely the macroeconomic policies of Keynesian (i.e., debt financing, progressive taxation, extensive provision of welfare programs, etc.) that led to the destabilization of decade long booms, but also the inadequacy of existing models of industrial organization accustomed to a particular market share that contributed to Fordism’s unraveling. Attached to these developments was the question of overproduction and the falling rates of profit. Pre-tax rates of profit for American companies in 1964 averaged at just over 14 percent, declining to roughly 6.5 percent by
1982 (McNally 2009, 50). Between 1961 and 1973 average world output growth averaged 5.5 percent, sinking dramatically to 1.8 percent by 1992 (Veltmeyer and Sacouman 1998, 121). Rosa Luxembourg’s classic definition identifies under-consumption as a chronic condition of capitalism, precipitated in part by the tendency for real wages to decrease in relation to the value of their production, leaving capital in a state of overproduction and, in the circumstance of recession, under-utilization. Only by intensifying trade with what were then non-capitalists social formations could stability be maintained and only then for a time (see Harvey 2005b). The configuration of regimes of accumulation were what distinguished regulatory models from one another. At the same time it is vital to recognize the continuity of Fordism’s chief elements – such as the sustainability of a consumer population, a protracted scientific management of production (and relatedly, of consumption), the exploitation of peripheral regions and labour markets, a complex division of labour, international expansion, and so on – in the subsequent modalities of economic and social regulation. Economic conditions of the late 1960s brought about what was coined as flexible accumulation, marked by deregulated, adaptable, and diverse forms of labour processes, labour markets, products, patterns of consumption, new financial services, expanding markets, and generally intensified rates of commercial, technological, and organizational innovation (Harvey 1990, 147). As far as labour is concerned, this shift was structured in the interest of capital accumulation and against the gains made by the organized working classes with regards to wages and benefits. Business leaders and economists blamed unions for being responsible for the
crisis of accumulation because they allegedly caused high rates of inflation and lower rates of productivity. Non-standard employment (NSE), the preferred term of labour economists, also experienced a rise during this period, which was expressed by a reliance on part-time work schedules, the casualisation of work, and the tendency to increase the number of low-paying jobs (Veltmeyer and Sacouman 1998). This was a structural response to what Lipietz defines as a period defined by a “fall in profitability, a crisis of investment, a crisis of employment and a crisis of the welfare state” (Lipietz 1995, 347).

Since post-War wage rates had begun to interfere with the rate of profit by some accounts (Harvey 2006b, 53), an effort was placed on undoing this contract between labour and capital in much of the developed West, notably the Anglo-American democracies. The rollback of union power that existed in core industries, pillars of the Fordist regime, the reneging on full employment policies, and the reconstruction of skill-based divisions of labour were decisive reactions by capital in the interest of invigorating profit and enhancing competitive capacities. For the labour movement, this meant a dramatic erosion of privilege for workers in the core sectors, namely manufacturing, as a consequence of falling rates of profit and the opening up of national labour markets to international competition. The challenges confronting labour unions were exacerbated by the fact that established trade unions were accustomed to compromising with a Fordist model, which was principally based on national regulation, and that traditional working
class institutions were unable to confront the internationalization of the division of labour.

2.5 Neo-liberalization and Post-Industrial Possibilities

Where Keynesianism and Fordism describe the economic and social regulation of capitalism between roughly 1945 and the late 1970s, neo-classical liberal economic theory re-emerged to address the crises that confronted these regimes. The *neo* prefix is important. Other than the focus on moral arguments in support of individual freedoms, it is unlikely that Adam Smith would have recognized – never mind agreed with – economic theories that have invoked his name. This revised version of liberal economics, or neo-liberalism, elicits Marx’s critique of capitalism, as his analysis is more applicable to this economic model than that of Keynesianism, as Harvey (2006b) suggests. As I argue in the introductory chapter, neo-liberalization of social and economic policy making is a process of achieving hegemony. This struggle for ideological and political dominance also involves an ontological shift in how the world and its leading economic and political institutions are ordered.

Analogous to Woodiwiss's (1998) discussion of globalization, when one talks of economic relations or the regulatory activities of the World Trade Organization, the World Bank, the International Monetary Fund, the International Labour Organization, national industry associations, and so on, one is indeed talking about a contested concept. Even amongst visionaries of a pro-business globalization – be they situated in think
tanks, government policy circles, economists, journalists, or business leaders – there exists tension and possible conflict. Labour, just as much as business, is an agent in the struggle for hegemony or counter-hegemony. These are the features of a regime of accumulation that has become associated with neo-liberalism, and supported by coercive political forces, social institutions, and ideologies, which are indeterminately produced, transformed, and renewed by class struggle (see Peet 1989); neo-liberalism is also less a consensus than a new common sense through which economic and social policy decisions are made. The building of this new common sense was fraught with conflict, not only in Anglo democracies but also in developing economies that were subsequently forced to accept structural adjustment as a condition for loans and foreign aid. The turmoil produced within these transitory periods of the 1970s led influential coalitions of policy makers, like those occupying ranks of the Trilateral Commission, to pronounce a “crisis of democracy”. Inflation, labour strife, and a general economic malaise had precipitated a challenge to the legitimate authority of democratic governments to govern effectively. The result, one report concluded, was that as developed capitalist democracies became more “anomic”, democratic politics became more an “arena for the assertion of conflicting interests than a process for the building of common purposes” (Crozier, Huntington, and Watanuki 1975, 161). In other words, the hegemony of a particular consensus had been compromised, opening up spaces for alternative programs, both radical and conservative, to work towards the construction of a new social contract. Neo-liberalism was one such alternative.
As a “science” of making economic choices (Yates 2003), neo-classical economics is premised on intellectual traditions that are present for much of the 20th century. It was not until the general crisis of over-accumulation in the 1970s that the neo-classical school experienced somewhat of a renaissance. Figures like von Hayek, Ludvig von Mises, Milton Friedman, and Karl Popper had for years criticized state intervention in economic affairs, but were dismissed as irrelevant and even scoffed at by mainstream economists. It was through their assembling of funds from sympathetic corporations and economic elites throughout the 1960s and 1970s that they and their followers were able to found think-tanks and construct a movement that produced a steady stream of analyses, writings, polemics, and political position statements (Harvey 2005b). The state’s role, they argued, in contrast to the social democratic projects implemented since the end of World War Two, is to guarantee individual entrepreneurial freedoms within the framework of private property rights, free markets, and free trade (Harvey 2005a).

The transition away from Keynesianism towards the “free market” school of Milton Friedman and his contemporaries has implications that extended beyond state intervention. Jessop (1993) defines this process as a move towards a Schumpeterian Workfare State – a development that provides the best possible framework for post-Fordism because of its capacity to regulate a fragmented labour market, technology transfer, intellectual property regimes, regulating labour migration, managing currency
and trade, uncertain conditions of employment, changing patterns of work organization, and internationalized production chains and financial markets. Foremost is the changing role of the state in acting as the mid-wife of this new regulatory model. The “creative destruction” aspect of Schumpeter’s economics takes a prominent role, namely recognition of its “enhancement of the structural competitiveness of open economies mainly through supply-side intervention and the subordination of social policy to the demands of labour market flexibility and structural competitiveness” (Jessop 1993, 9). Schumpeter (1972, 83) himself characterizes creative destruction as “the opening up of new markets, foreign or domestic, and the organizational development from the craft shop and factory … [which] illustrate the same process of industrial mutation … that incessantly revolutionizes the economic structure from within, incessantly destroying the old one, incessantly creating a new one”. Constant innovation, expansion, and internal reinvention are all characteristics of modern capitalism, even under Fordism, but what these ideas have taken new ideological significance with the ascendance of neoliberalism and globalization. Internationalization and growing competitiveness between firms is one expression of this change in how the state and market interact. In considering this development, it is important to note that the “hollowing out” of the state is less a removal of state involvement in economic affairs than a shifting of priorities towards regulating markets based primarily on instrumental objectives lobbied for by businesses and their political allies – essentially, enhancing the capacities for capital accumulation by removing barriers that inhibit innovation and competition. Both globalization and the
changes happening in the world of information technology are indeed creating conditions for a revolution within the economic structure.

2.6 Globalization, Development, and Communications

A 1998 *Business Week* article, authored by Keith Hammond, makes a bold case praising the promises offered by innovations in technology. Riding the IT boom that took off in the mid-1990s, Hammond reports, “Revolutionary technology and rapid globalization … will send productivity soaring, allowing faster growth with low inflation and modest unemployment. This dynamic could last for decades, bringing unimagined prosperity worldwide” (cited in Yates 2003, 25). Recent accounts of mobile technology use in India are described as nothing less than a revolution in the way companies do business and interact with customers, offering opportunity to citizens and governments alike (Narasimhan 2011). The possibilities associated with such transformations seem limitless. More importantly, the prospects reflected in these articles echo what post-industrial thinkers have been talking about for decades, albeit with less restrained optimism for progress.

Writing in the early 1970s, Daniel Bell presents a vision of the post-industrial society, which, he argues, “is organized around knowledge, for the purpose of social control and the directing of innovation and change, and this in turn gives rise to new social relationships and new structures which have to be managed politically” (1999/1973, 20). Old social divisions built around proprietary ownership will be outstripped by
technocratic relations, Bell argues, determined more by technical skill than established wealth or class. The well-traversed terrain of criticism and acclaim leaves a number of impressions on scholars who try to chart the evolution of this post-industrial condition, especially as it pertains to the ideologies and practices of development.

The emergence of knowledge-based economies is part of broader post-industrial projects that gained momentum in the 1980s at a time when U.S. capital and the U.S. state responded to the challenges posed by European and East Asian rivals to American economic hegemony (Jessop 2005). In this section, the dissertation maintains that the internationalization of information and knowledge economies is part of business and state-led projects that seek to expand the reach and hegemony of commercialization. Industry associations, national governments, and international organizations, such as the World Bank, the International Monetary Fund, the Organization for Economic Co-operation and Development (OECD), the World Summit on the Information Society (WSIS), and agencies within the United Nations, tie knowledge to the discourse of development and globalization. This is made possible by communication technologies, economic liberalization, and the privatization of publicly owned assets. Communications especially plays a decisive factor in the globalization of capitalism. As Karl Marx and Frederick Engels concede, “The bourgeoisie, by the rapid improvement of all instruments of production, by the immensely facilitated means of communication, draws all, even the most barbarian, nations into civilization” (Marx and Engels 1975/1848, 47). And, as
Harold Innis argued much later, communication technology intervenes in both the intellectual and material development of societies and regions.

As an originator of development theory, Marx recognizes that capitalist production has made possible a rapid acceleration in the rate of economic, social, and technological change (Leys 1996). Contemporary scholars add that development is essentially a reproduction of society in a “modern” way and implies a radical transformation of social relations from one stage to another (Fine, Lapavitsas, Pincus 2001). Such processes were enhanced through the annihilation of space by time with the advance of information and communication technologies, as Harvey (1990) proposes. Indeed, the central question is how the technological revolution in progress breaks up previous forms of the organization of work and of class structures. This is the grounding for an analysis of the information technology and information technology enabled services sectors, which, I suggest, operate both as catalyst and consequence of globalization. In the 1960s, communication theorists, such as Daniel Lerner (1967), proposed that the mass media could be instrumental in moving developing countries towards modern ways of life from traditional social structures beset by poverty, illiteracy, and economic backwardness. Development communication, reflecting the ethos guiding development economics, stresses the importance of value development alongside material development. The trickle-down hypothesis, so familiar in economic circles, is relevant to debates surrounding the benefits of science and technology, which supposedly work their
proliferate into the weakest sections of society, transforming rural parts of the country as benefits spill over from the more advanced, urban spaces (Prasad 2009a; 2009b). The National Association of Software and Services Companies (Nasscom), India’s premier IT-ITES industry association, has promoted the information technology sector as an “equal-opportunity” employer and motivator of social development because of such a powerful transformative imagery (Nasscom 2008a). These hopes have accelerated in recent years, despite the shift in language away from development communications towards that of informationalism, network capitalism, and post-industrialism, as chapter three explores. Yet, the question of global communications remains tethered to investigations related to understanding the key vectors of state, market, and societal power as sites of domination and contestation (see Chakravartty and Zhao 2008b).

Building on the development of underdevelopment thesis, this dissertation argues that technology facilitates the structure of relations between metropoles and hinterlands, empires and satellites, by reproducing and maintaining development discourses. The inference is not that development communications, or specifically the bridges connecting the high-tech sectors with development campaigns, ultimately entrench the dominance of Western firms in emerging economies. Rather, drawing from information and development communication scholarship, the argument here is that communication campaigns and development initiatives are beholden to the international capitalist process that reproduce, however indeterminately, social and economic relations (see Mattelart
and Siegelaub 1979a; 1979b). In the realm of work and employment, these tendencies are resisted, transformed, and incorporated into existing practices unevenly, along the lines of Andre Gunder Frank’s (1967) prognosis.\(^5\)

Frank’s thesis – that the historical development of the capitalist system has generated underdevelopment in the peripheral satellites through the expropriation of surpluses to the metropolitan centres – is useful for an entry point to the discussion of uneven development. Certain segments of the labour force can benefit at the expense of others; particular regions and industries gain the favour of government and private investment while other sectors, such as agriculture, are starved of capital (see Bhaduri 2007). For example, Bangalore, the centre of India’s Silicon Valley, experienced an exponential rise of the city’s slum population throughout the 1990s, evidencing the unequal distribution of prosperity that followed from the country’s rapid economic growth throughout the decade (RoyChowdhury 2004). Frank’s work, unfortunately, does not adequately capture the

\(^5\) International development communications has produced a heterogeneous body of literature, a great deal of which focuses on the emancipatory and exploitative nature of communication policies. The role of media corporations (Comor 2003) and participatory communication campaigns (Snyder 2003; Huesca 2003; Prasad 2009) in the wider terrain of development, media democracy in Venezuela’s “Bolivarian Revolution” (Duffy and Everton 2008), transculturalism and cultural production (Iwabuchi 2008; Kraidy 2008), as well as the broader questions of resistance (Mattelart and Siegelaub 1979a; 1979b), have been the subject of literature focused on dissent from the established logic of capitalist development models. Upadhya (2007, 1866) has also developed an anthropological account of how IT “is in turn contributing to the reproduction and consolidation of middle class/upper caste domination”. Others have suggested that Brahmin’s have been further empowered by the growing IT sector, supported by the fact this constituency is disproportionately well represented, due in part to the lack of reservations throughout the private-sector industries (Fuller and Narasimhan 2008, 170, 191). The highly competitive, global, and free-market orientation of IT-ITES not only reproduces social inequalities but it might also sustain the divide by its capacity to side-step equity initiatives that have been attempted in India’s post-secondary institutions and public-sector industries.
internationalization of IT or service work more broadly. This is why the contributions of Fröbel et al (1980) and their attentiveness to how telecommunications and computerization make possible a new international division of labour are so significant. Neo-liberal transformations of global telecommunications help to shift geographic sites of capital accumulation away from traditional manufacturing regions, but leave unresolved the unequal development of rural and urban spaces. In India, over half of all FDI approvals go to the richest five states, while the most populace and incidentally most poor regions continue to be deprived of a proportionate share of the benefits (Purfield 2006; see also Bharduri and Patkar 2009). Because post-industrial development relies on existing telecommunication and high-tech infrastructure, the areas already serviced by these privileges tend to benefit from the inflow of investment and employment. High-value production related to R&D, software engineering, design, etc., remain situated foremost in core (often urban) regions for these reasons (Kiely 2007). As subsequent chapters evidence, this contention remains true for Canada as well, considering that most of the country’s call centres are situated in wealthier, urban areas even though investment in new facilities has shifted to smaller and economically peripheral regions.

Still, this scenario is not a symptom of a simple transfer of wealth from the periphery to the centre. The liberalization of telecommunications actually supports the growth of investment to otherwise peripheral regions, as chapter four maintains. Instead of arguing that the core develops simply through the exploitation of the periphery, it is more
accurate to say that global capital accumulation is associated with uneven and unequal development (Kiely 2007). As Samir Amin’s (1977) prognosis emphasizes, classical industry will be transferred to the periphery as countries of the centre specialize in ultra-modern activities. Peripheral economies are forced to adapt themselves to the requirements of the centre, which, in turn, play a vital role in the global mechanisms of accumulation. India’s capacity to become the leading player within the BRIC as a provider of IT services is premised on a relationship to Western economies. When wealthy economies suffer labour shortages in certain sectors, India’s labour force – at offshore sites as well as skilled immigrant guest workers (see Chakravartty 2005) – is marketed as a solution to this problem (Pawar 2008). This also allows capitalism to stave off a main contradiction, namely the tendency of the rate of profit to fall, by exploiting labour in the periphery to raise the rate of surplus value. Part of this is due to the unseating of traditional spatial configurations that manufacturing supply and production chains once depended upon, as well as the time-space distanciation that governed, or maintained limits on, industrial Fordism. The development of underdevelopment, or theories of development generally, must reposition some elementary assumptions by including in their analyses questions of communication technology, post-Fordism, the innovation of new products and processes of commodification, and shifting politics of space, as evidenced in chapters three and four.

6 The BRIC is constituted by Brazil, Russia, India, and China – the fastest growing economies in the world.
Current development practices still maintain a commitment to accelerated transformations of economic and social life guided by projections of a modernist society. But prior to the abandonment of Keynesian macro-economic policies by the UK and the U.S. within the OECD club, the basis for “development” was one of a regulated system of national economies stemming from the intent prompting the formation of the Bretton Woods institutions in 1944 (Leys 1996). Following prescriptions offered by the core economies, the management of monopolies, intense regulation of strategic industries and labour markets, and import substitution industrialization (ISI) had been the mainstays of development within what were then recent ex-colonies. Armed with sound economic analysis, states empowered with a social democratic ethos and sufficient capital were thought capable of provoking rapid economic development; this would then allow for the rising standards of living, broader distributions of wealth, urbanization, and the gradual displacement of informal economic activity and employment. Indeed, it was assumed by policy makers and economists at the time that the state had a central and legitimate role to play in the process of development, most importantly as a mechanism through which to include poorer and disenfranchised citizens into national development projects (Berger 2004). Industry associations and business leaders continue to rely on government intervention for private sector expansion, especially in capital-intensive sectors like IT and telecommunications, but the public sector is increasingly seen as a insurer of risk and not a reaper of profits; social policy making as a component of economic planning is almost entirely removed from the equation as well.
By the 1970s, however, it became evident that the predominant development ideology failed to deliver the promised rates of growth. The debt crisis of 1982 was a deciding factor undermining the existing intellectual foundation of development theory. Academic and political traditions oriented towards industrialization policies favourable to national-developmental models were severely fractured by the unfolding economic crises, and the gradual downfall of state socialisms focused attention on the failure of mainstream (and often Marxist-inspired) theories of development (Taylor 2005). In the wake of this destabilization, neo-liberal perspectives on economic management gained prominence, resulting in a radical shift in policy prescriptions offered by leading economic institutions in the global capitalist system, namely the World Bank and the International Monetary Fund. The change of course came to be known as the Washington Consensus, due to the fact that these institutions were based in Washington, D.C. and predominantly influenced by recommendations forced by the leading power brokers in the United States. Indebted nations were required to adopt severe financial austerity measures in order to qualify for loans, with such structural adjustment policies demanding the removal of import quotas, improvement of export incentives, reforms to a country’s fiscal system, improvement to the financial performance of public enterprises, and revising agricultural incentives that favoured improved marketing and reduced subsidies (Fine 2001). By some accounts, approximately 70 percent of structural adjustment loans contained a privatization component, despite the dire consequences that followed this practice (Bayliss and Cramer
India faced a balance of payments crisis in 1990-91, when the foreign exchange rate plummeted. The event was followed by the disciplinary interventions of the IMF, the Asian Development Bank, and the WB, all of which demanded that the country downsize its state sector enterprises and abandon the prevailing import substitution policies (Chakrabarti and Cullenberg 2003). The pivotal moment arrived for Canada around the same time, when pressures mounted for the country to eliminate its deficit, lest its currency succumb to the pejorative forecast of being reduced to a “Northern peso”, as the *Wall Street Journal* pronounced in the early 1990s.7

A turn to the world of information and communication technology is not only one of fascination for invention, as Fukuyama (1992) reveals in his introduction to *The End of History*, but also an avenue to resolve the chronic crisis of profits that had been plaguing Western capitalism. This is part of what Nigel Thrift (2006) points to as the “stockmarket Keynesianism” of the telecommunication, media, and information technology boom that spans roughly from 1995 until the bust of 2000. Even the larger communication revolution and the communication system as a whole is a product of extraordinary public subsidies and social policies, not the “result of geniuses and free markets”, as McChesney

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7 *Toronto Star* columnist, David Olive (2007), waxed nostalgic about the influential pressure then-Deputy Finance Minister, David Dodge brought to bear on the Chrétien Liberals in the early 1990s. Olive’s commentary emerged when the world’s wealthiest economies were on the brink of recession. Under the leadership of Finance Minister Paul Martin, the Canadian government embarked on a plan, under the tutelage of Dodge, to cut the country’s ballooning deficit. This involved, among other austerity measures, the gradual erosion of social program funding, cuts to federal transfer payments to provinces, and reneging on the party’s promise to scrap the GST. The “tough-love” prognosis was perceived as a necessary move in order to salvage the sinking Canadian economy and rescue the currency from an eroded rate of exchange.
(2007, xii) points out. The global magnitude of communication technology can be traced further back to the laying of transoceanic cable between Britain and the United States in 1865, which took place at the height of U.S. imperialism and Britain’s imperialist expansion (see Pike and Winseck 2007). Along with the trans-Canadian railway, which was completed in 1885, the accompanying telegraph cable was instrumental in the westward expansion and development of Canada’s vast prairie and mountain regions (Rideout 2002). Global communications are instrumental as a support network for capitalism’s international growth and specifically, a chief apparatus within the ideological and material roots of developmentalism and dependency (Mosco 1982). These technologies are even more important for the development of a global information society, one predicated on the promises of post-industrial capitalism and the principles of the division of knowledge and informational labour, made evident by the growth of IT and ITES sectors in so-called peripheral economies.

The publication of the World Bank’s development report in 1999 draws from the anxiety and recognition that knowledge would become the basis for development in the 21st century. “Knowledge is like light”, the report commences, “[w]eightless and intangible, it can easily travel the world, enlightening the lives of people everywhere… Poor countries – and poor people – differ from rich ones not only because they have less capital, but because they have less knowledge” (World Bank 1999, 1). The World Bank acknowledges that the global explosion of knowledge presents both perils and
opportunities. A growing knowledge gap, much like the digital divide, can generate new inequalities between the technical literati and those deprived of access and know-how, simultaneously entrenching old divisions between the rich and poor, and between the Global North and South. Wealth and investment have the tendency to flow towards already-rich knowledge bases, which makes matters worse for economies that are desperate for new sources of capital and employment. Whatever the pitfalls, the WB report maintains a commitment to the classic ambition of development, albeit more dependent on knowledge and information, as a requisite for the improvement of incomes and living standards. It further concludes that the development of new knowledge, as a public good, is conditional on coordinated collective action, often in the form of entrusting public institutions to provide funding for projects that are difficult to capture by the creator – in other words, where intellectual property is difficult to defend and commercialize. The state, it should be emphasized, is an important mediator between private interests and social and public interests.

For development scholar Robert Wade (2002), the supposed “new route” to development, information and communication technologies, has been sold as the ingredient for higher corporate efficiency and stronger responsiveness of governments to citizens-customers. Wade’s argument aligns with the OECD’s (2009) analysis that businesses are transforming their supply and demand chains, governments are changing the way they interface with citizens and deliver services, and consumption patterns are being
reconfigured to exploit fully the potential of ICTs. This is also the thrust behind the United Nations Conference on Trade and Development’s (UNCTAD) examination of “Technology Partnerships”, which seek to determine how cooperation between firms in developed and developing countries could contribute to capacity building and increase the competitiveness of enterprises in “technologically weaker countries” (UNCTAD 2002). Again, the focus is on building alliances between governments, financial institutions, and international organizations in the interest of helping overcome the imperfections in information markets through knowledge exchange. In some scenarios, these technologies represent a means through which people can absorb knowledge generated elsewhere and are thought to hold the capacity to leapfrog over existing problems, such as basic illiteracy and lack of access to education. This, Wade quips, is “like saying that books can cure illiteracy” (Wade 2002, 443). Such is the foundation of ICTs-for-development (ICT4D).

Examining the layers of these development proposals reveals a more powerful political economy that Herbert Schiller (1973; 1984; 1996) identifies throughout the 1970s when deciphering the role telecommunications played in facilitating international U.S. hegemony. In this case, major software and technology companies have been the true benefactors of ICT4D, as developing countries become dependent on foreign technology and support to enable their leapfrogging ambitions. Development is increasingly expensive as a consequence, and lesser-developed countries (LDCs) require constant, and
quite costly, improvements to their infrastructure. Private interests and multinational enterprises are playing crucial role in coordinating the social, as well as economic, dimensions of development programs. This is part of the influence neo-liberalism has on orchestrating social policy and the mechanisms of its implementation. In the area of communications, the United Nations Educational, Scientific and Cultural Organization (UNESCO) is subject to these contested notions of how to construct cultural and social policies. Indeed, UNESCO’s approach to the information society endorses a world-view that ICT corporations are important partners in global development, while at the same time ignoring structural political, economic, and social inequalities that unfold in the process of corporate expansion (Leye 2007). This is best represented by the signing of an agreement between UNESCO and Microsoft, the flagship of software and technology firms, which was announced as a “Cooperation Agreement to Help Bridge the Digital Divide” in 2004 (UNESCO 2004; see also Digital Green n.d.).

UNESCO’s turn towards market-based development and communication policies, and its alliance with IT corporations, reflects a dramatic change of direction for this important UN institution. Since the 1980s the trajectory of global communications has run counter to the principles of the New World Information and Communication Order, which emerged as a cornerstone of economic development centered on the ambition of peaceful co-operation between nations and collective self-reliance, as defined by the McBride Report (UNESCO 1984/1980; see also McChesney and Schiller 2003). North American
media enterprises, particularly those situated in the United States, did not respond favourably to UNESCO’s vision for the NWICO, accusing it of supporting censorship and curbing the free flow of information. This prompted the United States government, under the leadership of Ronald Reagan, to withdraw from UNESCO in 1984, followed by the UK and Singapore in 1985. Their withdrawal had the effect of undermining the relevance of the UN organization (Leye 2007). What the NWICO implied was the enshrining of open communications and national autonomy over culture and communication systems as a human right, ending what Babe (1994) and others have long considered as a one-way-street of information flows, dependency, and American cultural hegemony. Most importantly, the McBride Report emphasizes that communication is not only a system of public information, “but also an integral part of education and development” (UNESCO 1984/1980, 197-198). The Report also envisioned communication as a major development resource, as a “vehicle to ensure real political participation in decision-making” (ibid, 201). Amid its lengthy recommendations is the admission that structural inequalities must be addressed as a condition for successful development strategies, with a comprehensive communication policy as part of such a programme. Unlike the emphasis placed on ICTs by the World Bank and OECD, the NWICO situates free flows of communication and national-cultural sovereignty as a starting point, not as mere appendages of technology- and market-driven agendas.8

8 UNESCO’s further commitment to cultural diversity as an ethical imperative and the organization’s Convention on the Protection and Promotion of the Diversity of Cultural Expression, of which Canada was an early supporter (White 2008), presents an obstacle to the commodification and commercialization of culture as a good (see UNESCO 2001).
Broad attempts, such as that taken on by UNESCO in the 1980s, to establish a regulatory framework based on shared perspectives on communications as a tool of development have not been completely abandoned. The International Telecommunications Union (ITU), the UN’s specialized agency charged with telecommunications development, has been an active player since its inception with the establishment of a global standards regime. One of its primary mandates is to promote the benefits of information technology to the world’s inhabitants, by bridging the digital divide through a variety of partnerships involving government-owned and private sector telecommunications corporations (UNCTAD 2002). It was through the leadership of the ITU that the World Summit on the Information Society (WSIS) was founded. This disappointed civil society groups that had hoped the Summit would operate under the auspices of UNESCO and its traditional focus on culture, education, equity, and knowledge development.

Initially conceived in the midst of technological convergence and globalization prior to the end of the dot.com boom, the WSIS was launched in 1998 as an opening to a new phase of global communication governance (Raboy 2004). Following its beginnings in Geneva in 2003, the WSIS affirmed a commitment to an inclusive and people-centred, development-oriented information society, which sought to carry on with the principles enshrined in the Universal Declaration of Human Rights, particularly Article 19, which refers to the right of freedom of opinion and expression. Like other UN initiatives, the
WSIS remained committed to a broad coalition of private sector, civil society, government, and international organizations, following the mantra that an inclusive information society required new forms of “solidarity, partnership and cooperation” (WSIS 2003a; see also WSIS 2003b). The maintenance of cultural diversity, cyber-security, Internet governance, education, human resource development, and the bridging of digital divides constituted the Summit’s central ambition. As part of larger development goals, especially those enshrined in the UN’s Millennium Declaration, the WSIS set targets that it hoped to achieve by 2015. This included expanding access to ICTs, bridging the gap between urban and rural areas with regards to ICT usage, revising school curricula, and facilitating the presence and use of all world languages on the Internet (WSIS 2005). National and international e-strategies were based on the mobilization of private and public capital with the interest of deploying ICTs to expand upon and prompt the development of knowledge- and information-based economic growth on a global scale. Growing post-industrial sectors were recognized as part of broader development goals in the context of an international division of labour.

Working through the International Telecommunications Union, the WSIS represents a new generation approach attempting to establish a comprehensive development model based on the promising vision of an information society. Information and communication technologies operate as a facilitator of this development strategy, enabling the resolution of embedded problems such as gender inequity, illiteracy, education, and weak economic
growth. Herbert Schiller offers a critical response to these assumptions by presenting the pitfalls and possibilities that accompany a global communication framework. In *Information and the Crisis Economy*, Schiller (1984) suggests that the commercialization of information in all kinds of productive activity, be it creative as well as routine work, can undermine cultural and national autonomy, leading to what others observe as a painful dependency on powerful international forces of information capital (Smythe 1981). Driven by the discourse of empowerment, the WSIS and other UN-related programmes, seek to overturn deterministic development strategies that have, in an historical context, resulted in uneven and corporatist development. Even the World Bank speaks of the empowering prospects of knowledge and information flows made possible by the liberalization of economies and the retraction of the state’s hold over the economic functions.

**Conclusion**

Questions related to development ideologies have indeed been reproduced and contested within various international organizations such as the WSIS and UNESCO. Multinational corporations have become involved in such processes in new ways over the past forty years. The interests of major economic power brokers have been influential in steering the activities of development agendas for decades, but the significance now is to emphasize *how* changing regimes of accumulation and modes of regulation have intensified the social, not just economic, dimension of this involvement. As Schiller fears,
the role that information technologies play in these strategies is, in great part, subordinate to private interests and not forces committed to the enrichment of democratic communications. The question of the development of underdevelopment remains pressing as it finds new relevance in the context of knowledge and information processing as a constituent feature of development itself. The emergence of ICT4D is one such example.

As the chapter maintained, technical innovations acting in concert with economic conditions and political developments condition the possibilities for a new international division of labour. Simultaneously, new commodity forms, as Smythe and other communication scholars suggest, further transform the structure of capitalism – from this a division of labour emerges that envelops knowledge and information production on unprecedented scales. Offshoring of service work exists on these foundations. Appadurai’s conceptualization of fetishism articulates the complex interrelationships between space and relations of production, taking into consideration both productive and consumptive dimensions of commodities in the process. Service products and employment in information and communication sectors are, in turn, premised on these crystallized social relations. The intensification of neo-classical formulations on trade theory allows for the maintenance of these configurations at local and international levels. As chapter three explains, changes in the organization of work, not unlike those that define the corporation’s transformation over the past century, are propelled by the
demise of Fordism and the accelerated inclusion of information technology in the workplace.
Chapter 3
Post-Industrial Capitalism and the Organization of Work

3.1 Introduction

“The Information Age has arrived”, Jeremy Rifkin (1996) exclaims in his provocative, *The End of Work*. As the march of technology advanced, Rifkin writes, sophisticated software technologies that define this Age could bring civilization to the brink of a near-workless world. Opportunities and responsibilities for millions of people in the most advanced market economies were about to suffer from the demise of mass formal employment. Workers and the general public alike, the narrative holds, had to face new promises and anxieties in response to the introduction of information technology into everyday and working lives. The expansion of service provision and customer interactions through call centres has indeed contributed to the decline of some occupations, but it has also led to the growth of others and the emergence of entirely new ones (Glucksmann 2004). Without a doubt, far from the workerless world Rifkin anticipates, technology has not entirely replaced human labour in the workplace but it has created new challenges for workers and organized labour.

In chapter two I addressed the significance of a political economy of communication and the changing patterns of regulatory regimes governing a new international division of labour. Technological innovation helps to prefigure new processes of commodification,
but at the same time the development of technology continues to be part of purposeful efforts at constructing new spaces for capitalist expansion. Chapter three builds on these arguments by considering the political of economy of information and knowledge production. The first section of the chapter examines debates emerging from the literature on post-industrial, networked, and knowledge capitalism. In the section that follows, I argue that traditional models of scientific management developed by Frederick Winslow Taylor inform the organization of information work. I use critical labour process theories to unpack the political and technical divisions of labour that characterize ITES employment, with a specific focus in the final section on call centre work.

Michael Burawoy (1985) remarks in the introduction to The Politics of Production that the subject matter of his work – the industrial proletariat and the processes of production – are part of an unfashionable thesis, written at a time when a material conception of the relations of production had fallen out of vogue. The growing importance of post-industrial employment as a contribution to GDP, international trade, and as percentage of national employment figures, however, provides a revival of attention to the ideological and technical construction of work. Burawoy’s book establishes a theoretical framework of labour processes and economic development that provides a basis for the analysis here. While the industrial proletariat, in the literal sense, is hardly the centerpiece of this examination, the point of production – rather, the points of production and distribution of goods and services – remains crucial when exploring the global significance of call
centres and the place that this industry occupies in the broader context of business process outsourcing and the internationalized offshoring of employment. What Burawoy offers is two-fold: first, a recognition of the historically developed nature of both capitalism and capitalist relations of production; and second, the ways in which these relations shape and are shaped by social and economic agents.

3.2 Structures of Knowledge Production

When Fritz Machlup (1962) published his seminal book, *The Production and Distribution of Knowledge in the United States*, the American economy was still in the midst of the long, post-War boom. Manufacturing sectors, particularly the automobile industry, still employed the most privileged segments of the industrial working class. Machlup’s report, however, drew attention to stunning developments that were reshaping the character of advanced economies. His findings were part of larger debates about commodity forms and the relations of production or, specifically, *knowledge* production. “Producing” knowledge, for Machlup, is described as “not only discovering, inventing, designing, and planning but also disseminating and communicating” (1962, 7). He also recognized that the production of knowledge is an economic activity, an industry. Machlup resolved that, while white-collar workers can be regarded as knowledge-producing workers, this identification could not be made without several qualifications or adjustments. And, as an industry, important distinctions are to be made regarding the occupational or class characterization of “white-collar”.

98
Knowledge producers, using Machlup’s (1962, 33) morphology, are distinguished by their control over and relation to the production process, subsequently ascribed to six interrelated categories: transporter, transformer, processor, interpreter, analyzer, and original creator. What makes the transporter qualitatively different from the original creator is the degree to which the original inputs are transformed or augmented by the knowledge worker. The occupational composition of the labour force and of employment within the knowledge and information-based sectors is important when considering larger questions related to the division of labour. Marc Porat’s (1977) subsequent investigation runs parallel to the conclusions drawn earlier by Machlup, where huge disparities of labour and capital-intensity are shown to exist throughout the information sector (see Babe 1994). The questions of skill and education also apply to those workers employed by the knowledge industry, as Machlup describes it, and contributes to what differentiates between the transporters, transformers, processors, and creators of knowledge. Automation, which “displaces mental labour” and “saves the use of human judgment” (Machlup 1962, 379), addresses an additional problem when considering the capacity to replace, or at least supplement, the efforts of the least skill-demanding knowledge producers with computerization. Technical innovation in the knowledge and information industries constructs divisions of labour within sectors and configure systems of organization and control. What Machlup (1962, 380) argues is that automation would create the need for an ordered stratification of mental labour with “various degrees of analytical skill”, but that this did not necessarily entail a reduction in the share of “brain
workers” within an economy. The result could potentially increase demand for more highly skilled mental labour rather than precipitate a displacement of employment through automation. Business reports and critical labour scholars have more recently supported these claims (Huws 2003; Hunt, Manyika, and Remes 2011).

Like Daniel Bell, Machlup’s account of knowledge production acknowledges serious policy questions related to shifting labour and economic patterns. Machlup (1980) shares the concern that changes would demand political intervention and sociological reflection in order to mitigate the likely outcomes of such transformations. Rather than a shapeless community of knowledge producers, his description is foremost a class structure of knowledge workers, subject to innovations in technology, labour processes, and organizational models – developments such as these in turn alter the demands for particular skills in a rapidly evolving labour market. Finally, Machlup’s prognosis does not declare a victory for knowledge work over manufacturing, but instead talks of both as overlapping sectors in the American economy. The blurring of these sectors, Liagouras (2005, 22) reminds us, is caused by the “domination of cognitive, communicative, and aesthetic components of commodities over physical ones”. The economic analysis offered by Machlup in his investigation stays clear of the broader claims associated with theories of post-industrialism, which stand in place of an otherwise unknown historical process or, worse, an empty synonym for modernity (Block 1990).
Bell’s (1999/1973) own conclusions about the post-industrial condition are similarly drawn from a rich study of economic, political, and social histories. For Bell, society is not a unified *system*, but a fractured entity constituted by social structure, the polity, and culture. Post-industrialism was, his account enforces, limited to changes in the techno-economic order, part of the wider social structure. In a darker follow up to his 1973 classic, Bell (1976) argues in *The Cultural Contradictions of Capitalism* that the ideas of modernity had become exhausted and that capitalist society in the United States was pained by cultural styles, which replaced a moral system rooted in the Protestant sanctification of work with a hedonism that embraced material ease and luxury. None of these problems are divorced from a material economic order. As Bell admits, the transition to a post-industrial society is not without challenges. He optimistically foresees a society governed by ideas, merit, knowledge, and information, and welcomes the displacement of class and established privilege as the dominant political forces. But Bell (1976, 26) also envisions new inequalities, namely a scarcity of information “which would arise from the growth of technical knowledge and the increasing need for popularization”.

The main criticism I hold of Bell’s conclusions is that his forecast prematurely abandons existing ideologies and class divisions. Alternative accounts of how changes in the production of knowledge and information have transformed capitalism are found in Lash and Urry’s (1987) *End of Organized Capitalism*, which, in many ways, acts as a rejoinder
to the claims of post-industrial and information society scholarship. The authors protest the broad claims associated with “post-industrial” or “information society”, and emphasize instead the persistence of capitalist social relations in economic developments. Post-industrialism marks a shift within capitalism, but has not fundamentally altered the nature of capitalist social structures. Furthermore, the global experience of post-industrialism has been decidedly uneven, due in part to the internationalization of production process, the division of labour, and relocation of industry. At the same time, the significance of industrial and resource sectors has not been displaced, despite the falling number of individuals employed in these industries in advanced economies. If post-industrialism is to remain a moniker of contemporary economic change, the term must be amenable to the realities of uneven regional development, as well as inconsistencies in the emergence and decline of particular sectors.

Writing almost two decades before Bell, Peter Drucker’s (1959) parallel perspective is important to recount. Drucker points to the growing importance of knowledge and education – a hallmark of the post-industrial society – and the dismantling of existing ideologies in the development of a “post-modern” condition. “Today”, Drucker writes, “both liberalism and conservatism in their traditional meaning are moribund. Indeed ideological parties are probably obsolete and certainly meaningless” (1959, 59). The society that Drucker envisions is a “middle class society of men who are professional in their work but rank as employees, managerial in their responsibility but middle class in
their outlook, expectations, rewards, opportunities and values” (ibid, 62). Class itself is no longer a viable term to describe inequality, Drucker proposes. Instead, educational opportunities and access to the knowledge economy are the central obstacles preventing America’s marginalized population from rising in status; these people are “non-employable”, not “poor”, he argues (ibid, 103). Drucker also concludes that the working class, especially with regards to its outlook on political life and ideological commitments, is a waning category being replaced by the professionalized employee. Trade unions, for Drucker, are largely obstacles to the impending changes taking place in the economy. What is especially poignant about Drucker’s work is this: his forecasting of a knowledge-based society is decidedly driven by entrepreneurialism, possessive individualism, anti-communism, responsibility and self-reliance, and explicitly, “the age of conservatives” (ibid, 59). In many respects Landmarks of Tomorrow is a policy guide for what is understood here as a neo-liberal vision for post-industrial capitalism.

Manuel Castells’ (1996, 19) charting of contemporary developments in social and economic transformations moves beyond the post-industrial description to that of informationalism, which he described as being linked to the “expansion and rejuvenation of capitalism”. Unlike Bell and more reminiscent of Drucker’s prescriptions, Castells’ forecast observed that the network society is dominated by political institutions “oriented, in the economic realm, toward maximizing the competitiveness of their constituent economies. Profitability and competitiveness are the actual determinants of technological
innovation and productivity growth” (Castells 1996, 94). For Castells, institutions and practices, pressed into adopting a neo-liberal approach to governance, principally guide the organization of politics and economics; competition, entrepreneurialism, creative destruction, profitability, and globalization are the key features of informational capitalism. While Castells is deliberately reluctant to conflate the character of informationalism with that of neo-liberalism, the similarities are nonetheless glaring. Individualized contracts, deregulation, privatization, enhancing the power and flow of finance capital, integration of global markets, increasing commodification of signals, knowledge, and information, etc., shape the contours of the network society. Technological innovation, he adds, is prompted by the rush for profitability and competitiveness amongst firms (Castells 1996, 94). Out of the necessity to compete in a global market place, businesses are forced to restructure their operations and expand into emerging economies.

Whatever the accomplishments of Castells’ *Information Age* trilogy, the political program that emerged from his work drew wide-ranging criticism from many academic circles. Part of this attack came from suspicion that followed from the applause that Castells’ technologically-enabled prophecy received from the business community. Others argued that the analysis lacked a coherent set of interrelated concepts, which was the reason why his magnum opus failed to provide a systematic understanding of a diverse and continually unfolding set of phenomena (Urry 2003). The more important
deficiency was the undermining of class and forms of inequality that represent traditional social challenges in advanced capitalist societies. This is not an attribute of Castells alone, to be sure, and his analysis in what is otherwise a meaningful contribution to literature on post-industrialism – social theorists like Alberto Melucci (1989) and Alain Touraine (1973) draw similar conclusions. The main shortfall in Castells’ work is the acceptance of meritocracy as the major current running through an analysis of informational and knowledge labour.

Merit is understood here as the central resource advancing a loosely defined post-industrial class, which is drawn from knowledge and skill, not wealth and political power. Castells proposes that a managerial elite, not a transnational class, now constitute the leading power brokers that direct influence and authority based on their entitlements, privileges, and skills over corporate activities, governance structures, and state policies. In the process of establishing a case for a merit-based network of elite managers, Castells explicitly rejects the notion of a power elite, as described by C. Wright Mills (1951) in his classic study of American society. Social domination, instead, stems from command over cultural codes which enable access to power structures, without ever having to deliberately construct obstacles to certain information networks that prevent non-elites from entering a particular network. Castells (1996) is clear that the network morphology reconfigures power relations and informs modes of production through information networks. Automated management processes, which are governed by interactions
between multiple networks and nodes, transform the very terms of the capital-labour relationship. Absolved of any centre points, hierarchical power becomes impossible without processing instructions in the network according to its morphological rules (Castells 2000). These structures have been enabled by information technologies, themselves organized around a network model that allows social and economic processes actually to function. But as Halcli and Webster (2000, 76) remark, at “the hub of globalized capitalism are indeed informational workers, but for the most part they are where they are, and able to continue there, by virtue of privileged origins and education, and the inestimable advantage of inherited wealth”. Ethnographies of India’s IT industry have established similar conclusions by arguing that class and caste remain pressing institutions, which limit access to privileged sectors of the economy and employment opportunities (Upadhya 2007b; Upadhya and Vasavi 2006).

International changes in the structure of capitalism, as chapter two established, have also led to changes in the patterns of global and regional class structures. Growing information and knowledge sectors have contributed to this development, reflecting the broader tendencies attributed to post-Fordism and the new international division of labour. What my position objects to is the superceding of class as a definition of power relations, by that of elite status, as Castells maintains. The insistence that occupational structures require informational abilities, and not (inherited) economic capital, supports a claim that privilege is open to those with the requisite academic credentials. This, Halcli
and Webster (2000) conclude, recalls earlier claims that experts or technocrats were increasingly more important in the organization of economic and political life, which challenges the novelty of Castells’ proposals. This is not to say that education plays no part in constituting access to power. Herbert Schiller (1984) recognized that the changes in the means of production and social reproduction are observable in the educational sphere. Indeed, a political economy of post-secondary education reveals a restructuring based on an accommodation of corporate demands for scientific research and the use of publicly funded knowledge workers (see Schiller 1999; McL. Lamberton 1994; Noble 2001). Indian social scientists point to the need for a well-educated class in the knowledge-based economy, and recognize the disparate quality of science graduates being produced throughout the country’s technical programs (Deshpande 2006). Indeed, class disparities exist within the scientific and educated elites, just as Machlup proposed in his analysis of knowledge workers.

In the course of these debates on the definition of knowledge production systems, even concepts of capitalism have been subject to contestation. Nigel Thrift (2005) offers one such definition, which represents a departure from the basic premises of his earlier, political economic work (see Taylor and Thrift 1982a; 1982b; 1986; Thrift 1987; Amin and Thrift 1999). Capitalism is less a system, for Thrift, than sets of practices and a series of relations instituted over time through various organizations of time-space, deprived of any unities or totalities. This suggests that capitalism is as much about everyday ideas as
it is about general economic models. The new political economy sketched by Thrift disrupts the conventional emphasis on money and finance, informational technology, and the regulation and rules of possession. Instead, capitalism becomes a reading, a cultural formation, and knowledgeable. There is certainly a material dimension, but “knowing capitalism” now requires a better sense of immaterial and rather nebulous qualities related to knowledge, communication, and information. Capitalism no longer operates as a concept, by this account, let alone a unified structure that generates and governs certain sets of economic, political, or social relations – it has become, through such a reading, an abbreviation for abstract practices and ethereal modalities. One is left wondering, as Andrew Sayer’s (2007) review of Thrift’s work stresses, what happened to the traditional, yet critical identification of oppression and suffering in the workings of economic systems. In fact, it is hard to pinpoint what there is to worry about at all in this new, metaphysical capitalism.

Despite the shortfalls, Thrift’s account of capitalism does reflect on contemporary forms of cultural and knowledge production as a reinvention of production itself. Even Daniel Bell recognized the multiplicity of ways culture, societal structures, and the polity interacted, creating new ways of thinking about the regulation of social and economic life. But the reinvention of capitalism, and its principal relationship with modes of production, does not unfold in the process. When Richard Florida (2002) released what would become a widely acclaimed thesis on the “creative class” – those who occupy
employment categories related to science and engineering, architecture and design, education, arts, music and entertainment, and function to “create new ideas, new technology and/or new creative content” (Florida 2002, 8) – there was still a commitment in his work to capitalism and class as accepted concepts. The rise of new technologies, new entrepreneurs, and new industries actually required, for Florida and his collaborators, new mechanisms for providing capital, giving life to more sophisticated financial innovations (Florida and Samber 1999). There remains a political economy, however incomplete, in this process.

The lack of coherence that accompanies what Smart (2000) has described as a political economy of “new times” is cause for re-examining the claims made by scholarship invested in the network society and knowledgeable capitalism claims. As a description for society, the “network” might prove to be a rather premature and inappropriate concept. A sense of social possibilities may indeed be dominated by networking and interactivity (Barry 2001), but there is a more important question of how well this notion of the network is compatible with local social structures and international frameworks of governance. Processes of organizing work and the maintenance of inequalities in the workplace are also, I argue, unresolved in the informational perspectives.

3.3 The Politics of Labour Processes
The organization of work is an important dimension in which to recognize the intersection of neo-liberalism, information technology, and the conditions of work and
labour processes in the new international division of labour. Critical labour process theorists such Harry Braverman (1974), Richard Edwards (1979), and Michael Burawoy (1979) offer groundbreaking critiques of management theories and practices. Braverman's *Labor and Monopoly Capital* (1974) explores the advancement of scientific management into service and clerical tasks, marking an important departure from the myth that these knowledge-based workers are removed from the rationalized scientific organization of work. The main contribution of the critical labour process tradition is the revelation that managerial control over labour and the labour process is as much ideological as it is technical. Frederick Winslow Taylor’s *Principles of Scientific Management* provides a point of departure for this analysis, as the genealogy of scientific management originates in Taylor’s work.

Following Whitaker’s (1979) examination of Taylorism, scientific management is a political ideology appropriate to capitalist democracies and is the first comprehensively articulated ideology of management. Standardization, measurement, monitoring, and control were already at work in the industrial setting when Henry Ford established new frontiers in mass production plant (Head 2003). Taylorism doubled the task of expressing certain material interests while mystifying others as an attempt at gaining legitimacy for a new structure of power over labour in the workplace. This involved the deconstruction of existing workplace solidarity by breaking organic forms of employee work practices and interactions. Well before the emergence of what is now recognized as the knowledge
industry, Taylor saw knowledge as the main productive resource, and was perhaps the leading force behind divorcing brain from brawn in the modern workplace (Kanigel 1997). Much of Taylor’s work has had a tremendous impact on the emergence of several bodies of literature, with the very conception of scientific management marking a starting point for the field of organization theory itself (Clegg and Dunkerley 1980). Taylor’s devotion to highly specialized and delineated divisions of labour paralleled Max Weber’s conception of bureaucracy and the increasing bureaucratization of not only productive and administrative life, but also of everyday social existence. Post-structuralist and Foucauldian scholars have constructed new insights by examining how Taylorism constructed individual subjectivities, disciplined and governed through a particular model of management that deployed a 19th century discourse of “progress” (see Bahnisch 2000). Others, like those associated with the Italian autonomist tradition, have focused on the “social factory” phenomena found in the Taylorism’s relation to capitalist production (see Cleaver 2000; Dyer-Witheford 1999). As Taylor speculated, the use of scientific management would precipitate a rise of real wages and profitability, benefiting labour and capital, as well as consumers.

Taylor established that the intent of scientific management was to construct a science that would extent into all aspects of productive and administrative life. To industry leaders he was the first efficiency expert and original creator of the time-and-motion study. He was also seen as eccentric and radical to businesses and unions alike – he was nervous, and high strung, obsessed with efficiency and calculation; just as he advocated for stringent
control over the workers’ movements, Taylor made the dramatic proposition that wages for common labourers needed to be raised by a third (see Kanigel 1997; Bell 1970). Scientific management was part of Taylor’s vision for the world. As he himself wrote, it was the intent of his system “to show that the fundamental principles of scientific management are applicable to all kinds of human activities, from our simplest individual acts to the work of our great corporations, which call for the most elaborate cooperation” (2005, 7 emphasis added). It was not until William Leffingwell (1917) began a systematic introduction of scientific management into clerical operations that Taylorism established itself in the service industries, particularly in the operation of banks, accounting firms, insurance companies, and mail-order houses. Maximum efficiency through the minimization of employee decision-making was the objective of this system. Scientific management, then, is analogous to Weber’s prognosis concerning the rationalization of daily life and the usurpation of a rational system over traditional forms of action. As Taylor concluded, “in the future the system must come first” (2005, 7).

The system that Taylor spoke of was also intensely political. In addition to revoking labour’s autonomy over production processes, scientific management designs sought to mitigate workplace conflict by empowering managers with the ability to easily replace dissenting labour. Taylor opposed tactics of resistance used by workers, such as “soldiering”, which worked successfully to control the pace of labour. Established trade
unions, Taylor maintained, only sought to protect the privileges held by members at the expense of wider society and the unskilled industrial working classes who suffered from unemployment and lack of access to protected trades. But opposition to Taylor’s methods was evident in the early years of the scientific management movement. The skill-based industries of Germany and Western Europe were more reluctant to adopt Taylorism than their American counterparts (Tomany 1995). Even as early as the 1920s mill-workers in India’s textile plants met Taylorism and rationalization schemes with intense opposition and years of strike action (Chandavarkar 1991; Haynes and Prakash 1991). The Japanese model of Taylorism, on the other hand, closely resembled its application in North America and the industrialist Eiji Toyoda, founder of Toyota, insisted on a means of enabling peasants with limited skills to work in mass production, much like what Ford accomplished with immigrant labourers in his Detroit auto plants (Head 2003; Liker 2004).

Scientific management was not out of place when information technology entered the workplace. New theories of management have shaped the changes unfolding in the tertiary work environment, with the rudimentary elements of scientific management gradually being applied to post-industrial employment. Under Fordist systems of economic regulation, corporations sought to control their economic environments by constructing massive vertically integrated organizations that internalized sources of raw materials, machinery, and labour power. But Fordism's centralized model of economic
organization could not effectively cope with the rise of global competition, changing patterns of consumer tastes, and the demands for new information technologies, which ultimately encouraged the emergence of post-Fordism (Vallas 1999).

Management scholars in the early 1990s had begun developing theories of scientific management oriented towards knowledge and information-based workplaces (Davenport (2005; 1993; Davenport and Prusak 1998; Liker 2004). Others built on the promises that ICTs offered to organizational management by focusing the discussion on how to restructure of a firm’s operational processes, which became recognized as business process re-engineering (BPR) (Hammer and Champy 2003; 1996). Consultancy firms continue to grapple with the challenge of putting these largely academic prognoses into operation (see Matson and Prusak 2010). Indeed, technological changes were instrumental in creating demands for new forms of organization. For critical labour scholars this reinforced the importance of identifying the role of labour within information revolutions (Blok and Downey 2003). Few business activities escaped the attention of business process re-engineers, including activities related to sales, marketing, customer relations, accounting, personnel management and even medicine, drawing from their acclaimed recommendations (Head 2003). As a corollary, the tenets of scientific management represent an ideological process that seeks to revoke from workers control and autonomy over the processes of labour. This does not mean that the process of organizing work consistently relies on a rational program, but in some cases management
remains dependent upon arbitrary and uninformed decisions based on a basic sense of hierarchy rather than a deeper understanding of effective or efficient work processes. This supports Paul Edwards’ suggestion that researchers of power and domination in the workplace have to pay attention to the ways in which different interests are pursued, “in particular the role of ideology in expressing, but also challenging, structures of domination” (Edwards 2006, 580).

As a response to conventional, pro-business understandings of scientific management, the critical labour process school established critiques of the apolitical approaches to studies of work and employment. Harry Braverman’s (1974) work was pivotal in launching this tradition. Braverman developed an account of the labour process that relied on a reading of Marx’s Capital to unpack Taylorist literature and practice. Following E.P. Thompson’s (1963) description of class as a set of social relations and not an income-dependent category, Labor and Monopoly Capitalism drew attention to the significance of reading Taylorism as an ongoing process within capitalism. Scientific management, Braverman wrote, “is not ‘pure technique’ … but rather the marriage of technique with the special needs of capital” (Braverman 1974, 75). Indeed, as his position advanced, Taylorism “enters the workplace not as the representative of science, but as the representative of management masquerading in the trappings of science” (ibid, 86).
Taylor’s intent was not lost on the factory workers who were confronted with his time and motion studies. For Marxists like C.L.R. James, both Taylorism and Fordism heralded a new phase in the class struggle, as innovations in techniques of management and technology were recognized as new forms of domination. Radical elements in working class movements even began demanding less alienating and routinized work processes, objecting to the very notion of Taylorism and its supposed economic benefits. Indeed, Taylor had been defeated on several occasions by workers. Only four years after he had put his treatise on scientific management into action at the Watertown Arsenal, Taylor found himself answering to a U.S. Congressional committee in 1912 after industrial conflict at the government-owned plant drew the ire of public officials. By 1915, the federal government had outlawed time studies and premium payments in all work done on contract. Despite Taylor’s claim that the strike was precipitated by union propaganda, a documented history of the crisis revealed that workers began their labour action spontaneously and without their union’s knowledge – the International Association of Machinists, the union representing the Arsenal workers, only gave their official support after the strike had begun (Aitken 1960). Taylor came face to face with the limits of his system. As Aitken (1960, 12) concluded in his powerful account of Taylorism’s introduction at the Watertown Arsenal, “[t]here in microcosm were all the stresses of an industrial society exposed to constant revolution in technology and organization”.

116
As the size and complexity of corporations expanded, so too did the need for more sophisticated models of organizing production and “human resources”. Even before the introduction of advanced communication and information technology in the workplace, the growing scale of markets demanded a scientific and professionalized class of managers to operate capably national and international operations (see Chandler 1977). Qualitative transformations did emerge as computerization became standard in complex organizations. Subsequently, the practice of monitoring was enabled through more sophisticated technologies. As surveillance scholars argue, various methods of supervision have always been crucial features of capitalist enterprises, with monitoring and control argued to be at the centre of economic activity (Ball 2003; see Lyon 2001; Rule 1996). In the 1980s, Shoshana Zuboff (1984) and Barbara Garson (1988) observed that anyone who touches a keyboard could be monitored remotely with little disruption to the process of work (see also Zureik 2003; Zureik, Mosco, and Lochhead 1988; Lyon and Zureik 2003). Indeed, both the economy and the organization of work are mutually transformed by innovations in the means of control. As the International Labour Organization stressed, “[t]ime has not changed the practice in some workplaces, but technology has changed the method” (ILO 1993a, 11; see also Snider 2002; Stevens and Lavin 2007). Knowledge production, considering the centrality of software and computerization in the labour process, is especially prone to these types of control.
There are limits, of course, to particular methods and tools of control. Davenport’s (2005) caveat is that the rationalization of knowledge work cannot be employed uniformly across industries and workplaces; explicit methods of control can become dysfunctional and necessarily create demand for newer, more innovative models. Control over labour, however, does remain a central tendency within capitalist enterprises. A specialized form of office management even emerged with its own theory and methodology on how to administer office work. India’s Wipro Ltd., a leading IT and business process outsourcing firm, uses Toyota’s factory management system as a model for its company offices, allowing workers to devise their own methods of improving efficiency at work (Business Week 2005, 69-72). While Wipro’s official source for their success story is Jeffrey Liker’s The Toyota Way (2004), the basic features of this design follow the tenets of Taylor’s scientific management. As Braverman (1974, 308-309) wrote, quality control is impregnated with the interests of workplace control and with it an element of surveillance. And not unlike the conflict that emerged as a response to Taylorism’s introduction at the Watertown Arsenal, the initial attempt to transform the office into a factory-like setting at Wipro “was a roaring disaster”, according to the head of the company’s business process outsourcing unit. Staff, he went on to say, felt like cogs in a machine and dragged their heels (Business Week 2005, 72).

Like the challenges faced by management at Wipro, Taylor’s crisis at Watertown was induced by a lack of legitimacy to scientific management practices. Where Taylor was
loathed by his former shop-floor colleagues, the ideological component of Taylorism accepts a variety of techniques and allows for the incorporation of varying forms of control and power configurations in order to gain the confidence of workers. Actual workplace disciplinary practices are complex and transitory, which helps explain the move away from despotic to hegemonic forms of control – where the former relies strongly upon rewards and threats, the latter depends upon shaping work cultures and subjectivity in order to ensure compliance (Ezzy 2001). Neither modes, to be sure, are mutually exclusive. Michael Burawoy adds that exacting compliance from the workforce was more important than using despotic commands and that the process of manufacturing consent through ideology constitutes a decisive mechanism to ensure improvements in output and efficiency. As Burawoy argues in *The Politics of Production*, even the objectification of work is still profoundly a subjective process, meaning that workers participate in their own subordination (Burawoy 1985, 10).

Burawoy’s thesis was built on a political economy of work that connected the place of production with the reproduction of social relations. The consensual process mediating labour-capital relations, he argued, is established both at the point of production and through social institutions like education, media, and the family. Roethlisberger and Dickson’s (1939) famous Hawthorne experiments produced an understanding of workplace control premised on a consensus on the part of labour with management, establishing what came to be known as the Human Relations School. As Fritz
Roethlisberger himself reflected, the “manager… is neither managing men nor managing work… he is administering a social system” (cited in Bell 1970, 24). Where Burawoy and Braverman converge is at the recognition that production is a political act – management scholars, like Roethlisberger, also embraced this reality. But the process of establishing hegemony and maintaining political relations in production requires more attentiveness to the substance of these relations than Braverman offered in his classic study. For Burawoy this means understanding the separation of relations in production (relations between and among workers, or the technical division of labour), relations of exploitation (between labour and capital), and relations of production (relations of distribution and consumption of the product of labour, also known as the social division of labour) (Burawoy 1985, 13, 29). Ideological and institutional structures emerge as a way of maintaining these relations, meaning that it is more than simply establishing dominate ideas but also of introducing administrative structures that formalize and legitimate these ideas. Team structures in knowledge production, for instance, work to facilitate this mechanism of social control and establish compliance amongst employees (see Ezzy 2001; Liker 2004; Sewell 1998).

For Richard Edwards (1979), the intersection of these mutually constituted forces is a “contested terrain”, and neither labour nor capital are positioned at an absolute advantage. Domination in this process still requires the establishment and defense of hegemony, often through the implementation of bureaucratic controls and not only personal
relationships between workers and managers. The founding of impersonal guidelines through company policies provides the basis for formal control. In the process, acceptance of roles (division of labour) within the work setting is conceived of as right and the authority held by management seen as legitimate and natural. The political practice of management is in turn represented as technical and an undisputable necessity in complex organizations. The relations in production, of production, and of exploitation are institutionalized and, thus, perceived as normal. All of the critical labour process theorists acknowledged that despite these technical obligations to manage, resistance was a realistic possibility. Because hegemony was not absolute, opposition to management could manifest as union mobilization or individual or coordinated acts of subversion. Indeed, this was the case following Taylor’s interventions in the Watertown Arsenal. Business similarly worked to construct innovative models of organization, which broke out of the traditional bureaucratic structures that defined the classic corporation. Such changes have helped reinvent truly global companies and gave credence to Castells’ notion of a network society.

3.4 The “New” Organization

Charles Perrow (1972) reflects that bureaucracies are perceived as the negation of individual autonomy, spontaneity, creativity, and dignity. Business process re-engineers sought to overturn this classic construction of the workplace with attempts to empower workers rather than alienate them from their creative potential (see Hammer and Champy 2003; Drucker 1988; Lyker 2004; Florida 2002). Building on the critical perspectives in
management theory, Perrow (1972; 1970), and Stewart Clegg (1989; 1979) recognize that structural forms of power, exploitation, and historical change are absent from functionalist interpretations of organization (see Clegg and Dunkerley 1977). This blindspot is maintained in accounts of post-industrial workplaces that continue to neglect the existence of power relations in the labour process. Post-modern organization scholars add that new ways of thinking about hierarchical structures and the nature of power in complex organizations are required as a consequence (Hancock and Tyler 2001; Mir, Mir, Upadhyana 2003). In particular, the suggestion is to recognize new dimensions of commodification, namely the significance of affective or emotional labour in service-based enterprises, which creates demands for new forms of social control. Further interventions are made by post-colonial organization scholars, who argue that it is vital to understand how practices, institutions, and discourses that are perceived as uniquely Western have actually been constructed through colonial encounters (Prasad 1993; see Gopal, Willis, Gopal 2003; Prasad and Prasad 2003a). Regardless of the central theoretical focus, it is widely accepted that privilege and exclusion are reproduced and transformed, not removed, in the “new” organizational models. Hierarchical placements continue to be social as well as functional, and are conditioned by a range of contingencies related to sector, internal divisions of labour, and the scale of operations.

Responses to traditional workplace models are accompanied by the growing fantasies surrounding “post-bureaucratic” organizations. These are not unlike earlier post-
industrial visions developed throughout the 19th century by radicals who opposed the human and ecological consequences of industrialization. Some management thinkers eventually came to oppose the highly routinized and centralized organizations that were marquee features of corporations throughout much of the 20th century. Bureaucracy became a negative term associated with a stagnation of technical innovation and sluggish economic growth that management theorists like Peter Drucker (1988) opposed. It was during the IT boom years of the 1990s that the small entrepreneurial start-up companies were applauded for their ability to foster innovation and quickly evolve in a volatile business environment. This was the so-called “new geography of work” where Old Economy corporations faced off against the New Economy flexible enterprises (Ross 2008). Azim Premji, founder of Wipro Ltd., contends that Western managers have not overcome their conservative corporate mentality and are as a result, “losing to competitors who move faster” (Kapur and Ramamurity 2001, 18). India’s advantage, he suggests, is a consequence of indigenous skills and knowledge, and innovative business and organizational models. Some of these assumptions have been supported by research on call centres, which conclude that intensely bureaucratic work regimes, with less autonomy, hinder job satisfaction and, in turn limit or in fact lower productivity (Frenkel, Tam, Korczynski, Shire 1998). But alternatives are not consistently effective, nor are they premised on evidence-based concepts of organization. Business process re-engineering programs produce mixed outcomes and, in some cases, become little more than an excuse for downsizing (see Leyshon, French, Thrift, Crewe, and Webb 2005). In the early 1990’s
almost one million white-collar managers in the American economy lost their jobs as part of these corporate austerity measures (Cascio 1993). Critics even maintain that, in the extreme, the objectives of BPR are little more than an “evangelical fantasy” removed from social and economic contexts (Knights and McCabe 1998a; 1998b).

Structural conditions that accompanied the development of a new international division of labour, particularly what came to be described as post-Fordism, are pivotal in facilitating a transformation in how work processes are organized. Some of these new designs invoke utopian ideals of post-hierarchies and flat structures. As Mosco (2004) discusses, this is part of the grander vision of the new dot.com economy. Labour scholars like Steven Vallas (1999), however, claim that despite the contributions made by post-Fordist theory to the sociology of work, the concepts being deployed mis-specify the nature of the workplace. This is partly due to the visions of egalitarian possibilities accompanying the revolutions in ICTs, or so the argument goes. Drucker, on the other hand, summons older, supposedly post-hierarchical organizational models as the future for the modern corporation. “Because of its flatter structure”, he writes, “the large, information-based organization will more closely resemble the business of a century ago, than today’s big companies… in the [contemporary] information-based organization [however], the knowledge will be primarily at the bottom, in the minds of specialists who do different work and direct themselves” (Drucker 1988, 47). Drucker draws from the British colonial model in India, where vast regions and populations were administered by
a disparate organizational structure, information-based, and without a middle-level management.

Despite the empowering aspirations of “flat” workplaces, management remains capable of exercising power and hierarchical formations remain present. In both the post-Fordist and disorganized capitalism examples, firms have actually centralized command over production processes rather than dissolving them altogether (Harvey 1990; Vallas 1999; Lash and Urry 1987; Huws 2003). Competitive pressures necessitate change in the labour process, but these innovations also facilitate growing workloads and, in some instances, a degradation of work-life balance (Menzies 1996; 2005) as well as economically costly health effects (Fraser 2001; Suresh, Gopal, and Ravichandran 2008). Even amidst the extravagant image of dot.com workplaces, Andrew Ross (2004) jokingly terms the hyper exploitation of computer programmers, once the glamorous representatives of the new economy, as “geeksploitation”. Even the favoured groups within knowledge economies, those who have generally occupied a privileged position in contemporary capitalism, are increasingly subject to the reality of precarious employment and downsizing. For instance, as the financial crisis began to take hold in 2008, the Indian IT and ITES sectors feared immediate job losses in the range of 25,000 employees by the end of the year (Nandy 2008; see also Ribeiro 2008). Companies like Accenture and TCS immediately started to extend their official work schedule to nine hours a day (Tejaswi 2008).¹ As

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¹ It was already common for employees in these firms to put in nine hours or more per shift.
studies of call centre work conclude, IT organizational structures maintain intensive control over time and the processes of labour – layoffs accelerate this tendency as companies begin to demand more work out of remaining employees (Stevens and Lavin 2007). Quality of work programs, some critics argue, are introduced by management around the times when job security becomes more precarious and the workforce becomes increasingly jaded with their employers (Ross 2008).

The question for knowledge industry managers is how to balance creativity and productivity with control. Where workplaces fall into the wider knowledge sector, as Machlup describes, actually prefigures the deployment of certain labour processes. This is a classic question of control over the means of production. New process technologies and heightened levels of competition have changed the ways firms have separated mental and manual labour, creating alternative methods of designing workers’ tasks (Vallas 1999). Labour scholars describe these changes as flexible specialization, a “process by which a far more highly-skilled workforce is employed to produce a range of customized goods” (Trott 2007, 204). In the classic study produced by Piore and Sabel (1984), the economic stagnation of the 1980s could only be resolved by challenging the prevailing assumptions of the existing model of industrial development and its reliance on mass production. Flexible specialization, they concluded, is essentially a revival of craft forms of production that defined industry for much of the 19th century. Economic growth would have to be premised on the renewed importance of mixed systems of production and an
increasing dependence on skilled workers. The “new” organizational models have sought to capture this spirit of renewal, as both an ideology and a practical innovation. To be sure, what remains unchanged in these transformations is the significance of ownership over the means of production as a central dimension of social relations within post-industrial capitalism.

Attempts to capture creative inputs from workers through labour process designs and flexible specialization are expressed in the form of quality control circles, just-in-time (JIT) production, quality of work life (QWL) programs, customized mass production systems, and team-based structures. Just-in-time production, for example, is an integrated system, first deployed by Japanese industry, with the intent of eliminating waste and making continuous improvements to production methods (Benson 2006). Images of participatory and content workplaces help sustain the arguments that support the use of alternative organization structures. In their study of call centres, however, Knights and McCabe (1998b) observe that work is not the satisfying experience that the promoters of BPR would have their followers believe, nor are employees the malleable pieces of clay ready to be formed into whatever the programmers of re-engineering deem appropriate. Similar conclusions have been made about JIT programs in Canadian workplaces where new work processes actually increased stress and eroded job satisfaction (Godard 2001). Team-based systems in call centres similarly produce mixed results and are designed to accomplish a number of tasks, not least of which is performance management.
Supervisors are generally responsible for coaching members of the team whom they oversee, offering corrective and disciplinary oversights depending on the scenario. High performance ratings reflect positively on supervisors or front-line managers, giving those in positions of authority incentive to boost productivity, sales, and improve quality by exercising technical expertise and power. Despite the emancipatory language that accompanies post-Fordist models of workplace design, the tenets of scientific management and self-regulation are standard attributes of these structures.

3.5 Call Centres and the Labour Process
When Ellen Cassedy and Karen Nussbaum (1983) began writing about the conditions of post-industrial workplaces in the early 1980s, they described offices that resembled more an industrial factory than the clean and organized white-collar spaces that information age visionaries had proposed. The reality of work in the clerical sector was decidedly gendered and workers were subject to various aspects of inequality, health and safety concerns, and redundancies brought about through automation. Most importantly, Cassedy and Nussbaum spoke about the rationalization and reorganization of supposedly professional categories of employment. Call centres were then a growing industry within the rapidly expanding post-industrial sectors and the challenges labour activists addressed in their work at the time certainly applied to the highly routinized and automated tasks involved in this type of employment.
For labour scholars like Ursula Huws (2009; 2003), call centres represent a microcosm of the post-industrial economy and knowledge production as a whole. What makes the call centre labour process distinctive is how telecommunication technology is integrated with call distribution systems and interactive software (Taylor and Bain 1999). This complexity has created a challenge for both scholars and unions alike in their attempts to develop comprehensive theories and organizing strategies for these important workplaces. As a reflection of broader tendencies in post-industrial capitalism, call centre work is characteristic of white-collar work in that it requires considerable technical knowledge to perform; it is dependent on rapidly evolving information and communication technology systems; it provides mostly immaterial services; depending on the availability of infrastructure, it can be located virtually anywhere in the world; it caters to the customized and mass production demands of clients and firms; it is subject to Taylorist labour process designs, with these processes conditioned by where the call centre is situated in the sector; and finally, call centre work is gendered, classed, and racialized, with the division of labour in the global industry determined by the nature of information handling and processing (Huws 2009; Martin 2002; Buchanan and Koch-Schulte 2000; Remesh and Neetha 2008; Belt 2002; Belt and Richardson 2000; Mirchandani 2005). Because call centre work involves direct and immediate interaction with customers, work processes and conditions of employment develop unique characteristics that set the industry apart from other aspects of knowledge production.
It was not until the late 1990s that scholars began paying close attention to the conditions of call centre employment and the position that this industry held in analyses of the labour process and as the growing nexus of company-customer interactions. While primitive automated call distribution systems were used by telecommunication companies in the late 1970s as a way of distributing incoming calls to operators, it was not until the 1980s and early 1990s that call centres became the ubiquitous means by which utilities, health-care providers, transportation and freight companies, social service agencies, travel and entertainment providers, and marketers conduct their core activities through inbound, outbound, and “blended” customer-contact centres (Russell 2009). In some sense call centres act as the proverbial canary in the coalmine for knowledge industries, in that technological innovation, the international division of labour, and changes to work processes are witnessed first and foremost on the front lines of corporate interactions with customers. Call centres are also understood here as “cost centres” for both private enterprise and governments since services can be rendered to customers and citizens in more cost effective ways through rationalization and new technology. This is partly how business process re-engineering (BPR) fashioned its role in the knowledge industry. For Taylor and Bain (1999), the “assembly-line in the head” metaphor aptly describes the Taylorist construction of the labour process in call centres and acts as a starting point for recognizing the possibilities for resistance and trade union organizing. Their work is a testimony to the ongoing contribution critical labour process theory made
to studies of post-industrial employment (see Taylor and Bain 2001; Bain and Taylor 2000; Bain and Taylor 2002; Taylor, Hyman, Mulvey, Bain 2002).

What scholars of call centre work further in their research is the significance of abandoning simplistic understandings of control and routinization in the labour process. These conclusions are consistent with the historic reality of Taylor’s attempts at introducing scientific management into existing patterns of work organization. Even where workflows are designed specifically for knowledge production, the legitimacy of these systems of control are fragile (Frenkel, Korczynsku, Shire, Shire, and Tam 1999). A general consensus has emerged, however, that call centre work can be fairly described as repetitive, heavily scripted, and routinely surveilled. Not unlike the features of clerical work described by Cassedy and Nussbaum (1983), fatigue, stress, as well as physical and mental strains are characteristic of call centre employment (Zweig 2005). These symptoms can have negative spillover effects on interactions with customers and the quality of service (Batt 2002). Call centres also show the symptoms of other high intensity office-based work processes, in that the physical configuration of work gives advantage to management by facilitating spatial, technical, and social control (see Baldry, Bain, and Taylor 1998; Baldry 1999). Employee selection criteria have subsequently been designed to recruit prospective workers who are mentally and physically capable of dealing with these strains (Callaghan and Thompson 2002). These features make call centre labour processes consistent with the elementary aspects of scientific management.
But, as Burawoy suggests, workers are involved in the maintenance of managerial systems through the design of workflows. Enterprise culture and team structures establish and maintain organizational controls over the labour process through a focus on commitment to company values and professionalization (see van den Broek 2004; Knights and McCabe 2003; d’Cruz and Noronha 2006). How management governs affects the nature of labour processes and the prefigurement of employee satisfaction and, reciprocally, resistance – there is meaning in working to define “good” and “bad” regimes of control (see Houlihan 2002; Rose and Wright 2005; Holman 2002).

As scientifically managed subjects, customer service representatives, the general classification of call centre workers, labour under conditions that are easily compared to industrial factory work – this is why sensationalist monikers like “electronic sweatshops” and “Roman slave ships” have been used by labour organizers and scholars to describe the industry (see Garson 1988; Remesh 2004a; 2004b). Claims of “proletarianization”, “cybertariat”, and “cyber coolies” are similarly used to describe these new factory workers of the 21st century (see Norling 2001; Huws 2003; Remesh 2004a; 2004b). For reasons other than the routines of work, there is justification for using pejorative language to classify work in the sector. As chapters four through six maintain, the use of underemployed and marginalized populations is a practice sometimes used by the industry as a means of keeping wages low, depending on where the call centre is situated in the sector. An internationalized division of labour has increased the comparative
advantage of lower wage regions like India, introducing another dimension to the
discussion of inequality throughout the sector. Essentialized claims, however, sustain the
imagery that call centre work specifically, and knowledge production as a whole, can be
understood as unidimensional. It follows from these generalizations that possibilities for
resistance, the transformation of work, and collective organizing are subordinate to
functional categories of call centre employment, which mitigates the subjective elements
that Burawoy and others emphasized. This in, in fact, not the case. Even outside the
discussion of resistance, workers still manage to salvage redeemable qualities of call
centre employment. After a lengthy conversation about the negative aspects of call centre
work, one in-bound customer service representative followed up by saying, “There are
times when I get a lot out of it, like when I use my brain… [I]f I could add a little comfort
to a person’s day, that’s something I like doing” (Paul 2008).

Koch-Shulte (2002) addresses these concerns by arguing that both domination and
resistance are present in the technological arena of call centre work. Rather than devoting
full attention to immediate tasks, employees are noted as focusing on reading, knitting,
drawing, and other non-work activities while on the job. This need not disrupt the formal
rules governing established procedure, but can in fact assist workers in their attempts to
deal with workplace stress despite deviating from “accepted” behaviour. When workers
attempt to re-appropriate their control over time in the workplace, understood from the
side of business as time theft, the purpose might be to mitigate the stressful consequences
of work or as a purposeful act of defiance or both (Stevens and Lavin 2007). Alternatively, acts of resistance can undermine management’s power to control the labour process. For instance, this might include: pretending to be involved in a sales encounter and using technology to fake sales (slammin’); work avoidance, absenteeism, sickness, smoking during working hours and leaving work without permission (scammin’); and taking up smoking to provide an opportunity for an extra break (smokin’ and leavin’) (Mulholland 2004). Sales sabotage, working to rule, work avoidance, absenteeism, and high turnover are additional expressions of workplace antagonisms rooted in and against the social relations of production (Mulholland 2004). As discussed in the interview referenced above, workers sometimes defy procedure by spending time on the phone engaging in lengthy conversations with customers. Resistance may also be technical. Customer service representatives are known to use mute buttons to find time to vent if the caller interaction becomes stressful. As one unionized in-bound CSR commented, it was her favorite button.

If I cough, sneeze, swear… Seriously, I say this to managers, I have that mute button, and if that customer is pissing me off, would you rather say it to them or would you rather me say a few swear words and go back to them very nicely. It really helps me a lot. The problem is the monitor can hear you do it. The customer can’t. (Carolyn 2008)

Koch-Shulte’s (2002, 170) conclusion that “workers manage new technologies in addition to being managed by them” resonates here.
Resistance is not necessarily a conscious activity, either. For post-colonial scholars, resistance “should be defined as those behaviours and cultural practices by subordinate groups that contest hegemonic social formations, that threaten to unravel the strategies of domination”. “Consciousness”, they further, “need not be essential to its constitution” (Haynes and Prakash 1991, cited in Prasad and Prasad 2003a, 104-105). Even when workers seek to support union campaigns out of self-interest (e.g., increased pay, benefits, grievance procedures, etc.) this similarly constitutes an act, either consciously or unconsciously, of transforming an existing social order. Evidence from studies on India’s IT workplaces reveal that the rejection by junior engineers of formal managerial ideologies, especially the projection that companies are “flat” rather than hierarchical, suggests that resistance can be as subtle as refusing to give legitimacy to established values (see Upadhya 2008). A similar circumstance was witnessed in a non-unionized outsourced call centre in Canada. When asked about whether or not he had loyalty to the company, a CSR responded,

Not at all… I would talk crap about StarTek as much as I could… It leaves a bitter taste in your mouth. I mean, you could try your hardest and do your best and it wouldn’t get you anywhere… It was one of those places, you know, somebody could be taking three calls a day or somebody could be taking 300… (Tucker 2008).

Because the employee felt that hard work and strict adherence to call times offered no reward, he chose to engage in lengthy conversations with customers, purposefully disregarding company expectations. These observations support the claims that resistance is not an all-or-nothing campaign, between subservience and revolution, but that the
contestation that unfolds within the relations of power are complex and at times, difficult to recognize. Resistance is also contingent on the regimes of organizational control, as well as the subjectivities developed through systems of power. Finally, the nature of resistance is conditioned by a multitude of factors and may emerge under certain circumstances and not others (Jermier, Knights, and Nord 1994; Collinson 1994).

It is also worth recognizing that managers can engage in acts of resistance against official policies as well as superiors, by accommodating deviant behaviour, purposeful or not (see Koch-Shulte 2002). Allowing for individual acts of resistance and suppressing managerial control to some extent may in fact help offset the possibility of union organizing, if these conditions are in fact catalysts for collective resistance by workers. This case was evidenced by Carolyn’s (2008) acknowledged use of the mute button. When managers wield the full extent of their authority in the workplace, the opposite might unfold and workers can look to collective resistance as a mechanism to confront what they perceive to be aberrant or disrespectful treatment. According to an long-time employee of StarTek, a non-unionized call centre located in Kingston, Ontario, these types of actions contributed to a union organizing campaign. One example the customer service representative (CSR) reflected on was called “white boxing”.

I think it was just the way people were being treated. There’s this term we used to call “white box”. Simply, what that is… you’ve done the wrong thing or you’ve done something, you go on a break, you have three supervisors and a manager putting all the stuff from your desk in a white box, sitting waiting for you to come back, and they walk you out the door. Not a nice process… (Paul 2008)
Control structures, according to theories of workplace resistance, therefore have an effect on possibilities for, and types of, resistance. The creative, knowledge, and post-bureaucratic models of organization are indeed extensions of science of management, but they do produce qualitatively different and not insignificant results in terms of employee involvement in the labour process. Since the early 1900s telecommunication companies have worked to introduce Taylor’s methods into labour processes, especially that of switchboard operators (Schacht 1985), the original customer service representatives. Within the call centre sector, a range of human resource management models define this type of employment; from the classic mass production model on one end to the professional service model on the other, and a range of hybrid models, described as “mass customization” between the two extremes. The purpose of these differential approaches to organizing production allows for firms to compete on quality, customization and price (Batt and Moynihan 2002). Investments into “high-involvement” systems, which include incentives like continuous training, employment security, relatively high rates of pay, and trust-building management systems can help increase productivity and worker satisfaction. The positive spillover effects can be beneficial for a company’s financial well being if customer satisfaction increases and sales growth expands. Union interventions can produce similar results if labour is given a voice in the production process, as chapters four through six investigate. After a failed union drive at StarTek, one employee notes that management became more highly involved in dealing
with problems and offering comprehensive assistance to workers as a response to perceived problems in the HR regime (Paul 2008).

Personal identity, authenticity, and emotional labour are further characteristics that have been subject to the process of routinization and organizational management. In fact, emotion itself is a service commodity packaged and sold by the call centre industry – a reminder that the standardization of human interactions extends economic rationality to an otherwise social space (Leidner 1993; see also Scharf 2003; Hochschild 1983). Customer service representatives act as creators of emotion and are not simply processing or transmitting information. The models of value-added customization that Batt (2002) referenced have greater implications than just offering blanket suggestions for call centre labour processes. Emotional labour is intensely social, demanding skill and varying levels of depth – ignoring this facet of service employment generates overly simplistic, and indeed inaccurate accounts of call centre work. Deep acting requires service workers to modify their perception of situations through attention deployment and cognitive change. Surface acting, on the other hand, involves suppressing, intensifying, or faking emotions by modulating reactions to situations. Organizations have a vested interest in maintaining good relationships between employees, and between employees and the workplace environment, which is more tenable than wielding control over customers. Accordingly, because deep acting is more efficacious than surface acting for the performance and well being of customer service employees, emotional labour processes can be deployed that
enhance the former (Totterdell and Holman 2003). Worker control over emotion as part of the labour process can also be an exercise in resistance when customer service agents are forced to confront abusive clients.

For call centres servicing foreign customers, managerial control over emotion is not only an additional layer of exploitation, but also an important contribution to how space and culture help to develop particular working conditions and labour processes. Despite the gendered nature of the industry, this identity and platform for inequality is “eclipsed” by racial hierarchies embedded in transnational call centre work, to use Mirchandani’s (2005) phrase. Control over emotive reactions contains additional significance when agents attempt to deal with racism by customers. A growing international division of work throughout the knowledge sector amplifies this problematic feature of call centre work. What this also means is that Appadurai’s (1996) production fetishism and fetishism of the consumer play meaningful roles in conforming possibilities of resistance as well as structuring labour processes. For customers, the fetishism of the consumer sustains the illusion that they constitute the most important social actor in business relationships, when in fact producers and other forces within the production process are equally significant seats of agency. Customers still play an active role in defining global social relations, as Mirchandani (2004a; 2004b) and others (Coyle 2010) maintain, by sabotaging attempts by companies to shift services to low wage regions, by abusing foreign workers or expressing dissatisfaction with the companies themselves or both.
Further discussion on these political economic processes will be addressed in the next chapter.

3.6 Conclusion

Rifkin’s portrayal of a workerless future defining the Information Age never materialized. As the organization of call centre work, and the associated labour processes, indicates, many of the problems and contradictions that defined industrial employment have been reproduced in post-industrial, ITES workplaces. Michael Burawoy’s defining contribution to the study of labour was his summoning of the sometimes-nuanced political nature of work in capitalism. The process of establishing and maintaining legitimacy within social relations of production is hardly a one-dimensional affair, but instead an intensely complex interaction of institutional structures and subject interventions. What Machlup added to the discussion was how the knowledge industry simultaneously generated new divisions of labour in society and at the same time opened up questions about how the knowledge economy, and its workers, would challenge or reproduce the problems experienced in industrial capitalism. Most importantly, this was a question that focused attention on redefining class structures.

Business and social scientific scholars alike channeled the conversation towards looking at the limitations of existing world-views and social categorizes in the economic and political world, which had developed since at least the 1950s. Indeed, the processes shaping the world of work, knowledge work in particular, were different than those
which 19\textsuperscript{th} and early 20\textsuperscript{th} century industrial economies confronted. Castells, Bell, Davenport, Drucker, and others directed us to think about the decidedly new and uncharted transformations that were unfolding in the world in front of them. But despite the unparalleled achievements brought about through innovations in information technology, the challenge of social and economic planning in class-based societies remains ever-present. Castells’ achievement was in pointing out the significance of the changes besetting the networked society, which through its attachment to informationalism was still an amplified and re-energized capitalism. This created a need for complex organizations like corporations and government institutions to adapt to the altered circumstances of global business. Technocratic relations of wealth, power, and status are symptoms of informational capitalism, but they do not by any stretch remove class structures from the equation – this certainly holds true for a meaningful analysis of information technology based employment.

Innovated organizational structures, new labour process designs, and global divisions of labour have worked to shape the conditions of work throughout the knowledge producing sectors. Scientific management, particularly in its rudimentary formed developed by F.W. Taylor, has remained a steadfast component of new labour processes and adapted, at times, to the specific nature of knowledge work. Call centres have been especially prone to the introduction of a wide range of organizational models, which are as diverse as the industry itself. In the final section it was suggested that if there is one consistency in
scientific management, it is the presence of resistance to methods of control and power, which constitute the social relations of production. This is not a product of conditions of employment alone. Hegemony might work to construct a legitimacy of authority in the workplace, but workers still labour to transform their everyday conditions even if that means either a conscious or unconscious engagement with management. At times there are isolated individual acts but these can also extend to widely accepted practices or even attempts at collective mobilization, e.g., unionization. How call centres are positioned in the global economy helps to condition opportunities for the latter. In the following chapter, I explore the political economy of offshoring and outsourcing of call centre work in an effort to construct a context through which to examine trade union interventions in the industry.
Chapter 4
A Political Economy of Offshoring and the Call Centre Industry

4.1 Introduction
Chapter four accomplishes three objectives. First, the chapter commences by examining how the offshoring and outsourcing of knowledge work followed from the development of a global telecommunications network and the growing trend in the commodification of services. Without advances in technology and changes to regulatory frameworks, an international call centre industry would not have been possible. As Horowitz (1989) argues, telecommunication industries operate as an anchor for the post-industrial society. This analysis builds on the theory of a new international division of labour advanced in chapter two. Second, a political economy of offshoring is established through a survey of government, industry, media, and global institution reports. Through an investigation of these sources the chapter maintains that the globalization of IT and call centre employment is contingent on political and social historical forces that characterize the demise of Fordism. Finally, chapter four unpacks the construction of the call centre industries in Canada and India and takes account of their respective positions in the global sector.

4.2 Global Telecommunications
There is wide acknowledgement that the global communication industry has undergone a process of transnationalization since the mid-1980s, brought about by mergers and
acquisitions (M&A), foreign direct investment (FDI), and changing patterns of telecommunication regulation and ownership. Privatization has also been a key strategy prompting the rapid commercialization of information and systems of communication. The corollary to this pro-business agenda has been to undermine labour’s ability to bargain collectively on a sector-wide basis in what eventually developed into a fragmented ownership structure. Harry Katz (1997), has pointed out that the “re-engineering” of former telecommunication monopolists has meant adjustments in how employees work because of changing management systems. Corporate restructuring has certainly been a global phenomenon, albeit one dominated by companies headquartered in a handful of wealthy economies. Between the early 1980s and the mid-2000s, there were over 10,000 merger and acquisitions of telecommunication firms, of which 1,068 were acquired by Canadian-owned companies. In this same period Canada ranked a distant third, behind the U.S. and the UK, in its acquisition of telecommunication companies (Jin 2008a). In the 1990s, telecommunications was the second largest industry by dollar value at $524.3 billion, and the communication sector as a whole constituted the largest industry in the M&A market (Jin 2007). After the financial collapse of 2007-2008, telecommunications was one of only a handful of industries that attracted more FDI in 2009 than the year prior (UNCTAD 2010).

As a conduit of cultural transmission and communication, the communications sector has been instrumental in setting the terms for globalization. Mergers and acquisition were
allowed to accelerate due to reforms in national telecommunication policies, which permitted the revocation of foreign ownership regulations and the government management of pricing. The long-standing push to deregulate broadcasting, one piece of the larger communication industry puzzle, has contributed to the entrenchment of property rights over the right to information and communication, allowing ownership control to represent narrow class interests (see Herman and McChesney 1997; McChesney 1993). What is of concern here is how the astronomical growth of the telecommunication industry has facilitated the expansion of a new international division of knowledge work. Canada boasts several world-class telecommunication companies that have been innovators in the development of new technologies, Nortel being one such example. India has only recently entered the scene but has already gained acclaim for its highly skilled information technology workers, making it essential to the global call centre and IT market. Offshoring and outsourcing in this sector on the scale witnessed today would not be possible if it were not for the regional and national policies allowing for inexpensive and reliable international communications (see Carmel and Tjia 2005). It was pressure from major telecommunication users and new telecommunication service providers that made the inexpensive flow of information a centerpiece in continental and world trade agreements.

The free trade agreement signed between Canada and the United States in 1989 heralded the continentalization of telecommunications, which furthered the regulatory reforms that
commenced several years earlier. The Canada-U.S. Free Trade Agreement, and later the North American Free Trade Agreement (NAFTA) which included Mexico, determined to create an economic space through which telecommunication companies, as well as other major industries, could flourish under a unified trade agreement with minimal social policy oversight. American corporate telecommunication giants were especially keen on gaining uninhibited access to the lucrative Canadian and Mexican markets. Only four years after the signing of NAFTA, total FDI heading to the U.S. from Canada reached $74.8 billion, compared to the $103.9 billion invested in the Canadian economy by American sources. Canadian companies also benefited through an ability to expand their already sizable access to the U.S. market. Continental integration, Schiller and Mosco (2001) conclude, amounted to a sizable part of the larger process of building a new order in the global political economy.

Ashok Desai (2007), an economist and former advisor to the Government of India on economic reforms, described the state of India’s telecommunication sector as a “placid backwater” until the 1990s. It was only when the government started to relax policies on the import of technology and capital during the reforms of 1991 that economic interest started to stream towards telecommunications. Until this point state-owned and highly regulated monopolies governed national economic policy-making. Railways, electricity, fuel, and telecommunications were held by a restrictive licensing raj, which greatly prohibited private investment. The lack of competition and powerful, politicized trade
unions, Desai emphasized, were responsible for retarding the growth of telephone connectivity since market pressures were not permitted to enhance service or allow for technological innovation. When private telecommunication firms were granted access to the wireless market, the usage of wire-line connections was quickly surpassed by wireless mobile use. In the span of five years the number of telephones increased from almost 45 million to a staggering 206 million between 2002 and 2007 – of this number 166 million were mobile phone connections (Government of India 2008, 17).

Because wire-line systems are dependent on a more capital and labour intensive infrastructure, wireless transmission is appealing to India’s densely populated urban geographies and vast rural population. Mobile providers had the advantage of being able to by-pass what some have labeled the cumbersome and inefficient connectivity methods offered by the Department of Telecommunications (McMillin 2006). Consequently, new cell phone connections increased rapidly at a pace of 89.4 percent in 2005-2006, before slowing to 40 percent in 2008 (ASSOCHAM 2009, 23). After China, India boasts the largest telephone network among the emerging economies. The number of wireless subscribers surpassed a combined annual growth rate (CAGR) of 90 percent between 2002 and 2007, increasing from 6.68 million to 166 million connections. Private entrants to the telecommunication market have contributed to the expansion of the industry, specifically the rate of connectivity, but the state-owned BSNL has taken up the bulk of investment in rural telecommunications, indicating that government involvement in the
sector is still significant. The Eleventh Five Year Plan has set ambitious targets for telecommunication growth. For the period 2007-2012, the government hopes to expand the telephone subscriber base to 600 million, 200 million of which as rural connections (Government of India 2008, 423-425).

In the midst of a changing policy environment, the Telecomm Regulatory Authority of India (TRAI) was encouraged to draw increasingly from the examples of Anglophone economies and their allegiance to pro-business policies. Voice over Internet Protocol (VoIP), global satellite networks, and expansive broadband access have been vital to the growth of India’s information technology (IT) and informational technology enabled services sectors (ITES). By 2002, the cost for a 2 Mbps fiber leased line dropped from $900 per year to under $100, dramatically decreasing the expense of doing national and international business (McKinsey Global Institute 2003). The offshoring of ITES work to India that relies upon real-time communication with foreign customers was made possible by the introduction of these technologies. International integration was facilitated by the business-led effort to enhance the privatization of telecommunications, providing greater opportunities for the commercialization of information, knowledge, and services (see Paus 2007). But despite Desai’s (2007) rosy characterization of deregulation, the phenomenal growth of telecommunications in India has been mired by scandal and corruption from the start. As a New York Times column recently noted, “[t]he telecom[munication] industry in India was essentially born in the mud pit of corruption”
(Yardley and Timmons 2010). Poor regulatory oversights, a consequence of liberalization, meant that deliberate manipulation of policies favoured particular corporate entities over others (Paranjoy and Kaushal 2010). The spectrum auctioning scandal that erupted in 2010 shed light on years of corrupt practices within government and corporate elite circles (see Yardley and Timmons 2010). Indeed, information technology revolutions are not removed from the reproduction of inequalities and maintenance of corporate dominance that defines a political economy of offshoring and post-industrial capitalism.

4.3 Political Economy of Offshoring

Prior to the popular conception of offshoring understood today, which is tied to back office processes and customer contact centres, common usage of the term offshore initially referred to foreign tax and financial havens sought after by corporations and wealthy individuals. More recently the concept is seen as the shifting of tasks to low-cost nations, rather than to any destinations outside the country (Carmel and Tjia 2005). A companion practice is outsourcing, which encompasses the contracting out of business operations to an outside provider. This process can entail a range of corporate activities from the use of staffing agencies to employing the services of outside expertise or other firms to perform non-core functions. The process, also called “externalization”, reflects an increasing division of labour linked to technological innovation and changing patterns of business operations (Majluf 2007). Both practices go hand in hand, but in many cases the offshoring of work involves in-house operations – meaning owned and controlled by
a single firm, and not subcontracted to a third party – established in a different location and possibly through the use of subsidiaries and takes the form of intra-firm trade.

Debates surrounding free trade agreements often emphasize the extent to which developing economies should be linked to their wealthy counterparts, which provided the basis for the Doha round of World Trade Organization negotiations. Finding new sources of inexpensive labour is an important piece of a larger debate. Critics suggest that the richest countries have the most to gain when developing regions engage in these types of agreements (Jomo and von Arnim 2008). Even when the positive spillover effects of offshoring are included – such as the transfer of technology, skills, management structures, increased tax revenues, investment, foreign exchange, and new employment opportunities – the problem of uneven development remains prevalent. Economic development, enabled through offshoring and FDI, is conditional on the prospects for an economy to move up the value chain and provide higher-value-added goods and services. Without a broader expansion of skill-demanding industries, productivity growth and employment remain isolated to particular sectors and a relatively small percentage of the labour market (Paus and Shapiro 2007). Evidence from leading developing economies indicates that productivity has far outpaced employment growth, meaning that the expansion of new technologies and capital has not generated economy-wide benefits (Conference Board 2008). Despite the obvious inequities, scholars and industry leaders maintain that in high-tech industries, the fortunes of firms in the wealthy economies are
dependent upon the labour and knowledge of workforces in developing countries. This is evidenced by the fact that over half of Fortune 500 companies are now customers of the Indian IT industry, several of which have established subsidiaries on the subcontinent (Sahay, Nicholson, and Krishna 2003).

Proponents maintain that offshore outsourcing improves a sector or country’s competitiveness by increasing productivity, creating the basis for wage increases and improvements to standards of living (Houseman 2007). This is also due to the increase of efficiency with which inputs are used, namely by utilizing the services offered by expert providers that exercise their comparative advantage in a given industry. Because of lower operating costs, companies in turn increase profits and expand investment and employment opportunities domestically into higher value-added services and operations. Such an emphasis on the possibilities of growing economic integration, technology advances, and productivity growth led The Economist (2007a) to remark, only a year before the financial meltdown, that “[t]hese are the glory days of global capitalism”. Leading business research firms like the Conference Board (2008) have noted that the

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1 IT infrastructure management has recently been identified as an emerging offshore market since that labour is seen as the most addressable cost. Standardization of repetitive tasks, the capacity to fragment more complex work processes, rising costs, and the technical ability to manage tasks from remote locations have opened up this market to offshoring. According to one study, Fortune 50 companies could save as much as $500 million on their IT infrastructure budgets by offshoring and outsourcing at least a portion of this operation to vendors (Pandit and Srinivasaraghavan 2008).

2 Take, for instance, the case of General Motors and the sixty-five microprocessors specially built for a typical GM vehicle. With the exception of the microprocessor for the power train, the company writes very little of the software in-house. Instead, GM contracts with major suppliers like IBM, Siemens, and Motorola, which in turn source labour from their production networks throughout the United States, Europe, and Asia (Carmen and Tjia 2005).
competitive pressures from emerging economies, as they evolve from a dominant agricultural sector to manufacturing and services, push the need for growing productivity in the wealthy countries. These trends add to the business argument that general economic growth is supported by the entry of developing economies into the global market. The question of productivity in particular has certainly been an obsession within much of the literature on offshoring and trade.

Added to the productivity benefits experienced by major multinational companies with the opening up of foreign markets, information technology is considered a leading factor in making industry more productive. Manuel Castells (1996) advanced his theory of informationalism on this conjecture. In their report to the National Bureau of Economic Research in the United States, Amiti and Wei (2006), two researchers most cited in the offshoring literature, suggest that service offshoring accounts for a 10 percent labour productivity growth in the United States between 1992 and 2000. Like most of the publications that chart the real economic impact of offshoring, results are based on scant empirical evidence given the limited availability of national economic data.\(^3\) It is only in the last ten years that meaningful economic information on the effects of offshoring service work have become available. Even then, the data remains spurious.

\(^3\) Offshoring, some studies suggest, must be measured by combining macroeconomic aggregates such as FDI, trade balance data, industry production and employment numbers, with microeconomic causes and effects of foreign investments (Le Goff 2005).
Tracking service sector production faces similar methodological flaws. In the case of Canada, this has resulted in a distorted image of the country’s growing and increasingly important service sector (Goldfarb and Theriault 2008). Yet, the emphasis remains that even if outsourcing and offshoring results in an immediate shedding of labour, increased efficiency *should* lead to high productivity and an expansion of employment in other occupations (Amiti and Wei 2004a; 2004b). The rationale is that increased productivity leads to lower prices and higher rates of profit, as well as building potential for employment expansion in new, higher value-added sectors. There is also the promise of positive trends that follow from an expansion of offshoring, namely an increase in consumer purchasing power, export growth, structural inflation controls, and better returns on capital (OECD 2007, 7). Others, citing a report by the McKinsey Global Institute, argue that the American economy reaps US$1.12 to US$1.14 for each dollar a U.S. company invests in India rather than in the business service sector in the United States (Le Goff 2005). Expanding the purchasing power of consumers in a market environment suffering from slow to stagnant wage growth is an important political development, especially if it acts to curb the demands placed on capital by labour.

Conclusions drawn by the steadfast proponents of offshoring deserve to be held in question. There exists limited official data measuring the extent of offshoring and its impact at either national or international levels. Indirect measures such as data on trade in services, employment, input-output tables, and evidence from company surveys are used
in the place of systematic information (OECD 2006a; 2006b). Inferences about the globalization of services are often speculative and premised on research that focuses on the offshoring of manufacturing. What these claims often ignore is the fact that the figures tracking the offshoring of manufacturing jobs failed to account for the nature of new positions acquired by workers displaced by the reduction of industrial employment (Evaluserve 2003). It is interesting, however, to recognize the class-bias associated with the types of production being sent abroad and that globalization has been historically supported by senior managers and other privileged sectors of the white-collar economy.

Indicative of the changing mood surrounding a broadening of offshoring to include services, an OECD (2007) report noted “[s]killed jobs are no longer safe from being sent offshore… [and the practice is] increasingly spreading to technology-intensive industries”. Consequently, there is reason to believe that these developments have meant a backslide in support for free trade policies, or more broadly, globalization, amongst the middle and upper-middle classes (Rajan and Wei 2004 cited in Amiti and Wei 2004a).

Within the economic community there have been notable detractors who urge caution over the ambitious gains of free trade globalization, of which offshoring is a part. Leading economist and recipient of the Bank of Sweden’s prize honouring Alfred Nobel, Paul Samuelson (2004), noted that the gains of the winners from free trade exceed the losses of the losers. He went on to emphasize, however, that the lowest skilled and least educated workers suffer the most, even in advanced economies, which contributes to
deepening social inequalities and sinking incomes. Mainstream economists, Samuelson claimed, have paid scant attention to these developments and largely ignore drastic changes in mean U.S. incomes and social inequalities.\textsuperscript{4} Political economists made a similar charge against classical economists in Canada who failed to acknowledge the growing income polarization developing in the economy throughout the 1990s (Veltmeyer and Sacouman 1998). Others suggest that the benefits of free trade cannot be realized without concerted political efforts in the form of social and economic programs that help offset the potential damaging consequences of offshoring (Freeman 2007b). This adds to the potential side effects that follow from the expansion of the globalization of production, such as falling real wages in certain sectors, especially in sectors that employ unskilled and semi-skilled labour. Deterioration in the terms of trade, declining capacity for innovation, loss of tax revenues, and variable regional effects are other notable potential consequences accompanying the use of foreign labour (OECD 2007).

An absence of official national accounts and the complexity of how offshoring is calculated suggests that the results of studies might actually underestimate the positive as well as negative impacts of the phenomenon. Similar conclusions can be drawn about the

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\textsuperscript{4} Even The Economist (2007a) acknowledges that real wages for American workers have grown less than half as fast as productivity, while in contrast, the top pay for leading managers increased from roughly forty times the average to 110 times the average in the past twenty years. It is interesting to note that accompanying the optimistic accounts offered by the business press, there is recognition that global capitalism has indeed marginalized some segments of the labour force. The aim is to help establish a transition to jobs in emerging sectors to offset the economic hardships brought about by the movement of work from one region to another. The Economist, not surprisingly, is silent on the details of how to remedy the problem.
global restructuring of MNCs when relocation results in the expansion of production in one region and the scaling back in another. Bhagwati (1968) drew attention to the “immiserating effects of trade”, when economies continue to grow whilst becoming relatively poorer because of the drop of export prices and deteriorating terms of trade caused, in part, by low wages. Similarly, as the OECD (2006a) reminds us, there will be both winners and losers due to the globalization of services. For policy-makers it becomes a question of how those who prosper from offshoring can compensate those who do not. Preventing adjustment would only serve as a short-term palliative solution to an otherwise long-term problem, according to the OECD’s prescriptions, but the laissez-faire approach can be socially devastating. Positive accounts of offshoring are sometimes constructed on the premise that the consequences of not pursuing a liberal trade regime in services can be more economically consequential. For example, a failure to offshore could mean that bankruptcies or closures, and subsequent unemployment, might well be linked to a company not taking advantage of global production networks (OECD 2007).

Understandings of offshoring are most effectively situated around a question about global capitalism and how the deterioration of employment standards, the tenure of employment contracts, and international competition conditions national economic standards. In the U.S., the threat of skilled labour shortages continues to prompt support amongst employers to accelerate their use of offshore workers. Fear tactics mixed with fact are useful tools to support these policies. A direct consequence of this shortfall, we are told,
is pressure on firms to increase wages and salaries to recruit top talent, labeled as an “artificial rise” since it inflates the wage rate that would otherwise exist under a full employment scenario. The result hampers economic growth by raising input labour costs and therefore increases the prices of goods and services produced by U.S. companies (Evalueserve 2003).\(^5\) Firms become less competitive in the domestic and global market when they do not take advantage of lower cost operations, which implies a further loss of employment. Plants shut down, firms are incapable of consolidating their financial positions, and companies are prevented from accumulating necessary resources to invest in new technologies or upgrade products and services. Citing the example of New Jersey, the National Foundation for American Policy (2007) indicated that efforts to prevent the outsourcing of call centre contracts by the state in 2002 meant that returning the operations to the United States ended up costing the public coffers an additional $886,000 for just twelve jobs. Policy responses that invoke the language of protectionism draw criticism from the business community for this reason.

Appeasing public outcries against job losses through protectionist measures often involve excluding firms that shift operations offshore from government contracts, taxing offshore-related imports, and canceling government aid to firms that shift operations offshore. In 2009 an Australian MP drafted an a bill entitled, “Keeping jobs from Going

\(^5\) Evalueserve’s (2003) report presents an alternative scenario as well. Predicted labour shortages can be compensated for by increasing the use of immigrant and non-immigrant (temporary) labour. In the U.S. this has been especially contentious, as the H1-B temporary visa debate has summoned opposition from the labour movement as well as xenophobic sentiments within the population.
Offshore” in an attempt to prevent call centre jobs from being sent to India and the Philippines (Callcentres.net 2009b). Despite the rhetoric of free trade, the United States is at the forefront of anti-offshoring legislation amongst OECD countries. In 2004, five U.S. states enacted anti-outsourcing legislation and by 2005 thirty-six states have brought forward at least 100 bills to limit the offshoring of service activities (Le Goff 2005), many of which sought to restrict the use of foreign call centre operations specifically. Ironically some of these states outsourced their unemployment and taxation processes to a new division of India’s Tata Consultancy Services (TCS) in the U.S. (Mazurkewich 2008). Canadian call centre industry groups in turn predicted that state-level and national legislation could result in the loss of thousands of jobs if companies were prevented from establishing facilities in Canada.

The sentiment against offshoring grew during the 2008 U.S. Presidential election when opposition to outsourcing was seen as a popular policy at a time of economic downturn. Part of this response involved canceling tax incentives for companies that took advantage of less expensive offshored services (Callcentres.net 2009c; UNIAPRO 2009). While India’s premier IT and ITES lobby group, the National Association of Software and Services Companies (Nasscom), did not feel as though these anti-offshoring threats could compromise the country’s IT-ITES industry, the state and national policy proposals were rational responses to the quarter million call centre jobs lost in the United States between 2001 and 2003 (The Economic Times 2010). Just as the economic crisis started to hit the
American working classes and unemployment increased to double-digit figures, Indian IT-ITES leaders were anticipating an expansion of service offshoring. HCL chief, Ranjit Narsimhan, stated in 2008, “BPO’s in India are going to benefit from the global credit crunch as companies will resort to more offshoring to minimize impact on falling margins” (cited in Monga and Singh 2007).

What organizations such as the OECD (2007) suggest is that the inevitability and importance of offshoring cannot be avoided. Academics like Richard Florida (2002; Martin Prosperity Institute 2009) have for years made similar claims about the need to accept this reality and brace for the future. Obstacles to this unfolding reality, such as protectionism, are seen as counterproductive in the long term and could be found in violation of a country’s international trade agreements. But these fatalist responses ignore the historical dimension that precipitated the very existence of global service industries. It also goes largely unheard that offshoring is considered by the OECD to be a form of structural adjustment, in which the central policy challenge is to create conditions that facilitate the transfer of resources from declining to expanding activities. But, as a form of economic adjustment, the real political challenge is to offset the social cost of transition. This includes the organization of lifelong training, effective social policies that help those displaced by offshoring, encouraging MNCs to comply with labour standards and discuss offshoring plans with employees, expand research and development efforts, and improve cost/benefit assessments of offshoring (OECD 2007, 123). The UNCTAD
(2004) has prescribed a type of “wage insurance” to offset the loss of wage rates in the transition from one type of occupation to another. Initiatives like Trade Adjustment Assistance, created in 1962 by the Trade Expansion Act in the U.S., are historical examples. The program provided income guarantees to workers affected by trade liberalization (Auer, Besse, Meda 2005). Job losses in the short term are a certainty, and a recovery from these adjustments is possible only if national economies provide requisite regulations and social policies capable of mitigating what would otherwise be a dire scenario.

There is no disputing the fact that offshoring affects a country’s population unevenly, in that deindustrialization could disadvantage one region whereas the net benefits may emerge elsewhere. Uneven development, in this case, is a pattern of uneven underdevelopment, where particular regions and sectors are impacted, positively and negatively, by the practice of offshoring more than others. Aggregate benefits do not fully capture the social cost of redundancies, nor are new employment opportunities necessarily open to those who have been made unemployed. Recall the IMF’s prognosis on offshoring, wherein general welfare should improve but in the process some groups could be made worse off – to this it is important to include the advantages and disadvantages portioned to particular regions (see Amiti and Wei 2004a; 2004b). From labour’s perspective it is a matter of identifying occupations within the IT and ITES industries that are likely to be offshored. The question of business services as imports is
significant, as are the countries that are considered the leading consumers of these goods. “Tertiary B” sectors, or those closely associated with back-end services like claims processing, medical transcription, and customer support, have been identified as most likely to be found outside a firm’s core competencies (Evaluseserve 2003). Economies that offer the most efficient and low-cost supply of lower-end service trade, therefore, are advantaged by the pursuit of cost cutting by multinational firms.

A definition of a political economy of offshoring draws from Machlup’s (1962, 1980) claims about the taxonomy of knowledge production, in particular the capacity to automate knowledge work within his hierarchy. Machlup’s framework also transcends national boundaries and applies to an international division of knowledge labour, even though this was not explicitly discussed in his work. As technologies and business practices develop, the implications for a company’s potential to profit from the fragmentation of production channels means that regional and employment market advantages are dependent on where work is done and by whom. While major economies such as the UK, Japan, the Netherlands, and the U.S. constitute the leading importers of business and IT-related services, they are also major exporters of these same services, the
U.S. and the UK especially. In fact, both of these advanced economies have the largest surpluses in the categories of “other business services” and “computer and information services”, when analyzed on a world scale. But as a proportion of GDP, trade in business services is low compared with most countries.

Of the OECD countries, Canada registered modest surpluses between 1995 and 2003, but these categories still accounted for less than one percent of total GDP – in 2002 this totalled approximately US$1 billion (OECD 2006; Amiti and Wei 2004a; 2004b). Angola, the Republic of Congo, Mozambique, and Ireland had the highest ratios of business service imports to GDP. India and China, considered by many as major exporters and leading sources of offshored services, are themselves importers of business services, ranking 11th (US$11 billion) and 18th (US$8 billion) respectively, in 2002 (Amiti and Wei 2004a). Between 1995 and 2005, India’s export of these services increased by just under 27 percent while imports grew by over 15 percent – business and computer related imports to the U.S., by comparison, grew by just over 12 percent

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6 Based on the IMF’s Balance of Payments Statistics Yearbook in 2002, Germany, the United Kingdom, Japan, the Netherlands, and Spain were recorded as the top five importers of business services. The United States trailed as a close sixth. China was ranked not far behind, as tenth. In terms of “computer services” trade surpluses, the UK led with approximately US$20 billion followed by the U.S. at $17 billion. Hong Kong was not far behind at $15 billion, and India coming in fourth at $6.8 billion. The figures for “computer and information services” surpluses ranked Ireland as number one ($9.8 billion), followed by the U.S. ($3.8 billion), the UK ($3 billion), and Canada fourth ($1 billion) (Amiti and Wei 2004a, 24).

7 The United States ranked 117th, the UK 85th, and China, 99th, ahead of the U.S.

8 This is based on OECD calculations tabulated from the IMF’s Balance of Payments Database published in February 2005. Ireland, by contrast, experienced the worst and most dramatic trade deficits in these categories throughout the same period, despite its status as a major exporter of business and IT services. In fact, the “Celtic Tiger” is heavily dependent on these service exports, which grew at a rate of over 40 percent between 1995 and 2003.
India continues to import most of its state-of-the-art telecommunications equipment, a major artery for the service offshoring sector (Government of India 2008). These figures indicate that most of the developing world must turn to the wealthy countries to supply their business, computer, and information service needs. High-end and value-added services, perhaps the most valued commodities produced within post-industrial knowledge economies, are still primarily produced in the West. India remains somewhat of an anomaly, although in terms of computer and high-tech hardware it is heavily reliant on imports (Government of India 2008).

Wealthy economies are also turned to as the leading source of FDI. What often goes ignored is that most trade in services takes place between developed economies, with the sources and destinations of FDI typically being of these same locations. Transnational corporations and industry experts routinely rank the United States, the UK, and Canada as leading FDI destinations. In 2005, Canada became the fifth largest host economy for FDI, and developed economies absorbed almost 60 percent of total global FDI inflows, a 37 percent increase over the previous year (UNCTAD 2006). However, between 2003 and 2009 developing and transition economies experienced six years of unprecedented growth in FDI inflows. By 2009, these same economies attracted almost 50 percent of all FDI and are set to overtake the wealthy countries in the next few years. Half of the six top destinations for FDI flows are now developing economies (UNCTAD 2010). Foreign direct investment to India reached $35 billion in 2009, or 15 percent of all FDI to the East.
and South East Asia region (UNCTAD 2010). Between 2000 and 2008, services (financial and non-financial), computer software and hardware, and telecommunications sectors together attracted approximately 40 percent of all foreign investment (ASSOCHAM 2009, 24, 25). What UNCTAD’s (2004) report emphasizes is that the structure of FDI has begun to shift towards services, with over 60 percent of total foreign direct investment stock now flowing to this sector. Contrast this to the 1970s when services accounted for only one-quarter of all FDI, rising to one-half by the 1990s. This is partly due to the liberalization of investment regulations in most of the world’s economies, the development of global production networks, and the tradability of services. With the global expansion of service-oriented FDI flows, the market for offshore outsourcing has similarly grown.

Despite evidence of growth, the service sector remains less transnationalized than manufacturing. It is only in the past decade that the prospects for offshoring service work, especially call centre work and other back office operations, have become feasible and part of what critical labour scholars have labeled “new patterns of organization” (Norling 2001). Consultancy firms such as McKinsey, Forrester, and A.T. Kearney were quick to project that millions of jobs in wealthy economies were at stake as a consequence of these developments. Aside from the cost savings, companies also sought to gain access to foreign markets and build stronger networks with clients, enforcing the fact that physical location and contact with customers remains an important part of corporate strategies.
Public fears over the disappearance of vast numbers of white-collar jobs, notably those at the lower end of the information sector, were fuelled by reports and media representations that were, in some cases, based on exaggerated claims. Nevertheless, the tradability of services is predicated on the feasibility of work being performed on a global platform. The availability of telecommunications infrastructure and human capital are prerequisites for the development of a new international division of labour that made offshoring possible. Defined as “offshorability”, the requirements also include outputs that could be traded and transmitted by ICTs, a highly codified knowledge content, and limited necessity for face-to-face contact (OECD 2006). But one caveat is required: a distinction is made between potential offshoring and actual offshoring.

In 2002, Forrester Research published one of the most highly cited reports on the scale of outsourcing and offshoring. Forrester calculated the total number of U.S. jobs that could be outsourced by 2015 to be 3.4 million, an annual outflow of about 300,000 jobs per year (McCarthy 2002; 2004). Workers in the United States had much to be worried about, considering that between 1995 and 2003, the American economy lost some 2.6 million jobs in the manufacturing sector. However the same OECD (2007) report furthered that total employment in the services sector had increased by over 14 million during that period. Shifting back to the possibility of offshoring certain occupations, the percentage of jobs that were susceptible to offshoring in the Canadian economy actually decreased from 19.5 percent in 1995 to 18.6 percent in 2002. This was at a time when total
employment in services increased by over 1.8 million in Canada. A similar decline was present in the U.S. as well (OECD 2006).

For Canada, recent studies have isolated seventy-five occupational classifications prone to offshore outsourcing, eighteen of which are considered “clerical” (van Welsum and Vickery 2005, 27). This does not mean that offshoring is the only trade- and industry-related practice lending to the erosion of jobs fitting this classification. Overall the list includes a range of employment categories from engineer and computer analyst, to journalist, word processing operators, and executive assistants. As the share of services increases in a given economy, the greater the demand for ICT-using occupations. An expanding post-industrial economy intensifies the need for information workers, thereby furthering pressure on domestic labour markets and accelerating the drive for offshoring as a means of meeting labour demands and stabilizing wages. Again, the potential for the offshoring of services is substantiated by these models. But as some studies indicate, the claims made by Forrester Research and others are based on intuitive assumptions regarding the occupational classifications prone to outsourcing and offshoring, and not necessarily based on actually existing practices or labour market realities (Kirkegaard 2004). For instance, between 1987 and 2006 the number of clerical occupations in the economy dropped by approximately 138,000, a majority of which were lost between 1987 and 2004, before service offshoring became a common practice (Morisette and Johnson 2007, 15). A high proportion of these occupations were situated outside of the
commercial sector, such as in public service, where the offshoring of work still remains negligible. Corporate takeovers, public sector redundancies, technology-related redundancies, and plant closures all made a larger contribution to the reduction of employment in clerical occupations than offshoring. The lack of systematic and reliable data sets further complicates the process of tracking offshoring, and since one method asks employers to self-identify their use of the practice, firms are reluctant to admit they are offshoring work because of possible public backlash.

4.4 Offshoring and the Call Centre Industry: The Case of Canada

Call centre employment is a significant component of the international trade in services and, my argument suggests, represents one of the most important segments of ITES sectors. Incidentally call centres are also the most visible and recognized symbols of service offshoring. In 2002-2003, call centres counted as a majority of export-oriented FDI projects in services (UNCTAD 2004). This is due to the internationalization of call centre employment as well as the centrality this industry holds in the flow of foreign direct investment. As an industry, call centres reflect a major trend in the customer interface, one that has unfolded gradually over the past thirty years. Not only have the world’s leading corporations adopted the use of call centres, but so too have governments, political parties, and charities turned to these operations as a cost effective means of interacting with citizens, potential supporters, and donors. Even unions are experimenting with call centres in their attempts at innovating the responsiveness to members’ needs (Early 2011). For economies situated in the Global North and the Global
South, call centres have been received as an effective strategy to build a competent IT infrastructure, foster regional and national economic growth, and allow local firms and labour forces to integrate into the international information economy.

Global expansion of the call centre industry has for the past decade drawn attention to the advantage offered by low cost markets like India, but developing economies have not yet surpassed wealthy economies in terms of their command over investment or ITES trade. In 2002-2003 Canada held 11 percent (56) of all FDI call centre projects. The UK, Israel, and Ireland, along with Canada, maintained the dominant share of call centre FDI – of the 500 FDI call centre projects recorded in 2002 and 2003, more than half went to developed countries. But the rise of key Asian economies has started to shift the balance, led by India, China, Malaysia, and Singapore. In 2002-2003, India received 12 percent (sixty projects) of total export-oriented FDI call centre projects, besting Canada, one of its central competitors (UNCTAD 2004, 163). By 2003 foreign companies were outsourcing work to 800 call centres in India, up from sixty just three years earlier (Mirchandani 2004a, 356).

The neo-liberal model of telecommunication policy in Canada has been oriented since the late 1970s towards continentalism, which entails the convergence of technological and corporate integration on a continental scale in North America. According to Canadian telecommunication scholars, part of this transformation includes a regime of neo-
regulation, or the re-orientation of policies that favour the lifting of foreign-investment restrictions, the centralization of telecommunication jurisdiction within the federal government, and the privileging of market forces. Canada’s federal communications regulator, the Canadian Radio-television and Telecommunications Commission (CRTC), has subsequently deepened its subordination to the federal cabinet, the Ministry of Industry, the Department of Foreign Affairs and International Trade, and the Competition Bureau (Rideout 2002). In 2006, the federal Conservative government issued a Policy Directive to the CRTC stating that it was to regulate telecommunications in a “manner that interferes to the minimum extent necessary with competitive market forces” (Government of Canada 2008). Foreign ownership restrictions grounded in both the Telecommunications Act and the Broadcasting Act, the report asserted, should also be relaxed. Traditionally, both of these pieces of legislation sought to ensure Canadian economic and cultural control over policy making, as well as the operations of the industry’s largest corporations (see Raboy and Bonin 2008). This was a vast departure from its traditional role as the steward of service universality, charged with balancing public interests with economic objectives (Rideout 2002). One of the conclusions drawn from Industry Canada’s Compete to Win policy report was that competitiveness within the telecommunication sector can and should be strengthened through the liberalization of foreign investment regulations.
Continentalization, as Rideout (2002), Mosco and Schiller (2001) argue, involves more than a simple integration of industry in North America. Through trade agreements such as NAFTA, the ability of federal and provincial authorities to determine telecommunication policy is superseded by the legal provisions contained within these agreements. In a broader sense these political and economic regimes have prefigured attempts to build social consent for market-oriented changes by using the case that increased competition leads to lower prices, greater service, and generally a higher level of economic well-being. As Babe (1990) argues, Canada’s information revolution is predicated on a radical reconfiguration of communication policies, which has involved interventions by cultural, political, and social forces. Current trends in telecommunication policy represent a conscious unraveling of industrial and national policies that date back as far as the late 19th century, when the new country of Canada introduced the First National Policy based on a platform of economic nationalism. The Bell Telephone Company, founded in 1880, was for decades the largest carrier in the country, and operated as a natural monopoly in the telecommunication sector. Natural monopolies were premised on three main assumptions: “efficiency through economies of scale, systemic integrity through end-to-end control, [and] service universality through cost-averaging and cross-subsidization” (Babe 1990, 239). Cross-subsidization was pivotal in achieving telephone universality in Canada by allowing local usage rates to be subsidized by more profitable operations, namely business subscribers and long distance charges.
While Canada’s major telecommunication provider, Bell, was not forced to succumb to the pro-competition break-up that beset its cousin in the United States, AT&T, regulatory changes forced the company to undergo a major process of corporate reorganization. In 1983, Bell Canada became a subsidiary of BCE Inc. and maintained monopoly status in the provinces of Ontario, Quebec, and the Northwest Territories. Bell became a net beneficiary of this free-market led trend when it acquired the recently privatized Crown corporation, Teleglobe Canada, in 1987, then the exclusive supplier of overseas telecommunications links (Babe 1990, 30). Canada’s selling of public corporations was prompted a decade earlier, when Canadian governments began examining the country’s ongoing economic and political problems. The conclusions drawn from the Royal Commission on the Economic Union and Development Prospects for Canada, known also as the Macdonald Commission, provided support at the federal level for a reform of economic and social policies, which emphasized moving Canada towards an “open-market society” (Rideout 2002, 54).

It is crucial to point out that in addition to unions, public interest advocates, consumer groups, provincial governments, and even established Canadian telephone carriers, like Bell, also resisted the free-market telecommunication policy changes. As in the United States – where major corporate users of telecommunications services made up of leading manufacturers, financial companies, banks, broadcasting corporations, and transportation companies combined their lobbying strength under the umbrellas of the
Telecommunications Users Committee and Committee of Corporate Telephone Users – it was the corporate community that pushed for a transformation of telecommunication policy through liberalization. Multinational firms were critical in pushing for these reforms that would allow for expanded entry and low cost access for their goods and services in other national economies (Rideout 2002, 72-73).

Industry leaders recognized that the cross-subsidization model affiliated with telecommunication universality was a direct hindrance to their pursuit of expanding market opportunities, and that local rates were allowed to stabilize by charging more for the services used by business. Liberalized markets would offer new investment opportunities, particularly for major financial institutions, in the event that the telecommunications sector was opened to further competition. Prospects for international trade in services and offshoring were made possible by the subordination of social policy to market-led forces. Competing interests within the capitalist classes also characterized this trend, although the major telecommunication companies did eventually benefit from the liberalized market place. Subsequent governments were instrumental in facilitating this exchange amongst major firms, and can hardly be considered innocent bystanders in what was part of a global information revolution. Indeed, the political architecture was in great part designed and implemented by governments themselves. But, the legacy of monopoly carriers and universality meant that the country has one of the most advanced
and extensive telecommunication infrastructures in the world. This is what contributed to Canada’s appeal as a leading destination for the call centre industry.

While India has been ranked as the “star performer” in the offshoring industry, countries like Singapore, New Zealand, Canada, and Ireland continue to drive offshoring interest despite their relatively high costs (A.T. Kearney 2004). In the same index Canada ranked 8th, but came in 2nd on the offshoring location attractiveness index for business environment. Montreal has been cited as the most cost-competitive large city in the G7, followed by Toronto in third place (Conference Board of Canada 2007). Canada’s position as a popular “nearshore” destination for U.S. firms was popularized in a New York Times article, in which the country’s cultural similarity to the United States made it a top destination for high-value, sophisticated service work (Austen 2004). Because of Canada’s favourably low dollar exchange rate at the time, Datamonitor (2006) estimated that the cost of a Canadian call centre agent was approximately 85 percent of their U.S. counterpart. Business costs were also less in Canada and the use of Canadian ITES services saved U.S. providers between 20 and 30 percent by moving operations “nearshore” (Scott, Garner, and Ticoll 2004). A far cry from the 50 to 70 percent savings offered by the Indian advantage, but the cultural and national familiarity made the Canadian option more appealing in some cases.
Because Canada has been identified as a destination for offshoring, opposition to the practice has been less intense than in the U.S. This does not mean that the Canadian economy is immune to the negative effects of service offshoring or that the public at large has accepted the practice. In 2008, TD Bank, one of the country’s largest financial institutions, employed the services of a call centre vendor in India. Consumer and public backlash ensued following the bank’s foreign pilot project (Roseman 2008).\(^9\) Even though Canada ranks as a desirable offshore location, between 1961 and 2003 the share of imports in service inputs almost tripled from 2.6 percent to 7.6 percent, led by business and financial services. As industries increased investment in ICTs – which includes computers, telecommunication equipment, and software – so too did they increase their service offshoring activities. Deepening use of ICT inputs further lent to the reduction of distance barriers associated with trade in services, thereby creating the possibility of further growth in the range of occupations prone to offshoring in Canada (Statistics Canada 2008). Even though no consensus exists with regards to the effects offshoring has on employment and wages, Canadian studies suggest that trade leads to lower demand for labour in industries and sectors affected by increased imports; on the other hand it leads

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\(^9\) Ellen Roseman, author of the 2008 *Toronto Star* article, hosted a comments board on her personal blog (Roseman n.d.). One person remarked, “A few weeks ago, while trying to get some information from my bank on an unrelated issue, I discovered that “MY” bank, TD, now has a customer service call centre in INDIA !!! … Many readers may not think this is a problem because we are so in love with globalization. But I’m personally so upset with this situation I am seriously considering withdrawing ALL of my money and retirement funds from this bank”. While the vendor in India was only part of a pilot project being tested by TD Bank, with most of the 700 customer service represented still located in Canada, customer responses and commentators were quick to chastise the financial institution for its decision of offshore work. Some appealed to the inability of Indian agents to speak with clear English accents, while others criticized the bank, which registered record level profits, for not hiring Canadian workers.
to a greater demand in sectors where exports are increasing (Baldwin and Gu 2008). According to Statistics Canada (2008), service offshoring has had a negative effect, albeit a negligible one, on wages in the service-producing sector. So far, however, Canada’s service-producing industries have been sheltered from the consequences of large-scale imports.

The appeal of India as a reliable offshore destination has drawn the attention of Canadian corporate leaders over the last decade. An IT executive with a company based in Canada remarks that, after his trip to India, he now believes that his firm could potentially keep only 30 percent of its existing IT staff, notably for high-value creative work and management projects, and send the remaining jobs offshore. “I used to say we should consider the risks of offshoring”, he said. “Now I believe we should consider the risks of not offshoring… we could easily become a brand-name company, with most of the work done overseas” (Scott, Garner, and Ticoll 2004, 34). But there is still reason to question the prevalence of offshoring by Canadian firms. In a survey of prominent Canadian businesses, the Conference Board of Canada (2005) found that the offshoring of business process operations was uncommon. Fifty-eight percent indicated that they did not offshore any business processes or functions, and of those who did, high technology processes (e.g., software maintenance and development) were cited as the most frequently offshored functions. Public relations and political factors rank high on the list of challenges, as do the readiness and experience on the part of buyers to interact with
foreign vendors and the ability to manage distant operations (Scott, Garner, and Ticoll 2004; Conference Board of Canada 2005). Based on these results, however, as industries and sectors grow their experience with offshoring, best practices and industry standards will make the use of offshore vendors routine and subsequently accelerate the practice. But what of Canada’s trade relationship with India, a strong player in the offshore services market?

Canada’s trade with India remains scant, and in 2002 the official service exports reached an approximate CAN$290 million (EDC 2005b). This figure increased slightly in 2004, to $346 million, representing less than 10 percent of the $3.5 billion in trade with non-OECD countries. Canadian exports to India hit a record $1.7 billion by 2008, a 55 percent increase over 2005. India was a distant 19th on the list of Canada’s trading partners as recently as 2005, trailing behind China, Saudi Arabia, the United Arab Emirates, the United States, and even Iran (Rubinoff 2006; Moretti 2010). Between 2000 and 2005 Canada’s service sales to Asia declined, and the economy, aside from the import of final goods and the export of mostly raw materials, has limited links to the Asian supply chains. Business reports have concluded that Canada is missing out on trade with Asia, in part due to the complacency Canadian firms have with their U.S. trade relations (Goldfarb and Theriault 2008).10 Sixty one percent of Canada’s exports of business

10 Over 83 percent of Canadian exports were destined for the American market in 2005, up from approximately 75 percent in 1990. Some contraction occurred between 2000 and 2003 following the dot.com bust, Canada’s appreciated dollar, as well as the economic jolt that took place after September 11, 2001 (Conference Board of Canada 2007).
services went to the United States, while the remainder went to the UK (3 percent), China (2 percent), Japan (1 percent), other OECD (15 percent) and non-OECD countries (18 percent). Of the $1 billion of business service imports from the non-OECD region, some estimates indicate that less than 1 percent of the 13.5 million Canadians employed in 2004 would have been affected by this type of offshoring (Morisette and Johnson 2007, 10-12). Nevertheless, this practice remains a pressing concern in a country where services account for 74 percent of employment and about 70 percent of GDP (Vincent and McKeown 2008).

4.4.1 Canada’s Call Centres
As a highly internationalized industry, and an important contributor to business service operations, it is worth looking at the call centre sector as a special example of the case of service offshoring. Much has changed since the early days of call centres, when their use was dominated by the airline and financial service industries. Employment has, as a consequence, expanded vigorously as the call centre became an important institution for complex organizations in Canada. Estimates indicate that there are in excess of 14,000 call centres in Canada, employing over half a million full and part-time staff, or 3.4 percent of the total employed Canadian population. Overall the industry contributes between CAN$36 and 38 billion to the country’s GDP (Canadian Customer Contact

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11 The leading source and destination for computer and information service imports ($2.2 billion) and exports ($4.08 billion) between 1996 and 2004 was overwhelmingly the United States, followed by the UK as a distant second. Canada registered a trade surplus in this category for the entire period. Contrast this with China and India, where Canada experienced a cumulative trade deficit of $12 billion (Morisette and Johnson 2007, 24).
This estimate is premised on the North American Industry Classification System (NAICS) definition of a call centre which includes no less than eleven industry categories (see Statistics Canada n.d.a.; n.d.b.). A majority of centres in Canada are inbound (approximately 77 percent) and many of these (40 percent) handle customer service activities. Most of Canada’s centres service the finance, telecommunications, retail, hospitality, and public service sectors (Van Jaarsveld, Frost, and Walker 2007, 10). Growth in all of these areas has been substantial. In the three years leading up to the end of 2004, 166 call centres were established in Canada, creating about 50,000 jobs (ECD 2005a). There are, however, widely varying figures on the economic and employment impact of call centres on the Canadian economy. Vincent and McKeown (2008) indicate in their report for Statistics Canada that industry revenues were far more modest, climbing from $424 million in 1998 to $2.76 billion in 2006, representing an average annual increase of 27.7 percent. By contrast the overall economy grew at an average annual rate of 5.9 percent in the same period. Alternative employment figures show that in the broader

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12 This 2002 report relied on the North American Industry Classification System (NAICS) as a definition for call centre employment: “These establishments are engaged in activities such as soliciting or providing information; promoting products or services; taking orders; and raising funds for clients. This industry also includes establishments primarily engaged in answering telephone calls and relaying messages to clients; and establishments primarily engaged in providing voice mailbox services”. The NAICS category excludes establishments primarily engaged in taking orders in offices of mail-order houses, providing paging services, gathering, recording, tabulating, and presenting marketing and public opinion data, and organizing and conducting fund-raising campaigns for others (see Statistics Canada n.d.a); included are answering services, floral wire service, telephone answering and message service, telemarketing bureaus, telemarketing service on a contract or fee basis, telephone call centre, telephone solicitation service, voice mail box service, and wake up call service (see Statistics Canada n.d.b).
category of business support services, of which telephone call centres were a part, the number of jobs grew from 20,000 to 112,000 between 1987 and 2004, an increase of 447 percent (Akyeampong 2005). The call centre industry, and related employment figures, is a challenge to categorize because it tends to transcend sectoral lines (i.e., manufacturing, public, telecommunications, etc.). Outsourcing further complicates the data collection process, since these facilities serve the customer base of other firms through subcontracts. No matter the source, all research indicates that the Canadian call centre industry has witnessed tremendous expansion over the past decade.

Employment growth in the call centre industry was prompted by a variety of factors, but it was Canada’s multilingual capabilities, a highly skilled and proficient workforce, historically low exchange rate with American currency, and an advanced telecommunications network that facilitated the rise of call centres as a chief export-based industry. However it was the shifting pattern of how companies interface with customers that prompted the rise of tele-mediated services. Tendencies to increase profits by cutting costs meant that centralized and dedicated customer interaction centres were ideal ways of commodifying services. Economic crises and falling rates of profits contributed to this process as well. As the services offered by call centres became lucrative commodities, major outsourcing firms reached the status of multi-billion dollar enterprises. Marketing strategies and public relations efforts by businesses and governments also helped to normalize non-personal encounters. Telephone banking,
which expanded by 50 percent between 1994 and 1995, became a prominent service offered by financial institutions for these reasons. Handling customer complaints, conducting pre/post sales customer service, giving technical advice, entering orders and reservations, establishing help lines, and providing warranty and repair services contributed to this trend (Steedman 2003, 4). By 2007, 35 percent of Canada’s call centres were serving international customers, the third highest after India (73 percent) and Ireland (37 percent), which far exceeds the global average of 14 percent (Holman, Batt, and Holtgrewe 2007). Canadian companies still dominate the national sector, despite their export-oriented status. By some estimates 82 percent of all call centres are Canadian owned (Canadian Customer Contact Centre Industry 2002, 86).

Political and economic factors played a decided role in building Canada’s position in the global call centre market place. With a universal public health care system, U.S. firms were not burdened with expensive health benefit packages when it came to attracting talented employees. Because of cuts to corporate taxes at the federal and provincial levels throughout the 1990s, Canada is at least comparable to the U.S. in terms of business and personal tax rates (Contact Centre Canada 2006a). Metropolitan areas such as Montreal, Toronto, and Vancouver offered both foreign and domestic companies seeking to establish call centre operations with vast multicultural and multilingual talent – by some accounts companies could draw from as many as seventy languages (Canadian Customer Contact Centre Industry 2002). The province of New Brunswick was especially lucrative
because of its bilingual English and French speaking population, which offered an advantage over regions in the United States as well as other parts of Canada. But, it was the economic recession that hit Canada in the early 1990s that contributed to the growth of a burgeoning industry. This was especially true for Atlantic provinces, which lists the highest percentage of call centres per number of business establishments (Statistics Canada 2006). Indeed, the Eastern Canada case is of particular significance since a higher-than-average number of call centres in these provinces (58.7 percent) serve the international market, compared with Central (26.6 percent) and Western Canada (29.7 percent) (Van Jaarsveld, Frost, and Walker 2007). Incidentally, Atlantic Canada has the lowest percentage of Canadian ownership (at 60 percent) and a high percentage of U.S. multinational ownership (35 percent) (Carroll and Wagar 2007).

New Brunswick’s dramatic entry into the post-industrial economy accelerated Canada’s role as a leading call centre offshore destination. To date approximately 21,000 people in over 100 facilities are employed in call centres in a province with less than a million residents. Like other economies in Atlantic Canada, New Brunswick was traditionally dependent on the lumber and fisheries industries as a major source of GDP and employment. Upon the decline of these industries, the province, under the leadership of then-Premier Frank McKenna, turned to the promises offered by a liberalized and globally integrated post-industrial economy. McKenna’s efforts relied on the extensive telecommunications infrastructure available in the region. However, despite the reference
to a liberalized market, the transformation of New Brunswick’s economy involved an intensive program of government intervention that deployed the policies and practices resembling the “development state” of Southeast Asian economies (Larner 2002a; 2002b). The main draw of the province was the attention it paid to providing financial assistance to company training expenses, removing taxes on 1-800 numbers, and the gradual reduction of payroll and corporate taxes. Research and development incentives, loan guarantees, reforming workers compensation regulations, and startup capital were other enticements offered to firms willing to establish themselves in New Brunswick. Regional development agencies, industry groups, and the government were quick to add that the province boasted a bilingual workforce capable of servicing English and French-speaking customers domestically and abroad. Economic recession and a low unionization rate, which deteriorated further after the decline of primary commodity industries, made the province especially attractive. Some of the leading candidates for the call centre industry were staff members previously employed by the provincial government and those who had worked for the public telephone company before it was privatized.

New Brunswick’s public relations strategy reproduced the myths associated with post-industrial capitalism, especially the argument that the jobs being created were consistently high-end, knowledge-intensive, and on the leading end of value-added performance. The basic requirement for many of these jobs, however, was a high school degree, along with basic computer and keyboarding skills. McKenna pointed out that the
development strategy was actually one that sought to create employment across the spectrum of pay and skill. “[Y]ou need jobs for every skill set, and every socio-economic group”. He went on to add, “An outbound centre that pays $8.50 an hour doesn’t sound great unless you compare it to a fish plant job at $5.25 an hour”. As one study revealed, annual pay for workers ranged from $15,000 to $25,000 in the early years of the boom (McFarland 2002). At the high-end of the pay scale call centre workers in the province were making approximately $16 an hour in 2000 (cited in Buchanan and Koch-Schulte 2000, 11, 19). The downside to this growth was that Eastern Canadian facilities witnessed some of the highest turnover rates and are home to the highest proportion of outsourced centres. Because of the export-driven nature of the industry being established in New Brunswick, McFarland (2002) labeled the sector as “maquiladoras of the North”, drawing a comparison to the manufacturing export region skirting the border between Mexico and the United States. Benefits reside with the multinational firms that are able to take advantage of the low-cost workforce, propped by government subsidies, tax-holidays, and pro-business reforms to labour legislation and health and safety requirements (see EDC 2005a).

Nova Scotia and New Brunswick were hardly the only provinces attempting to make a transition to the “new economy” by using call centres as a launch pad. Manitoba pursued similar strategies by promoting its job-ready workforce, unemployment rate, and subsidized telecommunication and hydro-electric costs. Because wages in the Western
province, like those of Eastern Canada, are lower than the national average, the cost advantage was greater than that offered in the country’s major urban centres. Of the over 10,000 call centre agents, some were earning as little as minimum wage, $6.75 an hour, in 2003 (Guard 2003). Even the province’s NDP government, traditionally a social democratic party with trade union support, was keen to protect the interests of business over that of workers.

A leading criticism of these “development state” strategies is that, like their counterparts in the Global South, export-dependent call centres are highly susceptible to fluctuations in demand from foreign markets. Sudden closures following a contract cancellation leaves workers unemployed without warning. Rapid technological innovations and declining international telecommunication rates have exacerbated the situation. As Buchanan and Koch-Schulte (2000) advise in their report for Status of Women Canada, governments should not subsidize call centre firms that create “bad” jobs, let alone jobs that are so powerless against even minor fluctuations in market conditions. Years after their study was published it seemed as if little had changed. In 2007, call centre employees in Fredericton and Bathurst, New Brunswick, were locked out of work when Connect North America shut down their facilities with no advanced warning (CBC News 2007a). Company CEO and president, Barry O’Donnell, stated that the appreciated

13 Compensation rates in Fredericton, New Brunswick, are the lowest at 17 percent below the national average, while Kingston sits at 7 percent below; Toronto and the Greater Vancouver Area are 2 and 7 percent above average, respectively (Contact Centre Canada 2006b).
exchange rate between Canada and the U.S. forced the closures. Despite the favourable conditions offered by the province, O’Donnell still chastised the government for not providing enough resources for job retention (CBC News 2007b). Even after another firm, AOL, received a $1.2 million forgivable loan from the province to set up shop in Moncton, the company shed almost half of its workers by 2007 (CBC News 2007c). Corporate restructuring and the centralization of customer service call centres have also contributed to layoffs and reduced benefits even for those workers employed by regional monopoly telecommunication companies (CBC News 2008). Bell Aliant, one of North America’s largest regional communications providers and part of the BCE empire, recently announced plans to close three of its five Atlantic call centres, which employ a total of 1,100 workers.

Higher value-added call centres, particularly those in the IT and financial services area, were less prone to closure. This indicates that it is the lower-end telemarketing and customer service segments of the industry that are most likely to fall victim to international market pressures. Economists noted that the transient and unstable nature of the industry, once seen as a saviour of the province’s economy, deemed economic diversity to be necessary (Morris 2007). David Campbell, an independent economic consultant, emphasized that New Brunswick should put greater effort into attracting financial service and hedge fund centres, which offer more stability and higher wages. He went on to argue that these are the kind of salaries the province needs if it wants to reap
tax revenue windfalls required to become a “have province” by 2026 (CBC News 2008).  

“Upper Tier” services, as defined by Contact Centre Canada (2006b), which demand specialized knowledge of products, services, and technical skills, and are rewarded with higher levels of discretion and wages, must be created if the industry is to prosper. This corroborates other indications that call centre outsourcing to Canada is slowing because the country is becoming a more expensive destination for U.S. outsourcers – since 2002 Canada’s cost advantage over the United States has declined from 23 percent to less than 4 percent (Contact Centre Canada 2006a, 127, 4). As a result, low-end and highly routinized business process operations are likely to head abroad. Foreign direct investment in new contact centres will consequently cease to be a major source for growth in the Canadian sector. Offshoring to less expensive foreign destination will likely increase as Canadian-based third party service providers experience financial difficulties and have trouble maintaining their share of the U.S. outsourced market.

The export-oriented segment of the Canadian call centre sector, which stands at roughly a third of the total industry numbers, will likely flatten out or experience a moderate decline, confirming the prognosis offered by Samuelson (2004). It is possible that prospects might improve for work that is closer to the top of the value-added scale, and that employment in the sector will lead to a growing demand for high performance and

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14 Of course, these losses were at the same time accompanied by the establishment of new centres, such as the expansion of Virtual-Agent Services – an American-owned company serving hospitality, catalogue sales, insurance and roadside assistance clients – in the province (Canadian Press 2008).
knowledge-intensive processes (Contact Centre Canada 2006a, 4). Pressures for particular skill sets, training, and education will increase as lower skilled call centre employment decreases in Canada. There is the possibility here for a gender bias if the section of call centre employment over-represented by women suffers from the steepest declines. Generally speaking a higher proportion of women (26.2 percent) than men (14.1 percent) in the Canadian economy are listed as potentially affected by offshoring, with women in jobs that require mid- to lower-levels of skill and training the most vulnerable (Morisette and Johnson 2007). Sixty-seven percent of call centre agents are, in fact, female (Carroll and Wagar 2007, 15).

Another challenge facing the Canadian industry is related to the concentration and over development in particular regions. The reliance on call centre investments as the primary means of economic development, as in the case of Atlantic Canada, results in higher-than-average attrition levels and upward pressure on wages (Datamonitor 2006). This is a spillover from the lack of economic diversification leading to a draw of talent from other industries. Indeed, the economics of local talent pools factors into the attractiveness of certain areas for call centre facilities. Aggregate provincial and regional employment

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15 Whereas the same Contact Centre Canada (2006a) report estimated that offshoring would affect between 7,000 and 9,000 call centre position in Canada annually, 1 and 1.5 percent of the base, subsequent studies have not been able to substantiate these claims.

16 The breakdown by region leaves Western Canada (70 percent) in the lead, followed by Ontario (65 percent) and Atlantic Canada (67 percent).

17 New Brunswick’s attrition leads with 30.7 percent whereas British Columbian call centres have the best statistics (19.1 percent) (Contact Centre Canada 2006b, 20).
figures, skill sets, and infrastructure are important, but so too is the actual availability of potential workers.

A 200-seat call centre can require more than 1,000 applicants to staff the facility. Provided that a community is not already overwhelmed with call centres, a company is likely to seek a labour pool (including those who are within commuting distance) with a population of more than 50,000.\(^1^8\) New Brunswick and other neighbouring provinces are extraordinary because they have a relatively small population compared to the number of call centre workers employed in the sector. Typical selection rates are in the range of 30 percent – in other words, roughly one in three applicants get hired. This depends on the type of facility, with inbound centres (24.7 percent) more selective than their outbound (41 percent) counterparts, and unionized facilities more so than non-unionized (Van Jaarsveld, Frost, and Walker 2007, 19). Large metropolitan centres that boast populations that exceed one million, namely Toronto, Vancouver, and Montreal, are the most attractive destinations from a human resource perspective. It is hardly a coincidence that Ontario, Canada’s most populated province, is home to over half of the country’s call centres.\(^1^9\)

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\(^1^8\) One caveat is necessary here: these figures, provided by the Contact Centre Canada (2006a, 31) report, are based on anecdotal evidence uncovered during interviews with corporate executives and managers, and are not based on verifiable statistics.

\(^1^9\) Estimates from 2002 indicate that as a contribution to regional GDP, Ontario leads with $18.2 to 18.9 billion, followed by Quebec ($8.6 to $9.0 billion), Western Canada ($7.8 billion and $8.1 billion), and the Atlantic region ($1.8 to $1.9 billion) (Canadian Customer Contact Centre Industry 2002, 62).
What makes smaller urban communities more attractive is the dramatic cost differential. Competitive pressures make population centres between 150,000 and 500,000 the leading destination for call centre FDI as larger centres become increasingly more expensive (Contact Centre Canada 2006a). The challenge facing sparsely populated provinces in Atlantic and Western Canada is that a high concentration of call centres erodes the cost advantage by making it more difficult for companies to recruit talent and control costs. Citing a lack of available employees, Quebec-based call centre firm, Atelka Inc., closed down its operations in Bathurst. This small New Brunswick community had over 1,000 people employed in call centres, up from about 300 just ten years prior (Shipley 2008). StarTek, a U.S.-based outsourcer, experienced a labour shortage in Saskatchewan’s capital, Regina, following an unforeseen resource boom that propelled the province’s economy. The company’s site manager, Wendy Hofford, said that the corporation was now forced to compete for employees and could no longer rely on a stagnant economy to draw applicants (Schussler 2007). In fact, instances of closure for this reason are too numerous to cite in their entirety (for more examples see Erskine 2008a; Mah 2008).

Considering the significant financial costs associated with the establishment of call centres, the “footloose” reputation that accompanies the industry is not without contestation. After selecting a location on the basis of cost, it is unlikely that the facility will uproot unless the financial situation becomes unsustainable. Firms have a vested interest in fostering a stable workforce and avoiding, where possible, relocation (Contact
The “here today, outsourced tomorrow” perspective is not entirely without merit, but some consideration needs to be given to the spatial and geographic significance embedded within regional labour markets and political economic conditions. Threats of relocation, and offshoring specifically, have nonetheless been used by low-ranking managers as a union-avoidance strategy (see Contact Centre Canada 2006a). Indeed, the public image and myths surrounding the international division of work have an affect in themselves, despite the reality that place still does matter.

Basic and highly routinized business process operations, which dominate the call centre industry, are especially prone to global competition and, thus, a downward pressure on wages. With Voice over Internet Protocol (VoIP) moving into mainstream usage it has become a feasible practice to manage “virtual contact centres” that employ home-based customer service agents (Contact Centre Canada 2006a). The capacity of an economy or country to competently adapt to economic change, as Daniel Bell proposed, is conditional on the ability of political forces to implement meaningful policies. For reasons such as this, the policy report spearheaded by Richard Florida, Ontario in the Creative Age, argued that the “creative economy” needed a coherent economic, social, and urban planning framework (Martin Prosperity Institute 2009) in order to succeed. Canadian political economists have long argued that Canada has traditionally lacked a coherent industrial strategy, relying instead on the primary commodity trade, first with Great Britain then with the United States. Industry Canada’s technology road map, for instance,
does not adequately address human resource issues, despite the advice offered on technical decisions (Contact Centre Canada 2006a). Similarly the country has lacked a meaningful post-industrial strategy, save for the efforts of regional and provincial governments – this despite the tremendous contribution high-tech industries and technologies have made to Canada’s economic growth, as well as their far-reaching implications for knowledge economy development (see Gertler 1991).

In the absence of a coherent post-industrial national policy, industry associations filled this gap. Contact Centre Canada was established following a national sector study initiated by Human Resource and Social Development Canada (HRSDC) and mandated to coordinate the sector’s human resource initiatives. Its leading recommendation was the development of a nation-wide planning framework that could enable the industry to adapt to an increasingly competitive and internationalized market. Partnerships with educational institutions would help facilitate skills development programs and creates a work-ready national call centre labour force. Qualifications, benchmarks, and best practices, the industry group suggested, needed to be recognized across the country and throughout the sector (Canadian Customer Contact Centre Industry 2002). Even though Contact Centre Canada’s board of directors includes trade union representatives, other reports beyond the scope of industry associations have focused more intently on the labour dimension (Buchanan and Koch-Schulte 2000). Employment conditions and the growth of part-time and flexible work creates the need for a comprehensive post-
industrial strategy that goes beyond recognizing human resource management challenges. The feminization of segments of the call centre industry, along with other equity concerns, is an additional problem in need of investigation. Essentially, labour needs to be incorporated into the planning process in order to provide meaningful responses to these and other social problems associated with the industry’s development. For governments the task is to attract high-paying and skill-intensive call centre work. Similarly, labour laws and health and safety regulations must not neglect stress-related problems and worker burnout. Trade unions can play an important role in this process in that organized labour proffers a regulatory mechanism that addresses not just wages and benefits, but conditions of work, grievance procedures, human resource practices, and a check on the arbitrariness of managerial authority.

While provincial policy-making has been chiefly responsible for affecting the growth of call centre employment in Canada, the introduction of federal consumer protection regulation threatened to curb the commercial interests of the industry. A far-reaching policy change to Canada’s telecommunications landscape was decided upon in 2008 when Bill C-37, more commonly known as the “do-not-call” registry, received royal assent. The Bill replicated U.S. legislation that came into effect in 2003, which essentially restricts telemarketing activity. Attempts to regulate telemarketing practices goes back over a decade, when the U.S. Congress adopted the Telemarketing and Consumer Fraud and Abuse Prevention Act.115, mandating the Federal Trade
Commission (FTC) to establish rules prohibiting deceptive telemarketers. Prior to the introduction of “do-not-call” legislation in the U.S., the American Teleservices Association and Direct Marketing Association anticipated substantial job losses as a consequence of the registry because millions of American call centre jobs were exclusively outbound. Liability for the selling company even extended to offshore facilities. Similar protests were raised by Canadian organizations such as the Investment Dealers Association of Canada (IDA) and the Canadian Federation of Independent Business (CFIB), despite widespread support for the legislation amongst the Canadian public. Despite the restrictions on for-profit businesses, the Bill exempted charities, market and opinion research, pollsters, and political parties from the registry rules. The Bill charged the CTRC with enforcing the law by fining infractions, but did not give the regulator the right to suspend telecom privileges. Bell Canada was slapped with the largest-ever fine of $1.3 million after it used an offshore call centre to phone Canadians that the company knew were on the do-not-call list. This was an ironic turn of events considering that the CRTC had selected the Ontario-based telecommunications giant for the task of compiling a database of numbers for the national registry (CBC News 2010; Hudon 2008).

There were plenty of reasons for call centre industry leaders in Canada to express concern, not least of which is the country’s dependence on nearshore contracts. Despite the fact that a limited proportion of all call centres engaged in outbound calling, roughly
8 to 12 percent of which perform unsolicited selling, there was mixed reception to the law from Canadian telemarketers. For years these companies had incurred costs for maintaining their own do-not-call lists, so the legislation provided a centralized database that would monitor and regulate the voluntary subscription-based service at no cost. This was met with some support from the industry. One survey indicated that industry leaders showed considerable support for Bill C-37, as it would rationalize outbound sales by allowing companies to select from a list of numbers that had not registered with the program (Contact Centre Canada 2006a). The report did conclude, however, that approximately 2 to 3 percent of the workers in this sector might become redundant, although these projections have not been confirmed since the registry came into effect. ContactNB’s, Mike Bacon, executive director of the organization representing the call centre industry in New Brunswick, was ambivalent towards the new rules, going so far as to state, “no one is going to lose a job to this” (Berry 2008). Like other export-oriented industries, however, legislation in other countries, namely the United States, will have a greater impact on the Canadian call centre sector, in some instances, than Canada’s own do-not-call registry. More profound still would be increased efforts in the U.S. to restrict the use of offshore call centres by American companies, despite the questionable legality of such policies under NAFTA. These and other challenges confronting the call centre industry were not unique to Canada, and the sector’s evolution in India is not beyond comparison.
4.5 Offshoring and the Call Centre Industry: The Case of India

After the liberalization of its telecommunication regime, India emerged among several developing nations as a leader in the offshore call centre market. As of 2007, the number of call centre workers in India was estimated to be approximately 316,000 (Holman, Batt, and Holtgrewe 2007), up from roughly 270,000 in 2006 (Callcentres.net 2007a), representing an almost 16 percent increase, and exceeding the earlier projection of 300,000 employees by 2010 (Nasscom 2006). India remains a key player in the global call centre industry due to its population’s high level of English proficiency, relatively inexpensive labor, a highly skilled and educated urban middle-class, as well as the government’s commitment to expanding the IT-ITES sector. These factors have contributed to the development of a multi-billion dollar industry, with software and services accounting for US$60 billion in revenue in 2009, and the entire IT-ITES industry constituting 5.8 percent of GDP, up from 1.2 percent in 1998 (Nasscom 2009). The fastest rate of growth for IT services, of which call centres are a part, has been experienced in the domestic sector with a compound annual growth rate of 40 percent (Thanuja 2007). This development in the domestic sector stems from the increased acceptance of information technology as a growth enabler and competitive tool for Indian corporations. Unlike the export markets for many Asian countries, India’s advantage has been in skill-intensive tradable services, exemplified by software, ITES, biotechnology, project engineering and design, rather than natural resources and labor-intensive manufacturing (Kapur and Ramamurity 2001). Accordingly, services will likely continue to drive India’s export growth for some time.
Like their counterparts in Canada, India’s call centres remain deeply involved in the business services export market, where 73 percent of the facilities serve foreign customers. This is a dramatic inversion of global averages, in which 86 percent of centres serve local, regional, or national markets in their own country (Holman, Batt, Holtgrewe 2007, 5). Of these offshored centres, most are subcontracted (i.e., outsourced) and serve multinational companies based abroad. In India, there is a high likelihood that of the subcontracted vendors, most provide sales or service to the mass consumer market (Batt, Doellgast, Kwon, Nopany, Nopany, and da Costa 2005, 5, 7). Because call centres clustered in these market segments are likely to have lower profit margins and are more focused on cost, Indian call centres are subject to the most standardized work practices, highest levels of performance monitoring and invest less in skills and training (Holman, Batt, Holtgrewe 2007, 30; Batt 2002). Almost all of India’s call centre workers are full-time. Wages and benefits are kept low relative to international standards, but pay is on average 50 percent higher than alternatives offered to this same group of workers in other sectors (McKinsey Global Institute 2003, 508). Skilled labour has certainly benefited from the growth of the industry, since factor cost arbitrage has permitted companies to offer high wages to attract suitable employees.

20 A benchmarking study conducted by the Australian-based Callcentres.net (2007a) produced the opposite conclusion: 33 percent of call centres were involved in international services, and the majority, 67 percent, in local servicing. One account of the varying result may be a consequence of a less representative sample in the Callcentre.net report, than the Global Call Centre project. There also appears to be some inconsistencies in Callcentres.net’s data. In the “Countries Service by Contact Centers” profile, the report reveals that 74 percent of the centres service India, 22 percent the United States, and 18 percent the UK.
The labour arbitrage advantage is a leading selling point for India’s call centre and broader ITES market, and was a deciding factor in the early phases of the sector’s development. Cost arbitrage involves exploiting differences in the cost of hiring labour across sectors within and across countries. This could involve a multinational company using a foreign subsidiary or subcontracted vendor to perform a variety of core and non-core services (Houseman 2007). As the global market for offshored services grows, so too does the opportunity for capital and skilled labour situated in India, however uneven and unequal. Building on pre-existing business and technical strengths, several Indian firms transformed from recipients of offshore contracts into industry leaders. India’s corporate giants have even established themselves internationally in countries like Canada and the United States. As early as 2006, Indian call centre experts had begun training British and Irish workers at their national facilities (Times of India 2006), and the country had become a marquee brand within the IT-ITES sector. Wipro Ltd., TCS, Infosys, and Transworks emerged as leading providers of complex business services, and eventually branched out to establish their own operations in wealthy economies. TransWorks, part of the greater Birla Group, now owns the Canadian business processing operation specialist, Minacs (Mosco and Stevens 2007), and Silverline Technologies Ltd. acquired another Canadian customer interaction specialist, OMDR Inc., which is examined in chapter six (BusinessLine 2008).
In the context of India’s dramatic entry into the global economy, many attribute the country’s economic successes to the reforms that began in the early 1990s under the stewardship of then-finance minister and economist, Manmohan Singh in the Congress-led Rao government. Prompted by a balance of payments crisis in 1991, India was forced to accept an International Monetary Fund (IMF) bailout package under the provision that it adopt deep-rooted neo-liberal reforms. The country’s policy makers put faith in Singh’s turn towards liberalization, which involved the cutting of trade barriers, lifting caps on foreign investment and ownership, dismantling the licensing raj, slashing corporate income taxes, and privatizing state assets. Traditional development policies that followed the import substitution industrialisation (ISI) model, the hallmark of post-independence “Nehruvian socialism”, were largely abandoned in favour of economic strategies stemming from what came to be recognised as the “Washington Consensus” (see Fine, Lapavitsas, Pincus 2001).

While this post-1991 shift is attributed to the end of restrained private economic activity, a working paper for the IMF offered an alternative history: it was the pro-business reforms of the 1980s, rather than the pro-market policies of the 1990s that initially
launched India’s productivity growth in certain sectors (Rodrik and Subramanian 2001).²¹
Rajiv Gandhi’s time as Prime Minister marked an era when special attention was put on
the software sector and the potential it held both for the domestic and export markets.
This came after a shift within Congress ranks, spearheaded initially by Indira Gandhi,
when the party became more supportive of private business. These incentives included a
ten year tax holiday for IT, income tax exemption on export earnings in the software
sector, export subsidies, as well as the free import of both the hardware and software
requirements of these companies (Krishna 2005). Bangalore emerged around this time as
a centre for IT production as a result of the government’s direct involvement in
developing the city as a high-tech hub. Of course, these policies date back to the 1950s
when Bangalore was the centre for public research and development, made possible by
the concentration of educational institutions that were housed in the city. In an interview
with then IT secretary of Karnataka in 2007, Mayer-Ahuja and Feuerstein (2007) reveal
that the State Government offered a range of incentives from assistance in acquiring land
as well as direct subsidization in the form of exemption from commercial tariffs. For this

²¹ Rodrik and Subramanian (2001, 38) list a series of internal liberalization measures that were
implemented between 1985 and 1986, which supported the pro-business agenda in India. These include:
eliminating the licensing of twenty-five categories of industries subject to certain fairly onerous conditions;
extending de-licensing to large companies in industries that were previously restricted by the Monopolies
and Trade Restrictive Practices Act (MRTP) and Foreign Exchange Regulation Act (FERA); allowing
companies in over twenty industries to expand the scope of their operations into related activities; and
allowing companies to surpass existing and highly regulated capacity utilization rates. Such regulatory
reforms promoted competition by clearing the way for new domestic firms to enter the market. A case has
also been made for the harmonization of India’s value added tax (VAT) system throughout the country’s
twenty-eight states and territories to cover all manufacturing goods and services, with proceeds shared
between the central and state governments. Liberalization was similarly called for to be an increasingly
ambitious project, deepening attempts to deregulate retailing, banking, news media, electricity, and even
defense (see Pandit 2005).
reason it is hardly a coincidence that Karnataka, Bangalore’s home state, generates 36 percent of India’s IT revenue (The Economic Times 2008c). Pro-business policies, in the case of IT development, were at the same time state interventionist policies.

During the parliamentary elections of 2004, “India Shining” was adopted by the Bharatiya Janata Party (BJP) as its central campaign platform. This vision departed from the imagery of India as home to poverty, illiteracy, and slow economic progress. India’s Finance Minister at the time, Yashwant Sinha, promised to further the recognition that the country was moving towards major-power status as a nuclear-weapons state and highly developed in the areas of science and technology (Ramamurti 2001a). As early as 1998, then-Prime Minister, Atal Bihari Vajpayee, declared that India should aspire for IT superpower status by 2008. The government proceeded to establish a National Task Force on Information Technology and Software Development that same year as a way of realizing the objective. By the end of 1998 the Task Force provided over 100 recommendations related to policies in the area of cyber laws, labour laws, fiscal incentives, promotion of IT in schools and rural areas, as well as increasing computer literacy in the country (Government of India 2001). In 2000, the government passed the Information Technology Act, which provided the basic regulatory framework for the domestic IT industry. An institutional framework for the convergence of services (i.e., telecomm, IT, media, etc.) was provided that same year with the passage of the
Communication Convergence Bill. Both of these policies set regulatory standards for the growing IT-ITES sectors.

Throughout the late 1990s and early 2000s economic growth rates rose at a rapid and sustainable pace. Integration into the world economy was helping India secure a prosperous future, at least in terms of GDP expansion. Liberalization was cited as a cornerstone for an emerging knowledge economy and made possible near-double digit growth rates. Despite efforts to build a high-tech India, the BJP’s campaign failed to win over the Indian electorate, largely because a majority of the population had yet to witness any benefits from the so-called knowledge economy. Worse still, job growth in booming IT sectors was outstripped by job losses in other, less sensational areas of the economy (Young Professionals Collective and Focus on the Global South 2005). The new Congress-led government under Manmohan Singh ran on a platform, under the centre-left United Progressive Alliance (UPA) coalition, which recognized that millions had been left out from the “India Shining” proposal. The UPA has continued to govern from a position that on the one hand appeals to the interest of global capital, but simultaneously addresses the glaring inequalities that has accompanied a “high-tech” India (see Chakravarty and Zhao 2008; Government of India 2008). Singh’s success, to be sure, stems from his ability to secure support from leaders of corporate India and their faith in the Prime Minister’s ambition to speed up reforms in pension, insurance, and labour laws (Sify.com 2008b; Singh 2007).
Of the planning measures taken on by the central government, the implementation of the *Special Economic Zones Act 2005* has been the most radical. Special economic zones (SEZ) are described as carriers of economic prosperity that allow for an accelerated rate of economic growth in urban and rural areas. By December of 2007, the Indian Ministry of Commerce projected that these zones would be responsible for attracting $20-25 billion of FDI and create over half a million jobs (Aggarwal 2006, 4533). Both Indian and foreign multinational companies have cause to be optimistic about the promises offered by SEZs. Tax incentives, low rents, extended lease periods, government provision of infrastructure and utilities, simplified acquisition procedures, and exemptions from various regulations are the chief benefits available to domestic and multinational firms who invest in these zones. As public utility services, SEZs offer additional exemptions from labour laws, the Minimum Wages Act, and the Contract Labour (Regulation and Abolition) Act. Strikes have also been made illegal in these economic enclaves.

Special economic zones amplify already business-friendly reforms. They also contribute to a terrain of development that is uneven and often brutal. Because governments reserve the right to displace populations from largely agricultural land, SEZs are established under violent conditions and represent a contemporary process of accumulation by dispossession (Banerjee-Guha 2008; see Sampat 2008). As the Eleventh Five Year Plan stressed, the Software Technology Parks of India (STPI) and SEZ schemes should
continue “without constraints on where they may be located” (Government of India 2008, 255). Even business groups have referred to this unilateral displacement of peoples as disruptive and have advised governments to instead acquire the space by paying market rates for the land (Pandit 2007). This is the platform on which the knowledge economy in India is built – of the 366 SEZs that were formally approved in 2007, 257 have been established for IT-ITES. By 2008 there were in excess of 400 SEZs (Anthony 2007; Sampat 2008). Software Technology Parks of India (STPI), normally located on the periphery of major urban centres, provide similar spaces for high-tech firms, with 2,000 such facilities registered between 2001 and 2005. It is anticipated that the government’s decision to lift the tax-free status of STPIs will prompt more attention to focus on developing SEZs, given the financial and regulatory privileges they maintain (Nasscom 2008a; 2008b; 2008c). At a time when the government promotes an inclusive development strategy, the physical architecture of IT-ITES is founded on the displacement of peoples and the entrenchment of privileges already enjoyed by an urban elite.

What the Indian and international business community uses as a marker for this success is the country’s astounding rate of economic growth. A steady acceleration of GDP began to unfold in the 1980s, when growth stood at a steady 5.6 percent up until the late 1990s. Domestic demand was financed in large part through rising levels of external and internal borrowing, which in 1990 led to a gross fiscal deficit of almost 13 percent of total GDP.
Prior to this period the Indian economy was beset by what was coined as “Hindu growth”, denoting a disappointing but not altogether disastrous outcome that reflected the ambivalence towards the present that the religion supposedly holds. In the years immediately following the 1991 reforms, GDP still did not exceed the levels attained in the decade earlier (ASSOCHAM 2009, 2). It was not until the first years of the new millennium that Indian economic activity reached the near-double digit levels that are seen today. Before the economic crisis of 2008, Indian planners estimated that by the end of the Eleventh Five Year Plan in 2012, the annual growth rate would reach an unprecedented 10 percent (Government of India 2008). Information technology industries have made substantial contributions to these economic figures. The National Association of Service and Software Companies (Nasscom) indicated that the broader IT-ITES sector accounted for 36 percent of India’s foreign exchange reserves and was listed as the largest employer in the organized private sector in 2007 (Nasscom 2008a). Direct employment in these sectors was expected to reach nearly 2.23 million in 2009, an addition of 226,000 employees from the previous year; indirect employment likely exceeded 8 million that same year (Nasscom 2009). Exports of call centre services have made significant contributions to these windfalls.

Positive foreign attention towards the Indian economy took the form of FDI, which was instrumental to the creation of the business process outsourcing industry. While foreign investment certainly helped the BPO segment expand, for the software and other high-
tech industries, the effects have been negligible. McKinsey’s (2003) survey of multinational interventions in India emphasizes that an infusion of capital, training, and organizational management strategies by international companies facilitated the development of a back office operations industry. Building upon existing human capital resources, leading firms such as General Electric, American Express, British Airways, and others have been able to construct a competent offshore business service infrastructure on which they continue to rely. This marked the beginning of an evolution within the IT-ITES market.

Management scholars have taken these claims a step further by arguing that the IT sector has even led to a transformation of Indian capitalism by altering the corporate culture and business practices of indigenous firms (Kapur and Ramamurity 2001). Notions of corporate governance, as such, were initially synonymous with the Western business model. Proponents of offshoring argue that the developments offered by the technological, production, design, and marketing platforms established by foreign firms in these basic industries empower national producers to ascend the value chain and enhance productivity growth and rising real wages (Paus and Shapiro 2007). Various

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22 Nasscom (2004) provides a rubric for the various phases in the ITES-BPO sector’s development. Phase I is marked by the entry of large corporate pioneers who test the political waters by offshoring crucial operations. In the second phase the risk profile improves and companies start to set up new and more strategic initiatives offshore. Phase III, roughly between 2003 and 2008, has shown offshoring in India to be a proven model, sustainable in the medium and long terms. Quality remains high, labour costs remain under control, regulatory interference is minimized, and the public relations of sending work offshore is manageable. This later period is the phase in which skilled labour markets outside of the Western economies can be successfully integrated into the global production and service chains.
spillover effects, global linkages, enhanced training techniques, production methods, and labour mobility would consequently follow. Eventually leading Indian companies like Wipro established their own comparative advantage by exploiting the knowledge of developing markets and constructed a business model based on these innovations (see Ramamurity 2001). India’s leading position in the IT-ITES market substantiates these claims, evidenced by the fact that India has more Software Engineering Institute-Capacity Maturity Model (SEI-CMM) Level 5 companies than any other country. By 2006, over 440 Indian companies had acquired quality certification, with over 90 of these firms receiving SEI-CMM Level 5, the highest ranking (Government of India 2008, 252).

Internationally recognized standards are crucial for offshored call centres as well. One study estimated that 43 percent of Indian centres have COPC quality accreditation and 27 percent have ISO-9000 accreditation (Callcentres.net 2007a).

Free market fundamentals, namely the withdrawal of government intervention from economic management, are credited for the international success of India’s offshored services sector. Part of these conclusions are drawn from neo-liberal trade theory, which supports the claim that offshoring equips developing economies with the capacity to improve their position in the value chain. Despite the enthusiasm for laissez-faire depictions of India’s recent political economy, domestic and even foreign multinationals have benefited from ongoing policies that amount to a direct subsidy in the range of $6,000 per full-time IT employee and approximately $2,000 per full-time BPO employee.
Some of this support has come in the form of tax exemptions. An important indirect subsidy has come as a public investment in higher education, which has been the most instrumental asset sustaining IT-ITES sector growth. India’s prestigious Institutes of Management, Science, and Technology are proven producers of world-class knowledge workers. Between 1970 and 2000, the number of graduates from emerging economies increased by 383 percent, and India’s capacity to tap into the over $700 billion worldwide IT and software expenditures has been propelled by such human assets (see Majluf 2007). Pre-existing (publicly supported) strengths were unleashed by pro-business policies enacted at the central and state-levels, but private capital benefits from, and indeed requires, public support in order to meet demands for skilled labour. Indeed, India’s advantage over other developing economies has been the scale of college and university graduates emerging from the country’s premier institutions – this is part of what Freeman (2007b) has described as the “second driver” of the globalization of labour markets, defined by the rapid expansion of higher education. For this reason India’s comparative advantage in the global IT sector is premised on human rather than only physical capital.

Nasscom (2008) has sensationally claimed that India’s recent successes in building the brand of “New India”, is a reflection of what can be achieved by “unleashing the power of middle class, first generation entrepreneurship”. The narrative is not unlike the one that pervades the popular imagination about the creation of Microsoft, Apple, and other
innovative start-ups emerging beyond the labs of IBM. One such sensational story is that of Bangalore-based Infosys Technologies, founded in 1981 by Narayana Murthy and six other colleagues with $250 in startup capital (Kumra and Sinha 2003). Such stories would be familiar to Drucker (1959) and his discussion of the knowledge worker, who is enriched by merit and education, not inherited wealth. Without tremendous institutional support, however, it is unlikely that one of the world’s poorest countries, in terms of per capita GDP, could have produced managers, scientists, engineers, and business leaders on the scales and calibre witnessed over the past three decades. Indian Institutes of Technology (IIT) in particular have been noted as Nehru’s most “consequential legacy”, epitomizing the vision of a world-class infrastructure in science and technology endeared by India’s first prime minister. “Today”, the Times of India (2007) reported, “an IIT degree is held in the same reverence in the U.S. as one from MIT or Caltech”. Yet, the narrative conventionally touts the wonders of the “free market” and the benefits of minimized economic management. State intervention, however, has accelerated in these areas through ventures that involve connecting the country’s vast array of universities and R&D institutions to a National Knowledge Network. Invigorated by liberalization and a technologically advancing telecommunications system, a report published by India’s National Knowledge Commission (NKC), founded in 2005 by the national government to help usher in the knowledge society, supported the mobilization of public and private capital as a means of integrating educational institutions into the booming IT-ITES
marketplace (Seth 2006; see also Nasscom 2009). This has been a deciding factor helping to distinguish India amongst other rising powers in the BRIC group of nations (Pawar 2008).

Not unlike the demands made by industry associations in Canada, India’s business community has focused on the need for education and training as the source of the IT-ITES sector’s future success. Businesses and governments recognize that the country’s ability to secure its position depends on these knowledge assets. Arguments supporting the role post-secondary education played in a knowledge economy were subsequently made a priority in the Tenth Five Year Plan (Government of India 2002). Ironically, spending on education has actually decreased as a percentage of GDP since the implementation of economic reforms in the 1990s. Emphasis was placed on establishing a narrative of the IT industry as principally merit-based, driven by educated entrepreneurs and not inherited privileges, which was at once capable of undoing what Chakravartty (2008) defines as India’s “premodern inequalities”. Nasscom (2008b) has worked to reproduce the imagery of an entrepreneurial middle class as the core of India’s economic renaissance. Social scientific accounts provide a more critical take on these claims, arguing that IT-ITES’s success can be attributed to the reproduction of existing class and caste privileges, which continue to be maintained, in part, through the cultural capital

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23 Headed by Sam Pitroda between 2005-2008, the NKC’s was placed under the stewardship of a leading Indian inventor, entrepreneur, and policymaker who held considerable influence over the creation of India’s information infrastructure.
obtained through educational attainment and a “westernized social orientation” (Upadhya 2007, 1866). Liberalization, and the IT boom in particular, has helped empower the middle class, especially those who were marginalized economically and politically during the post-Independence period of Indian capitalism.

India’s ability to sustain a relatively large educated population has allowed the country to mask other lingering socio-economic challenges through a prosperous information technology sector. The ability of India’s IT-ITES to develop this advantage is due in part to the gradual decrease in emigration of the country’s top science and engineering graduates to the United States since the 1960s (Mazurkewich 2008). The tightening of immigration rules in the U.S. actually helped India retain its skilled talent pool, laying the foundation for the IT boom (Mayer-Ahuja and Feuerstein 2007). Still, the exit of trained knowledge workers has contributed to labour shortages for India’s leading firms, adding to problems in the country’s knowledge-based labour market (Farrell, Kaka, Sturze 2005). In 2006 this helped force wage rates for IT and call centre workers up by 20 to 35 percent (UNI 2006). Because a majority of graduates emerge from schools in smaller cities, only 1 to 3 percent of the total graduate/engineering labour pool are considered suitable or available for employment in the industry (Nasscom 2004). The demand-supply gap has been estimated to reach 262,000 professionals by 2012, unless adequate measures are taken to increase the number of knowledge workers. This becomes a pressing concern when IT-ITES industries prepare to ascend the value-added ladder.
Business leaders agreed that in order to realize these ambitious goals, the government needed to craft a National Policy that could effectively respond to the need for an adequate IT-ITES labour force (Pawar 2008).

Education policies, labour law reforms, and the introduction of SEZs and STPIs all added to India’s comparative advantage in the global knowledge economy. Most of these developments are recent. Less than a decade ago India was still considered within the IT industry as a capricious venture (McMillin 2006). Only recently the theft of credit card and personal client information by a back office employee at HSBC’s data processing centre in Bangalore called into question the trustworthiness of India’s IT-ITES workers (The Tribune; Walsh 2006; IBNLive 2006). Infosys founder Narayana Murthy recalls that Indian IT-ITES service providers had to work hard to create awareness among Western companies that they could actually build the application that clients needed (see Kumra and Sinha 2003). Less than a decade later, IT service firms like Accenture, EDS, Convergys and IBM Business Services were establishing subsidiaries in India and competing for top talent. It was the Millennium Bug crisis of the late 1990s that propelled the country’s talent reservoir onto the global IT scene, shedding light on the opportunities awaiting multinational firms capable of integrating foreign services into their international operations. The services, software, and technologies that were designed by Indian companies contributed to what some have labeled India’s “tech renaissance” (Kanellos 2005).
India’s industry groups recognized that in the years immediately following the dot.com bust, the country’s ITES sector would continue to compete for a market share with other leading vendors such as Canada, Ireland, and the Philippines. Canada, for its access to the U.S., and Ireland, for its share of the UK market, were both seen as the first wave of offshore call centre destinations, while India and the Philippines constituted the second. Competition from emerging destinations accelerated as the demand for customer interaction services matured, and firms started to seek access to skills, particularly non-English language abilities, that India lacked. The nearshore promise offered by Canada, despite its higher wage bill and operating costs compared to India, was not lost on industry analysts (see Nasscom 2006). And like Canada, intensified competition in the offshore market has meant a pressing need to further develop the capacity to offer more value to the global service provision chain.

Machlup’s (1962) typology of knowledge production is useful in analyzing the sophistication and breadth of the ITES sector in India. In order to remain competitive, Indian vendors require a full engagement with knowledge production outputs and cannot rely on office and basic customer service interactions alone. Software and services, of which call centres are a part, account for over 98 percent of total IT-BPO exports (Nasscom 2008c). Already the Philippines are set to surpass India’s call centre outsourcing industry and challenge the country’s position in the global ITES market.
For this reason industry groups have identified knowledge process outsourcing (KPO) – the higher-value services such as R&D, credit, equity, market, and investment research, patent filling, IP and asset management, software development, healthcare and legal services – as the requisite sector in which to expand (Nasscom 2004). By 2012, the KPO market is estimated to be worth $10 billion with an annual growth rate of 25 to 27 percent, creating further strains on India’s supply of qualified professionals (ASSOCHAM 2009; Sify.com 2008c). The long-term success of India’s ITES sector is linked with its capacity to move beyond the peripherally significant non-core business processes and into the higher-value knowledge and information-crucial market segments. This transition will deploy a range of IT labor’s formal skill beyond that demanded in most of the country’s call centres, where the prevalence of routine tasks hardly employs the full educational training of existing agents. In short, the IT-ITES sector will require processors and original creators in order to grow. Nasscom (2008c) has acknowledged the importance of this transition, pointing out that domestic spending is being directed at increasingly more sophisticated sectors such as building IT infrastructures and applications, networking and communication systems that are vital for the growth of Indian firms and their ability to compete abroad.

In 2008, twenty Indian firms were among the world’s top 100 outsourcing companies. By 2010, India’s Infosys Technologies took over IBM as second place and Wipro Technologies trailed not far behind in fourth (IAOP 2010). More important still, many of
these Indian firms are responsible for creating over 60,000 jobs in the U.S. alone and invested $6 billion in the American economy, doubling figures from 2008 (Rajghatta 2011; see also Sify.com 2008d; Mazurkewich 2008). Access to foreign markets builds strength for the Indian call centre sector and opens new opportunities for these firms to take on more lucrative, and knowledge intensive operations as their credibility becomes common place abroad. This does not mean a departure from the importance the ITES sector holds for Indian companies, but Indian companies have realized the necessity of moving their call centre operations from simple transaction-processing and telemarketing, to providing high-end specialized services. This is what will lead to the absorption of, and necessity for, skilled workers. Even India’s largest firms are not seen by IBM and other multinationals as significant competitors for the most lucrative corporate clients. HCL Technologies, the fifth largest Indian outsourcer, has left the world’s largest 200 firms to companies like IBM, aiming instead at recruiting the business of the next largest 800

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24 Wipro has forty-six offices overseas, including a new facility in Toronto, and has strategically targeted American university towns like Austin and Atlanta to tap local talent (Ghosh 2007); Tata Group employs 19,000 Americans and has invested over $3 billion in the United States, according to the U.S.-India Business Council; Satyam and Wipro Technologies together created more than 15,000 jobs abroad (Sify.com 2008d; Mazurkewich 2008). As far back as 1991 Satyam Computer Services set up “Little India” in a town of about 45,000 in the U.S. Midwest. The idea was to ensure an intimate connection with the client and build confidence with the company’s first Fortune 500 firm (Gandhi and Sengupta 2007). Essar, HCL, and Mahindra have also extended their presence in U.S., and about twelve others have had a sizable impact on the country’s economy (Sify.com 2008d). In Oceania, Tata’s Australian and New Zealand business has been growing 70 percent a year, and boasts a staff of around 1,000 in both countries (Callcentres.net 2009d). Wipro was set to further its presence in the call centre market when it bid to take over Dell’s captive BPO business outside the U.S. This would grant the company a foothold in the Philippines, El Salvador, and Canada (Thimmaya and Kurian 2007). Other BPO services providers such as Intelenet Global Services have planned to expand their overseas footprint by focusing on markets such as China, the Middle-East, and South America. Intelenet already has offices in the U.S., Poland, the Philippines, Mauritius, the UK, and Australia, employing over 32,000 worldwide, with just over 18,000 located in India. Tier II and Tier III cities have also been targeted as potential sites for growth (Callcentres.net 2010b).
firms, which tend to be neglected by the top outsourcers (*The Economist* 2007b). The Indian advantage involves targeting the numerically superior yet financially smaller market, in the interest of establishing a larger business base. This is likely to help develop a comparative advantage in serving emerging economies as well as smaller firms in the Global North.

Another trend in the Indian ITES sector has been the growth of domestic call centres that are owned by Indian companies and service local customers. Software and BPO spending growth in the domestic market, an important transition that will allow Indian high-tech industries to weather cyclical demands for exports, grew between 31 and 43 percent in 2006 (Government of India 2008). An ability to boost domestic demand could further enhance India’s attractiveness for FDI and improve the economy’s rate of growth (Pandit 2005). One of the major stumbling blocks to the growth of this segment of the industry is the challenge of recruiting local talent. This is due, in part, to the question of wages. For example, the first rural call centre opened as recently as 2008 as part of an initiative called Fostera (Fostering Technologies in Rural Areas). Wages are much lower than the national average, at Rs3,500 per month (Mishra 2008; *The Hindu* 2006). On average, customer service agents earned Rs114,380 per year in 2004, which translated into US$2,539. Pay levels were 30 percent higher in international centres (Rs121,444 or US$2,687) than in the domestic facilities (Rs94,861 or US$2,108) (Batt, Doellgast, Kwon, Nopany, Nopany, and da Costa 2005, 19). More recent studies indicate a
substantial increase to Rs149,191, with a median of Rs134,000 (Callcentres.net 2007a, 39). The distribution of these incomes throughout the BPO sector is hardly even. Over 37 percent fall below Rs70,000, 32 percent between Rs70,000 and Rs100,000, and 24.5 percent between Rs100,000 and Rs125,000 (Rajeev and Vani 2007). Regional call centres demand workers with knowledge of local languages but have been hit with high levels of attrition as labour moves to the international centres (Thakkar and Bhatt 2006; Remesh and Neetha 2008). With almost $2 billion in revenue for domestic call centres in 2007, the market remains important. This figure is likely to increase as domestic demand for retail, telecommunications, and financial services expand amongst the lower and middle classes (see Business Standard 2008). Convergys has joined other outsourcers such as Mphasis Ltd. and Firstsource Solutions Ltd. in looking at expanding its penetration of the domestic market and enhancing revenues from India. This will partly act as a hedge against currency fluctuations between the American dollar and Indian rupee (Kulkarni 2008). Public sector employers and government agencies in India have similarly sought to benefit from the evolving IT-ITES services offered by the country’s information technology firms in recent years. One of the world’s largest employers, Indian Railways, has sought to modernize its customer service interactions by

25 Convergys signed a contract with the state-owned telecommunication firm, Bharat Sanchar Nigam Ltd. (BSNL) to take care of the company’s billing processing. This follows a strategy used by the same outsourcer in Canada. Other Indian companies have started to outsource some of their back office operations, including customer service, all of which has reportedly been kept within India. Financial corporations such as Standard Chartered Bank, which runs India’s largest foreign bank, have also sought to increase the number of call centre employees (Reuters 2009).
establishing an enquiries call centre, with large Indian and foreign multinational IT and telecommunication companies lining up for the contract (Moneycontrol.com 2006).26

Labour cost arbitrage will further fragment the IT-ITES sector as call centres come to service more diverse market segments. Centres that aim for a regional customer base will require local language capabilities, and depending on the sophistication of services being offered, companies may be able to tap into less educated and less skilled labour markets. Evolution of the domestic market could also facilitate the entry of rural areas and small towns as prospective customer bases, adding to the advantage of indigenous IT-ITES firms that are more competent at addressing local needs than their foreign counterparts. Nasscom and government references to the developmental potential of IT-ITES base their projections on these developments. In the most extreme case, BPO initiatives have even been marked as strategies to counter the influence of Naxalites, India’s Maoist movement, by offering well-paid employment in the troubled regions (Narasimhan 2008). Previously un-tapped pools of labour offer IT-ITES companies operating in India a chance to cut expenses by exploiting an even less costly labour market, stratifying employment in this sector even further. However this will only be possible for a limited segment of the call centre industry where restricted skill sets are required.

26 This is part of the Integrated Train Inquiry System, which has the appropriate acronym, ITES. Indian Railways receives about 140,000 to 150,000 phone calls everyday (S. Singh 2007).
Not unlike the challenges facing Canada’s call centre industry, new destinations beyond India’s shores have been recognized as a possible threat to the country’s share of the global market. Advancing economies have borrowed from the Indian strategy by placing special attention on establishing a recognizable national brand by promoting local talent pools, capable technological infrastructure, and an inviting regulatory environment. But as the new international division of labour theory suggests, workforces are not generated under ahistorical circumstance but must develop and offer an advantage to foreign firms and customers. Take for instance, China. One disadvantage for China, an otherwise serious competitor, is its lack of English-proficient graduates, which hinders the nation’s capacity to venture into the (international) customer service interaction sector. Unless this resource is developed further, China’s access to the business process operations industry will be restricted to back office services. India will likely maintain its dominance as an attractive destination for American and British voice-based contracts as a result. The Philippines, on the other hand, does not face the same limitations, and is the second largest recipient of call centre contracts in the Global South after India. Its familiarity with American culture and historic ties to the U.S. add to the advantage. President and CEO of Genpact, India’s largest BPO company, Pramod Bhasin, has stated, “India has lost tens of thousands of jobs to the Philippines” because the calibre of English is superior and companies face fewer infrastructure and technical problems (The Economic Times 2009). But the Philippines have also been eyed by Indian companies that have already established their own operations in the country, both as subsidiaries and as
recipients of outsourced contracts. Other challengers include Egypt and Kenya, but it is likely that media reports have sensationalized the actual threat posed by these two countries. There are several examples of Kenya’s companies winning contracts over their Indian competitors, but so far the sector has not developed into a serious competitor in terms of capability or recorded growth levels (Crilly 2007). Nevertheless, what this has meant for the IT-ITES sector generally is that the India advantage can be secured only if it diversifies its capabilities and matures up the value-chain. As wages in the sector increase, this could drive the low-value added services to less expensive destinations, but without an adequate infrastructure, education and skills base, and an appropriate pro-business regulatory environment, the transition will not be as seamless as commentators suggest.

**4.6 Conclusion**

Uncertainty has come to define many aspects of the IT market. New entrants pose threats to the cost-advantages already offered by an established Indian sector, and the structural dimensions to global capitalism can unseat industry leaders in one instance and lead to

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27 In 2009, Tech Mahindra considered a new BPO operation in the Philippines, making it the third overseas operation for the company after it set up in Ireland and the UK. The Indian firm knows that the Philippines will grant it further access to clients in the Asia-Pacific region and North America. Wipro and InfoSys have already opened contact centres in the country (Callcentres.net 2009e). Convergys is set to have over 20,000 employees in the Philippines, far surpassing the 12,000 currently employed in India (The Economic Times 2009).

28 Ranger (2006) reports on the over 10,000 outsourced call centre agents working from Eastern Europe and 7,800 in North Africa, largely driven by Egypt. The Kenyan government’s attention to improving the country’s IT infrastructure is an additional benefit that could lure foreign clients. At present the cost of a fibre optic connection to Kenya far exceeds that of India, but the World Bank has recently provided funds to help subsidize the construction of a new submarine cable, part of the 5,000 km East African Marine System (Sydney Morning Herald 2007).
the development of others. Despite the air of precarity that marks the liberalized market place for offshored services, it is important not to neglect the strategies and interventionist policies that have provided a foundation for what have become relatively stable industries in Canada and India, respectively. The onset of the global financial crisis in 2007, prompted by years of unregulated speculative frenzies emerging from the U.S. housing market, resulted in an unease amongst those industries highly dependent on foreign demand, the offshored services market included.

Protectionist sentiments in the United States were a predictable, and in many ways rational, response to the globalization of work defined by a new international division of labour. But the recent crisis was hardly the first instance of mobilized responses to offshoring. In 2006, British energy giant, Powergen, scrapped its call centres in India and returned exclusively to the UK, largely due to customer complaints about service (Brignall 2006). This started speculations that a “homeshoring” movement was about to take off. The British-based insurance giant, Norwich Union, followed suit by returning some of its Indian call centre jobs back to the UK amidst similar pressures. As net suppliers of call centre services to the U.S., Canadian and Indian vendors had much to fear from the economic backlash emerging from the world’s leading consumer of goods and services. However, the corporate response to diminishing demand and fears of falling profit rates was to trim costs.
Leading offshore and outsource destinations were expecting to gain from cost-cutting trends in the United States and the UK, as the main assumptions of liberalization and free trade propose. Som Mittal, President of Nasscom, defended the importance of the Indian BPO industry in light of these developments by claiming, “*We are a part of the solution to get out of the recession. We are not part of the problem*” (cited in Paul 2009, emphasis added). In Canada’s Niagara region in Central Ontario, of the hundreds of call centre workers that had lost their jobs with TRG Customer Solutions just one year earlier, over half were able to find work with global outsourcer, Sitel, in the same city. The recession, ironically, has allowed the company to pick up additional contracts since businesses were looking to outsource more of their services (Fraser 2009; *AsiaOne Business* 2008). Yet the industry has been struck by a degree of turbulence, and there does not appear to be a consensus that the ITES sector will weather the storm as well as business commentators propose. After years of unprecedented growth, BPOs in India were starting to lay off workers, which until that time was unheard of. Companies were deliberately citing the U.S. economic crisis as the reason for closures (see Sinha 2008). Canadian centres were beset by similar decisions after the cooling American economy and appreciating Canadian dollar started to undermine the country’s previous advantages. Ironically, it was Canada’s shaky economic circumstances following the recession of the early 1990s that had initially created conditions for the growth of the call centre sector in the country.
From the vantage point of business, the uninhibited flow of capital, made possible by lifted restrictions on FDI, promised an open terrain for new “green field” initiatives and in making established ventures more promising. Fröbel et al’s (1980) framework continues to offer a useful model for understanding the exploitation of labour in the developing world. With the globalization of services and information capitalism this analysis has been expanded, since labour arbitrage has been feasibly applied to developed capitalist economies as well. Canada’s existing integration with the United States, long a target for critical political economists and left-nationalists, was an obvious first step in the externalization of sophisticated business service operations for American companies. Call centres are technological and organizational vessels that fulfil corporate demand for centralized, predictable, and an efficient provision of services. The newest international division of labour, to build on Fröbel and his collaborators, is one defined by knowledge production, the contours of which depend on the fragmentation of Machlup’s taxonomy from the transporter to original creator in the production process. Each category is not reducible to a level of sophistication, but rather its position within the firm, level of value, and technologically-enabled capacity to be done remotely. More importantly, each of the interrelated categories has a differential relationship to the process of commercialization. This means that processing and analyzing information, for example, is not an under-labourer for original creators, but in itself a commodity to be packaged and sold. To this model we can add knowledge process outsourcing and business process outsourcing as representing various positions on the spectrum of knowledge production. Leading
outsourcers like Accenture, Convergys, IBM, Sitel, TCS, and HCL have constructed complex business models oriented towards this very process.

Constructing a global labour force capable of turning customer interaction services into a commodity was indeed an outcome of state policies, regulatory reforms, subsidies, and direct interventions by business. Canada and India have indeed followed radically different paths in this regard, but there is overlap. In India, the central government has enacted change through leading Ministries, Five Year Plans, and development agendas; educational institutions have been resourced, and infrastructure made a priority for the IT-ITES sector; land was usurped from common use and peoples were displaced. Canada’s path, on the other hand, has been far less centralized and relies more heavily on provincial and local development initiatives that operate, to varying degrees, in competition with each other. Post-industrial planning has been overwhelmingly focused on constructing an inviting climate for capital but at the collective expense of labour. This is not to say that the projections offered by the proponents of offshoring, which are a realization of liberal free trade theorems, are fabricated. Rather, what has been argued is that many of the positive outcomes continue to be based on theoretical speculation and rely on limited empirical evidence; social costs are routinely marginalized are ignored altogether. Second, from labour’s vantage point, there is a tremendous gap between what is being said regarding the shifting conditions and the opportunities for employment. In subsequent chapters I explore how the political economy of call centres offshoring can be
translated into an examination of what post-industrial capitalism means for the collective mobilization of labour.
Chapter 5  
Prospects for Labour Organizations in India

5.1 Introduction
Veteran Indian labour organizer, Elvee Subramaniam (2008), remarked that the economic downturn following the 2007 financial crisis might in fact precipitate labour mobilization in India’s ITES sector. So far, this prediction has not taken place on a mass scale but thousands of workers in the country’s information technology sector have turned to trade unionism. Chapter five examines the leading labour organizations that have made attempts at organizing employees in IT-ITES, namely the Union for ITES Professionals (UNITES), the IT Professionals Forum (ITPF), and the Young Professionals Collective (YPC). These organizations point to the central elements involved with “professional” unionism. The chapter concludes that the new model of unionization, as the case of UNITES suggests, has proven to be the most effective and sustainable model for worker representation in the respective industries. While the associational framework offered by the ITPF was appealing to IT workers who identified as professionals and form the most privileged ranks of the sector, the Forum’s efficacy was hindered by an unwillingness to engage management as a representative body and its adoption of a volunteer-based perspective on membership recruitment.
Information technology unionization has experienced numerous setbacks since first attempts began in the late 1990s. A leading challenge, UNITES activists claim, has been the ongoing apathy amongst the existing membership and the union’s inability to organize workers outside of small to medium sized enterprises. As for the ITPF, it lacked an ability to solicit enough members to establish an autonomous financial footing, which is cited as a leading reason why its European trade union supporters revoked the organization’s funding. By all accounts the ITPF has ceased to function, in part as a consequence of this financial development. While the “unionate” model that the Forum ascribed to proved successful in the case of WashTech and Alliance@IBM in the United States, the ITPF’s reticence towards unionization undermined its capacity to effectively operate sustainably in the long-term as a labour organization. Finally, the YPC example suggests that labour advocacy through public media campaigns, transnational research projects, and legal representation can effectively support the interests of workers in these industries. However, the YPC’s main objective has not been to develop itself as a representative organization, like a trade union, but to facilitate worker dialogue and assist the efforts of labour to form their own association.

Economic liberalization and the international nature of IT-ITES employment has conditioned the prospects for unionization and labour association formation. Even more so than the professionalized and individualistic nature of work in India’s call centres, it has been the structural features of IT and ITES that shape the possibility for union
interventions in a range of industries, from BPOs to software design. This does not discount the significance of workplace organization, or the effects human resource management (HRM) has had on inhibiting prospects for collective action. Resistance by employers contributed to a union absence and early attempts to organize workers in call centres were met with managerial opposition (Upadhya and Vasavi 2006). Prospects for successful organizing initiatives are further conditioned by the social reproduction of anti-union attitudes and the philosophy of managerialism developed in the elite institutions and social networks that helped shape a large segment of corporate managers in decades past as well (Srinivasan 1989). Trade union history in India maintained the reputation that these organizations cater to vested interests, use disruptive tactics, neglect the concerns of members, adopt Leftist political support, and ignore the welfare of society at large (Noronha and D’Cruz 2009). Accordingly, the chapter discounts assertions that sentiments towards unionization can be reduced to either ideological positions or to the institutionalization of professional identity formations. It is not, then, a simple predisposition to oppose trade unionism but a list of factors that include structural conditions, the particular features of a globally-oriented conglomerate of industries dependent on exports and foreign investment, subordination to customer demands, and the limits of traditional strategies deployed by unions.

5.2 Labour Relations and Prospects for “White-Collar” Unionism

As Strauss’ (1964, 535) treatment of engineering unions in the 1950s suggests, as a professional and an employee, the professional “wants to expand the power, status, and
freedom of his group”, to be more successful at work, and to win greater job control and economic security. These aspirations, Strauss argues, prompted the engineer to identity with a group. Arlie Hochschild (1983, 103) adds that workers don the moniker of professional “because they have mastered a body of knowledge and want respect for that”. For companies, a “professional” employee is also a person who has accepted the rules of standardization accompanying the position. In Burawoy’s (1979) terms, when workers embody a professional stature, they have accepted the legitimacy of managers to define the terms of professionalism and their relationship to the labour process. The capacity of labor organizations to mobilize employees in the IT-ITES sector is therefore founded on their ability to appeal to the professional and employment-related needs of these workers. Industry leaders, however, have refuted the need for what they perceive as external intervention by working to maintain the enterprising imagery of IT-ITES. Kiran Karnik, then-President of the National Association of Service and Software Companies (Nasscom), brokered this perception in the public sphere, stating these are “employees who think of themselves as the CEOs of the future” (cited in Iype 2005).

The three case studies examined in this chapter indicate that the conventional discourse of unionism – particularly references to job action, strikes, collectivism, and wage demands – have not been reproduced in the respective organizations. UNITES and the ITPF have instead focused on offering services to members and operating as agents of empowerment for professional, white-collar workers. The YPC, on the other hand, has
engaged with workers in a consciousness raising exercise as a means to gauge the level of interest in collective resistance. Rather than acting against employers, these organizations have mobilized in favour of industry growth and expansion by building a recruitment platform based on the perceived professional and political interests of the workforces they seek to represent. Language and strategies, therefore, have been constructed with professional identities in mind. A balance can be struck between professional aspirations and labour rights, but the capacity to bargain collectively through a binding and legally recognized process is a privilege almost exclusively reserved for unions. A professional association can mobilize its membership based on the shared interests of a group and affect change within an industry, but the ability to negotiate conflict with management, in these instances, is restricted to the patronage offered by managers themselves.

In the wake of economic liberalization, the long-established practices of industrial relations and more generally the regulation of capital and labour were subdued by the influential forces of business-led globalization (see Hill 2009). From the vantage point of organized labour in India, it is important to call into question the consequences of structural adjustment programs and liberalization on industrial relations. The framework of India’s labour relations model has remained largely unchanged since Independence, with the state playing a leading role, at least formally. State-led development strategies further solidified the government’s interventionist role in the regulatory regime. The post-1991 reforms, global competitiveness, increased foreign direct investment, and the entry
of private (often foreign) enterprises have, however, created problems for the static industrial relations legislation. This, Bhattacherjee (1999) proposes, constitutes the fourth and as of yet, incomplete phase of unionism in India. Structural adjustment programs, which led to demands for increased labour market and employment flexibility, outstripped the capacity of India’s industrial relations system to cope with these economic changes. A centralized bargaining structure has been less responsive to market-led transformations. Coordinated industry-wide bargaining became increasingly difficult as the nature of commerce in certain key sectors was also decentralized and internationalized. For these reasons, industrial relations scholars accuse the country’s trade unions of having failed to develop forward-looking strategies capable of responding to changes in the economy and work (Ackers 2006).

The political relations certain unions enjoyed with India’s leading parties also experienced difficulties as economic conditions changed. Consequently, the related outcomes born of this experience meant that the affiliations trade unions make through their party-based federations and industrial relations practices have also allowed these organizations to neglect rank-and-file mobilization, leading to their failure in developing a grassroots constituency (Hill 2009). In effect, the established Indian labour movement has been unable to form a definitive challenge to the marketization process.

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1 This has been especially true of the Indian National Trade Union Congress (INTUC), affiliated with the Congress Party, which by some historical accounts is largely the labour arm of the party. Contrasted with the All India Trade Union Congress (AITUC), born of the Communist tradition and having arisen from the rank-and-file, INTUC would wield local unions as a convenient political tool (see Bhattecherjee 1999).
(Roychowdhury 2003). Earlier labour scholars went even further, suggesting that the first unions had indeed been organizations for workers run by political leaders and not organizations of workers, controlled by an active rank-and-file (Ramaswamy 1977). Consequently, the effectiveness of statutes that structure industrial relations in India – the Industrial Disputes Act 1947, The Trade Unions Act 1926, the Contract Labour (regulation and abolition) Act 1970 – were eroded by business-led economic transformations and globalization. More important still for the IT-ITES sector, the introduction of Western HRM practices have created ostensibly permanent barriers to union entry, especially if unions continue to resist the modernizing push of information technology in the workplace (Bhattacherjee 1999). It is hardly a coincidence that the notable examples of industrial conflict in the post-reform era have been in the banking and insurance sectors, where intensive drives to computerize technical operations have been led.

A pivotal moment in professional unionism arrived when the highly esteemed Indian civil servant became embedded in the union movement shortly after Independence. Earlier, civil service employee organizations were mostly interested in the advancement of professional interests, mutual benefit and welfare, more so than bargaining over pay and conditions of employment. It is worth considering that solidarity amongst the professional managerial classes was a feature of India’s independence movement against the British (Srinivasan 1989). For those beholden to managerial posts, the aversion to
trade union methods and collective action was sensible considering the desire to follow through with *individual* advancement. This is not unlike the philosophy guiding the IT Professionals Forum and IT-ITES workers as a whole. The contradiction lies in the social characteristics and the associated opposition to collective action and thus, trade unionism (Ramaswamy 1985). But, as this chapter maintains, the structure of the IT-ITES industries works to determine the propensity for employees to organize.

Both the individualization of work *and* the generous prospects of employment prohibit immediate interest in unionization, corroborating Deshpande’s (1997) findings that job satisfaction in India is the most determinant cause of union voting intentions. For labour advocates, patterns of social change brought about by employment in IT-ITES have had a profound effect on the prospects for association. Indeed, the cultural depths of socialization through work in the IT-ITES sector are compelling forces that create obstacles to collective identity formation and mobilization. For IT-ITES, unlike the civil service, the consequence of liberalization have involved both a government withdrawal from the regulation of labour *and* an active compliance with industry to restructure labour relations. *Withdrawal* has been used to denote that it is not the case that laws simply do not apply or that the state is no longer responsible for enforcing regulations. Instead, the state’s ambivalence towards infractions in the IT-ITES sector is telling of its relationship with industry. Regulatory inefficacy has been interpreted by some to mean that existing laws simply to do not apply. An activist with the ITPF explains, “Labour law does not
apply to the IT industry… You are considered management” (Natarajan 2008). But, a labour lawyer and activist with the Young Professionals Collective clarifies,

The thing about existing laws is that it’s not clear whether existing laws apply… The lawmakers and the legislature and the policy people, as well as the industry, have kind of made this impression that there are no laws regulating this industry, and it’s supposed to be a self-regulating industry. Which is not true, actually. All the labour laws, or all laws, are applicable to this industry. (Rege 2008)

While certain exemptions for the IT-ITES industry have been made at the national and state levels, labour regulations still exist. Under the Industrial Employment (Standing Orders) Act 1946, governments are empowered to impose penalties on employers who fail to submit or modify standing orders (Shekhar 2009a). In other cases industry has been successful at lobbying for reforms. A remark by the Head of HR at Infosys Technologies is telling of this: “We have antiquated labour regulations, which do not fit the requirement of the knowledge-based industry. This reform is necessary. We do not want inspector raj here, what we want is more such reforms across industries”. This came as a response to the state of Karnataka’s decision to exempt IT-ITES software establishments from the provisions of the Act for two years.
Subversion is also used by companies to sidestep the rules, leading labour advocacy groups like the YPC to pursue grievances through the courts. Instead of formally terminating an employee, it is not uncommon for firms to ask workers to submit letters of resignation so as to avoid the administrative hurdles and financial burdens that accompany firings (Tejaswi 2009b). However, this has not prevented the industry from seeing itself as completely outside employment policies. As a VP with Nasscom stated, “The Constitution provides all participants in any industry the right to try to assemble. However, the BPO and infotech industry is cost-sensitive. There will be a huge burden in case the industry complies with the employment laws” (emphasis added, cited in Verma 2004). Because both national and state governments share the responsibility of regulating and enforcing labour laws, states have been instrumental at reforming legislation to benefit industry. Acting on this view, the government of West Bengal has banned strikes throughout the state’s IT-ITES sectors (The Economist 2004). Nasscom has played a leading role advocating for labour law reforms, since much of the existing regulations were developed with the manufacturing sector in mind. For instance, the industry

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2 There is also the issue of how management, and related HRM practices, attempt to subvert labour regulations and establish professional identities through a acts of employment-title nomenclature embedded in employment contracts. In 2005 the YPC took up a case where an employee at Spanco Telesystems and Solutions Ltd., which provides back office services for major Indian telecommunications firms and American-based companies, was given an exaggerated title of “Senior Customer Service Associate”. YPC labour lawyers successfully made the case in court that this employee is defined as a “workman” under S.2 (s) of the Industrial Disputes Act 1947. The purpose of this managerial interpellation was to deprive the employee of protection under existing labour laws. Since her tasks exclusively involved receiving calls from U.S.-based customers, there were no grounds for an elaborate executive title. After repeatedly being subject to sexual harassment and denied a performance pay bonus, to which she was entitled, the worker was eventually terminated. While the YPC successfully convinced a court that this termination was indeed unfair, which subsequently ordered her reinstatement, the process took over two years and the employee in question had long since found employment elsewhere.
association has insisted that the flexible nature of IT-ITES demanded that women be allowed to work a night and that the standard 48-hour working week be reviewed to accommodate the demands of the sector.

These efforts to reform India’s labour laws have been taking place for over a decade. A report by the Working Group on Information Technology in 2001 recommended a series of labour law amendments targeted at ITES in particular. One of the most telling suggestions was for the establishment of a new “service category” to replace the existing Shops and Establishment Act, under which call centres are listed. Such is the political and economic significance of this industry in India. Allowing for longer hours of work per shift, rescinding limits on night work, and granting companies the right to lay-off up to 10 percent of their total workforce without government permission, were additional recommendations. Flexibilization was formally instituted through the abolition of rules regarding the use of contract labour – currently governed by the Contract Labour Abolition Act – and through the extension of “temporary status” to employees who worked 720 days in the span of three years, up dramatically from 240 days worked out of one year (Government of India 2001, 55, 154). Based on the high turnover rates throughout India’s call centres, an employee is likely to be considered “temporary” for the entire length of their tenure in the industry – or at least in a given workplace.
The State of Maharashtra, home to Mumbai’s booming IT-ITES districts, attempted to usher in the knowledge economy by granting resources to the establishment of a technological infrastructure and, just as importantly, a regulatory environment conducive to attracting information technology capital (Government of Maharashtra 2003, 9-11). Provisions under the Shops and Establishments Act were relaxed for working hours, women were granted the right to work night shifts, and a special police unit was established to ensure the safe transportation of employees to and from their places of work. Further amendments were made to Acts that regulate standards of employment and compensation. Indeed, all existing laws apply to the IT-ITES sector. However, for the central and state governments it became a matter of revising these regulations to suit the needs of high-tech industries.

Labour law reform also serves to induce foreign capital, so the proposed changes to existing regulations are not solely an appeal to IT-ITES. Business consultancies and pro-market advocates have long argued that India’s legal framework regarding the rights of workers is in need of an overhaul (Das 2006; Nasscom 2004; Desai 2007). Distrust of organized labour by multinational firms has long been a point of contention. There is a general view, then, that the vision of India’s entry into a global (IT-ITES) marketplace would be endangered by labour activism. As one ITPF activist put it:

3 These included the Employees State Insurance Act, Factories Act, Payment of Wages Act, Minimum Wages Act, Contract Labour Act, Shops and Establishments Act, and Workmen’s Compensation Act (Government of Maharashtra 2003, 10).
Because unionization in the public sector, the white-collar sector and the banks, they have a totally different concept of unionization compared to the rest. Here, you don’t get something, you go on strike… Things are going pretty well, but the thing you have to understand about the Indian system is that the IT professionals – I’m talking of hardware, software, not the enabled services – are not for unionization, including the government sector. Why? Because it is one sector that is so global… (Natarajan 2008).

Conscious of this perception, strikes, militant labor action, and wage demands have been rejected as feasible strategies by both UNITES and the ITPF in their attempts to draw support from IT and ITES professionals.

5.3 Organizational Structures and Emerging Labour Organizations

Even though industry leaders brushed aside even the possibility of trade unionism, senior company managers waged a pre-emptive war of words against collective organizing (see Verma 2004). As the CEO of WNS Global Services stated, “Unionization will drive away customers and kill the golden goose” (Times of India 2005). Even rank-and-file employees were noted as sharing this sentiment (Taylor, Scholarios, Noronha, and d’Cruz 2007). Indeed, many members of the middle class who benefit the most from information technology employment associate unions with blue-collar work and the pre-1991 era of slow economic growth and limited opportunities (Sandhu 2006). This perspective was expressed by Raju Bhatnagar (2008), a senior member of Nasscom, who pointed to the divisive politics associated with trade unions in India. For such commentators, unions represent India’s economic past; the future, in contrast, rests with the entrepreneurial and free market spirits of a highly educated youth, un-committed to the traditional institutions
of white-collar (unionized) employment, echoing Peter Drucker’s (1959) prescription on the post-industrial society.

Yet, industry perspectives offer only one account as to why a union movement was slow to grow, and more pressing still, why it has experienced only a gradual ascendance since being formally established. It is important, following Bain and Taylor (2002) and Noronha and D’Cruz (2009), to address how the neglect of unions rests in the general perception that these organizations have become marginal and ineffective. This is relevant when considering the young age demographic of workers in this industry (Batt, Doellgast, Kwon, Nopany, and da Costa 2005; Holman, Batt, Holtgrewe 2007; Kuruvilla and Ranganathan 2010). Call centre professionals are predominantly between the ages of 18 and 34 with a majority in the age group of 20 to 35 (Callcentres.net 2007a; Rajeev and Vani 2007). With high levels of pay, flexibility, and other benefits, there is a real question of what unions or labour associations offer this new class of professional worker. Adding to this, for the General Secretary of UNITES, Karthik Shekhar (2008a; 2008b), union reactions to technological innovation and the associated features of IT-ITES workplaces are leading reason why workers have shunned organized labour. Existing unions, structurally and politically, proved unable to represent the employees in the sector if they maintained an allegiance to traditional ideologies and methods. Their dated and unsupportive approach to computerization in the workplace, Shekhar (2008b) added, was especially poisonous.
Consideration of India’s labour relations regime, and union attachment to this structure, is important. Indian labour scholar E.A. Ramaswamy (1977) commented that simple bread-and-butter unionism cannot but produce membership apathy; sustained participation by an identifiable group over a period of time cannot unfold if individuals are drawn only by isolated issues. Mobilizing the support of well-paid and educated young workers has required UNITES and the ITPF to pay close attention to non-wage concerns. The question becomes how this applies to unions dominated primarily by IT-ITES professionals, and what possibility there is for binding solidarity in the midst of economic hardship and prosperity. Slow rates of growth for both labour associations and unions can be attributed to ambivalence just as much as it is to ideological opposition. The words of an IT manager and activist with UNITES help shed light on the problem:

Yeah, why is a union required in IT? This is a place where people are paid enough and are not bothered about anybody else. So it is seriously a self-centered kind of an industry. Okay, I am getting my money and I’m safe. I’m doing my job, I’m doing my work – why should I be bothered about anybody else? (Bhargava 2008)

Bhargava’s depiction is consistent with Upadhya and Vasavi’s (2006, 48) definition of individualization, which depends on “an orientation in which people centre their planning and actions around themselves based on an ideology of self-interest, rather than around collectivities of various kinds”. How this process takes root also depends on where labour is situated on the knowledge production spectrum, vis-à-vis Machlup’s (1962) framework. The taxonomy of workers in these sectors presents a set of challenges, since
differences exist between call centre agents, software engineers, medical transcriptionists, etc. – or simply, between the back office processing and higher value-added employment.

Since prospects for collective formations vary depending on occupation and industry, it is important to recognize the lack of a homogenous class of “professionals” occupying IT-ITES, especially when considering social inequalities that are reproduced within the sector (on the subject of gender see Remesh and Neetha 2008). Even what is commonly referred to as “IT” is representative of an assemblage of varying practices, with a multitude of structuring dimensions, with labour, capital, and technology reinforcing each other (Parthasarathi 2007). For labour associations, then, the myth of a “well-knit professional identity” (Srinivasan 1989) has to be addressed in the process of collective organizing. Transformations in work, identity, sociality and culture brought about in the global information economy configure the experiences of India’s IT and ITES professionals (Upadhya 2007a; 2007b; 2008a; 2008b). Labour organizing is then obligated to shape their strategies around these socio-economic realities in order to be successful in their attempts at organizing.

Despite the well-explored sociological significance of defining labour in IT as “professional” (d’Cruz and Noronha 2006; Remesh 2004a; 2004b), the successful history of unionism in white-collar workplaces in India is worth considering. As a founding
member of the YPC, Vinod Shetty’s remark points to the contradictory terrain on which IT-ITES labour organizing unfolds:

I would say it’s more of an identity issue. The average BPO employee and IT professional sees themselves as a “professional”; he doesn’t see himself, or herself, as a working class group or even a white-collar employee. Even like a bank employee or insurance employee. Because, in our country even the pilots are unionized, so it’s strange when you have a bunch of kids who don’t believe that they are working class… (Shetty 2008)

But “individualism” and “professionalism” are just as much managerial constructions as they are resulting identities. A joint research project conducted by Indian and U.S.-based trade unions and labour organizations found that the collective identity of call centre workers was prevented from reaching a politically active threshold through a socialization process that fostered possessive individualism masked under the guise of teamwork, technologically-induced surveillance methods, and various HRM techniques (CWA et al 2006). In the BPO sector specifically this process of individualization is further entrenched by creating the perception that work is fun and by constructing an HRM system that provides a seemingly effective outlet through which employees can air their grievances (Remesh 2004b). At the outset, the industry created a perception of call centre employment as “fun”, largely as a tool to recruit young college graduates, which became part of the socialization process embedded within the sector. “Initially”, the General Secretary of UNITES notes, “call centre work was known as … a place for fun, and the industry [had someone designated as] a Chief Fun Officer. These guys were promoting all this” (Shekhar 2008a; see also Upadhya and Vasavi 2006). UNITES made headlines by confronting the social policies embedded in IT-ITES company practices
when an engineer with Nokia Siemens Networking died while participating in a pastry-eating contest in his office (UNITES 2008a).

Without an effective collective channel to empower workers, call centre employees resort to other methods of subversion such as making fun of management style, disregarding the organization’s scripted conversational rules, hanging up on offensive customers, and even exploiting weaknesses in the organizations’ control systems so as to make free spaces for themselves (Remesh 2004a, 21). Work-to-rule initiatives, like the “Go Home on Time Day” initiative borrowed from financial sector workers in Australia (Shekhar 2009a), have also been tested, but individual forms of resistance have their limits without coordinated and sustained *collective* action. Despite the significance of attempting to transform conditions of work, there remains cause for reservation about the efficacy of such actions in the long term. Such behaviour is viewed as hazardous to an industry deeply concerned about its appearance in the eyes of foreign investors, particularly in light of security breaches that came to public attention in 2006 (The Tribune 2006; IBNLive 2006). Union representation provides an institutional outlet for addressing workplace grievances common throughout the industry, and possibly offers a means of mitigating individual acts of subversion.

The appeal to professionalism, long advocated by Nasscom, is simultaneously a disciplinary mechanism through which labour is controlled by the construction of what
constitutes “appropriate” work identities and conduct. Indeed, the logic of the enterprise, namely the ordered practices of production, is serviced by a diffusion of “professionalism” through to individual conduct, as Fournier (1999) ascribes. Not only does this include actions and behaviour specifically designated as work related, but also the development of a professional ethos that supposedly separates IT-ITES workers from the rest of the private and public sector, and thus inoculates these employees from the lure of collective organizing. HRM is established by firms as a comprehensive means of resolving problems for individual workers, rather than a method of enabling collective responses. Both the structure of work in BPOs and the practices of hiring and compensation work to inhibit union efforts. While the IT-ITES sector is collectively represented by a handful of industry groups, labour, in contrast, has been without any form of representation until recently. For YPC activists, the refusal to identify as workers, a symptom of how the industry purposefully interpolates employees as professionals, means that employees are “conscious that an injustice is being done, but they are not able to take steps to remedy that”, as one YPC activist argues (Rege 2008).

5.3.1 IT Professionals Forum
Writers on the subject of unionism recognize that the organizing techniques and methods adopted by labour associations need to reflect the characteristics of India’s call centre life if they are to prove successful in their efforts (Bibby 2000). FIET (International Federation of Commercial, Clerical, Professional and Technical Employees), now a constituent federation within Union Network International (UNI), tried organizing Indian
IT workers in the 1990s, but without success (Rohde 2009). The IT Professionals Forum was one of the first projects aspiring to capture the professionally-minded interests of IT workers, some of whom were beginning to recognize the strengths of organizing. “Unity is strength”, one Bangalore Forum member said, “and when capitalists get collectively organized, why shouldn’t we?” (cited in Bibby 2002c). On November 19, 2000 the first forum was created in Bangalore and the launch event was attended by some 400 IT-ITES professionals, students, and trade union officials (Hegde 2008). By 2001, chapters had been established in Hyderabad, Visakhapatnam, Mysore, and Hubli. UNI and other supporters recognized that in order for the Forums to meet their basic financial requirements, the association would need around 3,000 members per state (UNI 2003). Even though no conclusive figures exist on total national membership, it is estimated that the number never exceeded 4,300, including students (Shekhar 2009b).

H.R. Hegde, UNI Development Organization Centre (UNIDOC) director in Bangalore, was involved with the establishment of the ITPF. As an active member of the Federation of National Telecommunication Organizations, an Indian telecommunication union and member of Communications International (CI) before it became part of UNI, Hedge used his contacts to help recruit members to the nascent IT association after contact with UNIAPRO (UNI Asia-Pacific Regional Organization) Secretary, Christopher Ng. As UNI’s head of Industry, Business & Information Technology Services Department (UNI IBITS), Gerhard Rohde (2009), reflected,
It was an interesting adventure. Because it started [...] bottom up. It was essentially one person beginning with support from some activists from telecomm unions that existed in India, addressed young people in the IT industry. It was mainly their friends, neighbors, nephews and nieces. So it was started kind of [as a] grassroots initiative. Then these people approached others.

The Forums’ earliest activists, drawn most from the IT sector, were concerned with social development causes such as bridging the digital divide, sharing wage information, providing a mechanism to address unfairness in the workplace, and advancing the professional interests of members (Hirschfeld 2005). One of the ITPF’s first interventions was arranging legal action against a dishonest training company that promised prospective workers a non-existent e-commerce course and job placement services (Bibby 2002a). Despite taking up popular causes, it remained a challenge holding the interests of young workers who demanded a different approach to organizing. “See, everywhere something new has started… the old is substituted by the new”, Hegde pointed out. “[W]e want to organize the youngsters in a new forum… People are not liking the unions, they are not attracted by the unions because of the old story, of past experience” (Hegde 2008).

Addressing members of the Bangalore ITPF, Rohde argued that professionals need to find “new types of organization” and “should be trying to find new ways of expressing their needs and demands” (cited in Bibby 2002a). Using the financial support of UNI and several Western European unions – the Belgian Union of White-Collar, Technical and Executive Employees (BBTK), the Union of Technical and Clerical Employees (SIF) in
Sweden, and the Union of Commercial and Clerical Employees (HK) in Denmark – as well as on-the-ground mobilization in India, support was mustered to formally launch Forums in India’s major IT hubs. A memorandum of understanding was subsequently signed with the Association of Professional Engineers, Scientists and Managers, Australia (APESMA) in the interest of cooperation in research and education. Discussions were even under way regarding “reciprocal membership” between the two associations (ITPF n.d.). The ITPF purposefully distanced itself from political directions traditionally associated with the Indian labour movement, which provided a source for optimism in the innovative approaches and commitment to forming a professional association. The early activists considered the importance of forming a collective organization but, as Rohde (2009) emphasizes, “it had always been a different type. It was not so much fed by the original idea of solidarity, it was more bringing professionals together, and that was the solidarity aspect, to achieve more than they could achieve as individuals”.

Initially, even company owners were interested in affiliation, projecting the intention of employees and employers working together. As the CEO of a large building sector company asserted, employees “should feel good and can have a say: the company where I work is also my company” (cited in Expatica 2007). When rumours circulated that the ITPF would register as a trade union, Sangeeta Gupta, then a VP with Nasscom, responded, “trade unions are formed only when employees are unhappy. Today, employers are most concerned about the employees” (cited in Verma 2004). Natarajan
(2008) echoed this sentiment in her remark that there is “no basis for unionization. Pay as well as facilities [are good]. Unionization comes when there is a lot of discontent”. Ultimately, the Forums elected to fall under the Societies Act, thus avoiding the militant image they feared would hinder prospects at recruiting members if they registered as a trade union. Dr. Natarajan, a research scientist who was charged with developing a women’s wing called Women in the IT Sector (WITS), reinforced the importance of this approach: “We had made it very clear … that the question of unionization doesn’t arise. In the sense of the white-collar jobs, this was an association or a forum”.

The ambivalence and sometimes public opposition to collective action reflects a clash between business and social unionism. Because these professional associations do not directly engage in collective bargaining, there are few if any guarantees for improvements in wages and working conditions (see Mosco, McKercher, and Stevens 2008). The question of unionization versus professional association also caused rifts amongst the groups that were part of the ITPF’s initiation, as Noronha and D’Cruz (2009) discuss. As a trade unionist, Hegde was part of a group that wanted to call the organization the IT Employees Association, or ITEA, and registered as per the Trade Union Act. But, he emphasized, “some people never wanted to call themselves unionists” (Hegde 2008). Leading activists from trade union backgrounds, Rohde’s (2009) account indicated, did not understand “that a non-antagonistic organization could also be beneficial”.

247
As time passed, there was concern that many young members were losing interest due to what was perceived as a lack of action on the part of the ITPF. Since membership merely involved a loose affiliation based on the completion of forms, “there [were] to be no issues connected to the employees” (Hegde 2008). From a trade unionist perspective, Hegde enforced that the ITPF’s relationship with employers was “too soft”, and that communications about the Forum’s activities were going to employers, “whether they were members of ITPF or not” (Hegde 2008). The ITPF’s conciliatory strategy was embossed on its public image, as it was mandated to make itself “the voice of IT professionals, to enrich, empower and promote their interests and to contribute to the overall growth of the ICT sector” (ITPF n.d.). Eventually, he charged, the “ITPF started functioning [in] a different style… like a corporate office… [A] lot of money was spent to buy a lot of things, very posh… ITPF was neither a union, nor a company, nor a society.” Shekhar (2008a) questioned why the ITPF began sponsoring Nasscom activities, which gave the industry group a false perception of the intentions motivating the Forums as well as its leading supporter, UNI. At one point he claimed the Forum became a placement agency more than a worker association.

Natarajan (2008) emphasized that the overwhelming focus for the Forums was on the most highly skilled IT sectors, which she insisted had different professional aspirations and problems compared to the ITES sector. “Whereas the ITPF was not touching the call
centre people, it was purely the software engineers who are in development or implementation…”. When meetings were held, attendance was composed largely of software personnel, medical transcriptionists, and BPO employees, “but not call centre [employees]… Hardly one percent [of the] membership [was] from call centres” (Hegde 2008). The ambition to exclusively represent IT professionals among certain circles was another source of controversy, as Hegde’s remark implies. Not everyone involved with the project agreed with this strategy (Bibby 2000; 2002a; 2002c). Natarajan (2008) did, however, acknowledge that exploitation was taking place in the call centres, and that these BPO workers required some form of labour organization. “The people leaving [call centres] need to be looked after,” she observed, “they do have a genuine problem”. Forums, on the other hand, were commenced based on the lack of regulation and gaps in company HR policies. Interest was also expressed in building stronger professional ties between prospective employees and companies looking to recruit talent. There was recognition that a modicum of inequality existed, but problems could be addressed on an individual basis and without collective representation. In this sense, it was the intention that individuals could be empowered through Forums, which operated with the blessing of companies; discussion and consultation replaced collective bargaining as the mechanism for affecting change.

The stratification of the industry, noted by distinctions made between software engineers on one end and back office BPO and call centre professionals on the other, exposed
further limits to what interests the ITPF could effectively represent. The conciliatory approach to addressing problems within the sector failed to mobilize IT professionals and gain meaningful recognition by companies, as a result. Membership, from the trade unionist’s vantage point, had to be a meaningful commitment to the association. Only through the establishment of a community of individuals willing to confront companies with their concerns at a collective level could such an organization prove successful. It was also crucial that companies acknowledge the collective aspirations of such organizations. As Hedge (2008) said, “first registration then recognition… from the company. If they don’t recognize you, how do you go in?”

In addition to the complex, yet seemingly problematic, relationship that had been formed between the ITPFs and companies, which contributed to divisions within the Forums’ support base, there was also the question of financial dependency on external networks. Dr. Natarajan expressed frustration towards the withdrawal of funds initially offered by the Belgian union, which was expected to last until 2011, according to her account. “We could have done it provided we had a little bit more time,” she argued. “You can’t expect financial sustainability in four years. We had to start from scratch, it was not possible in India” (Natarajan 2008). For Natarajan, the initial launch fell flat shortly after, when the funding tried up. “You can’t start something in May of 2007 and kill it in March 2008, it’s just not done”. A similar sentiment was expressed by Hegde, who debated that a “union’s [sic] existence cannot be dependent on the [individual] project… In a true
[labour-oriented] project you should train up your leadership and you should conduct meetings to encourage [members to join] and spread the concept and at the end of the day you must have some presence in the workforce. This is the normal style of union functioning” (Hegde 2008). It was, as the interview participants confirmed, the ITPF’s inability to gather a sufficient membership base and make a noticeable presence in the IT-ITES sectors that resulted in the BBTK becoming disenfranchised with the initiative.

5.3.2 Young Professionals Collective

Whereas the ITPF was an approach to organizing that operated through the development of a professional association, the Young Professionals Collective was an entirely Indian invention determined to address the concerns of workers outside of a union or societal formation. Commenced by labour activists, lawyers, and other professionals in 2005, the YPC started, as one member indicated, with the objective of eventually forming a trade union for IT-ITES professionals, specifically call centre workers:

The idea was to organize them and make sure that if there is any kind of operation happening against them in the company, they can voice it and be a union. Like any other union, [the] objective would be to collectively bargain with the management for their own rights. (Sajjanshetty 2008)

Like several of the founding members of the ITPF, the Collective had within its ranks trade union activists, several of whom worked with unions involved in the historic Bombay textile strike of the early 1980s and currently occupied with the Textile Workers Struggle Committee. Roots in the trade union movement and a commitment to social justice prompted the formation of the YPC and a focus on the unionization of IT. For Ketaki Rege,
Naturally, as trade unionists and labour lawyers, we were interested in finding out whether there is any, you know, what are the conditions of service, what are the employee-employer relationships, are there any rules, etc. A lot of people also came to us with inquiries [about their] rights… If there is any injustice done to them, any unfair practice done to them, then we take the matters to the court. (Rege 2008)

Like Rege, other leading activists in the YPC were either directly involved or had close friends or relatives employed in IT-ITES. But, it was almost exclusively the call centre industry that became the focus of attention. The professionals’ collective commenced shortly after the interaction began with this group of workers and activists. In the future, a YPC member emphasized, “if there are other professionals who want to join this forum and take it on in their respective workplaces, it would be good as representatives of the workers, young professionals, not just in call centres, maybe in the software industry as well” (Sajjanshetty 2008). What prompted the formation of the YPC was a series of work-related concerns raised by call centre workers with the labour activists. YPC organizers recognized that identity construction through the discourse of “professionalism” was instrumental in governing the limits of resistance and collective action, but they nevertheless saw that even at the managerial level, there is acknowledgement of exploitative relationships within the workplace and that the self-regulatory model proposed by the industry falls short of addressing systemic problems. One YPC member commented that there is an abysmal awareness of rights and regulations and that despite what the industry says publicly, management is concerned with productivity, not human or personal issues; only collective action, he resolved, could change the situation (Shaikh 2008).
From the beginning YPC activists discovered the organization would not be in the traditional model of unions, which they were used to. Instead, Shetty (2008) argued that although “there have been demands from employees that a trade union be set up, [my] feeling [was] that it would always work like a welfare association, or a forum, or a platform for employees to meet, and that organization would have to actively engage the government as well as the companies”. Mobilization, YPC activists proposed, would have to be built on employee networks sustained by an association such as the Young Professionals Collective. The purpose of the organization is to provide a forum for dialogue and problem solving “amongst the employees themselves, [who] would discuss the issue and try and work out something. Then [members of the YPC] gave access to lawyers, psychiatrists, to financial consultants, to different fields, you know. Whatever problems they [employees] had you could set them up, guide them” (Shetty 2008). Instead of building a representative organization, the YPC established itself as a space through which experiences could be shared between workers, and chiefly as a platform to educate and empower call centre employees by allowing them to “discuss their own issues and find solutions to their problems … where they can exchange ideas, form opinions, and maybe improve their service condition” (Sajjanshetty 2008).
Organizers concluded that the tactic of union leaders meeting workers at factory gates would not be effective, so alternative methods were turned to instead. As Rege (2008) reflected,

We somehow found out, almost instinctively and from experience, that it would be difficult, in this industry, to have a union which is based on the traditional lines... In this case we realized that since the workers never identify themselves as working class who need to have any kind of bargaining power, it was not happening...

Consciousness raising was a decisive feature of the Collective, a point of departure from which workers could go on to build the capacity to demand something from management. YPC members recognized quickly that the structure of the call centre industry, and other BPO sectors, inhibited organizing activities. Work schedules, particularly arduous night shifts, as well as the fear of management’s response to employee activism, made it difficult to for the YPC to organize these workers in one location. Shetty also addressed the additional challenge of confronting workers that come from distant parts of India, and how this obstructs the capacity of worker organizations to build a membership base.

We find that those who come from outside the state are very much apprehensive of any threat to their employment and to their salaries. They don't want to show to the organization that they are part of any such organizing, a union, which they think would cause the management to terminate them. (Shetty 2008)

Factory gates, or more accurately the gates of special economic zones and software technology parks, certainly exist, but the potential to develop a collective identity is hindered by inconsistent work schedules, workplace hierarchies, and the spatial location of work. But how workers identified themselves and their relationship with colleagues was even more telling of the challenges for organizers. As Rege (2008) pointed out, “Our
biggest hurdle is the lack of class consciousness. People just don’t identify with having the need for any kind of association.” Competitiveness between IT-ITES professionals intensified the problem, as employees are instructed not to disclose their salaries to co-workers. “Automatically, this way the company discourages any kind of finding of common ground by the employees” (Rege 2008). Further, to assuage the fears of retribution by superiors, YPC members had to make clear that the prospective members would not be combating their managers. Sajjanshetty (2008) pointed to the Collective’s perspectives on job action, particularly the use of strikes, and considered this tactic a “double edged weapon” that can be used by workers to make demands, but could also result in the closure of facilities and harsh responses by the industry. Strikes were to be seen as a last resort, and even avoided in discussions altogether until the worker association reached a certain level of maturity and strength. Step one for BPO workers and their organizations is to construct an ability to negotiate collectively. Strikes and militant action would not be an option, and even discussing this could damage organizing efforts.

In their publication with Focus on the Global South, the YPC made an important observation that “there are hardly any agencies representing the interests of BPO employees in India” and that the “interests of the sector are being solely represented by the owners/management of the BPO sector” (Young Professionals Collective and Focus on the Global South 2005, 13). For labour’s perspective to be publicly recognized,
organizations like the YPC, UNITES, the ITPF, or other agencies, would be necessary. The Collective’s activists came to realize that it “would be required to lobby the government and set up best practices. This would be [the YPC’s] main work, [which] would be to provide information to society at large about this industry, work out best practices and codes for the industry so that they would self-regulate” (Shetty 2008). Industry-wide regulation, then, was a chief objective.

Following the tragic rape and murder of Pratibha Srikanth, a female BPO employee working for Hewlett Packard, women’s advocacy groups and labour organizations mobilized to draw attention to what came to be seen as a structural issue with the BPO sector. Like the fragmented service production chains that characterize the global BPO industry, the transportation network responsible for ferrying ITES employees from their homes to the often-remote work location is reliant on a complex sub-contracting system. IT companies contract this service out to a transportation firm, that in turn hires cars from another sub-contractor, who then hires drivers to operate the vehicles. A lack of responsibility for the security of employees followed, and neither HP, nor the taxi company, were held accountable for the tragedy. The YPC responded that all drivers

4 Shetty provided his account of what led to the incident:

One of the main reasons that we’ve found that these attacks have taken place [against] women … by the drivers … [is] because the drivers are not employed full-time by the companies. Companies are trying to save money by outsourcing the supply of drivers… So this kind of movement and turnover of drivers has caused a lot of problems, there is no verification of backgrounds…The companies' response is to hush up any such cases… (Shetty 2008)
should have their names registered with the police and criminal record checks conducted, in addition to branding vehicles as BPO shuttles (*The Indian Express* 2005a, 2005b). More effective yet, the YPC recommended that companies should employ their own drivers. But as the Collective and other labour organizations allege, structural problems such as these are not acknowledged by the industry. The rape and murder of Pratibha, Rege (2008) reflected, was treated “like an isolated [incident], it was her bad luck. [But], in Pune there were recently two cases where one women was raped and murdered and another girl was … raped”. India’s English press, in fact, routinely reports on such cases. Here the intersections of sexual inequality, the use of SEZs, a global division of knowledge labour, and hierarchies that construct the IT-ITES sector – from taxi driver to call centre worker – are all made visible. This tragedy is essentially a representation of the many problems embedded within the growth of IT-ITES in India.

The current financial crisis further elevated ITES working conditions to public attention, and indeed served, according to some, as a catalyst for labour activism. Media reports indicated layoffs in the thousands and call centre outsourcers were said to likely cut more than 25 percent of their staff following the economic meltdown (Ribeiro 2008). Even Infosys reduced its workforce by about 3,000 employees (Nandy 2008). Despite assurances from the industry that the looming U.S. recession would not jeopardize the Indian IT-ITES market, public attention turned to reports of layoffs and restrained growth. When Lehman Brothers and Merrill Lynch, once star financial institutions and
envied employers in India, were struck by financial problems, unions such as UNITES responded by taking up the concerns of employees who were no longer being paid the gratuity or provident funds they were owed.\(^5\) The union protested that even basic provisions covering retrenchment under existing laws have been flaunted by firms, some of which were widely recognized MNCs.\(^6\) To this unfolding of events, Shetty (2008) responded: “I feel that in the coming days organizations like YPC or UNITES or any other organization, trade unions, which are going to work for these employees, will have a large role in protecting the rights of the workers”. In many ways he was correct.

Unions and labour association emerged, according to activists with the YPC, in IT-ITES as nascent regulatory agents charged with confronting the deficiencies of government and industry oversight that, they claim, is ill equipped to effectively address labour-related problems. Not unlike the labour calls in wealthy economies for governments to spend more resources to protect workers from the calamities of a deep recession, the YPC recommended that a value equal to 2 percent of corporate profits, contributed by both the government and companies, be kept aside as a Contingency Provident Fund for retraining, education, and retrenchment compensation (Young Professionals Collective and Focus on Global South 2005). “The worst case scenario,” Shetty (2008) explained,

\(^5\) TCS was expected to have most to lose, because of its exposure to Merrill Lynch as a leading provider of software services. Some estimated that nearly 2,500 employees at TCS and Satyam worked for the global financial house (The Economic Times 2008a).

\(^6\) Labour is burdened with the task of grieving corporate policies through the courts, but it should come as little surprise to an industry that fosters individualism that the only immediate channel that corresponds to this ideology is an individualist one – legal action (see Mohandas 2008).
companies “leave or shutdown overnight, these BPO employees should be protected; they should have some kind of bridging of the gap between now and the next job”. Lacking a meaningful industrial policy on IT-ITES employment, professional workers are consistently left without a buffer against turbulent business cycles, not uncommon in export-dependent industries.

5.3.3 Union for IT Enabled Services Professionals
When Amandeep Sandhu (2006) wrote about the newly-formed UNITES in 2006, the prospects for IT unionism were discussed with restrained optimism. Since the publication of what was then one of the first articles focusing on the perceived failure of organizing workers in the IT-ITES industries, several key developments have led to increased interest in the sector’s only established trade union. Currently, UNITES boasts approximately 22,000 dues-paying members, over 1,300 of whom are covered by collective bargaining agreements (see Appendix A). These figures need to be placed in the context of over two million IT-ITES employees, almost 700,000 of whom are part of the ITES-BPO sector alone. UNITES also lacks a substantial presence in major Indian and multinational firms. However, the union is still a recent development in the Indian trade union movement and a trendsetter for labor organizations elsewhere attempting to make a breakthrough in the industry. This is why UNITES has been used as a blueprint for similar initiatives in Nepal, Malaysia, and the Philippines (Lekkad 2009). By 2011 UNITES hopes to expand its dues-paying membership to 42,000 – 15,000 in the call centre and BPO industry – and focus efforts on major multinationals operating in India
such as ANZ, HCL, Tata Consultancy Service, and IBM. There is no doubting the uphill battle facing labour organizations aspiring to work with and represent the vast IT-ITES sectors.

Launched initially as the Centre for Business Process Outsourcing Professionals (CBPOP) in 2004, the Bangalore and Hyderabad-based initiative involved organizers from UNI as well as individuals previously associated with the ITPF. As some scholars suggest, CBPOP formed as a result of rifts that surfaced in the ITPF over an anti-union stance held by activists invested in being a professional association (Noronha and D'Cruz 2009). UNIAPRO, UNI's Asia Pacific Regional Organization, took a leading role in establishing what would officially become UNITES in 2005, the year it registered as a trade union. Karthik Shekhar, General Secretary since 2006, has become the public face of the union in India. Commencing his IT career with IBM, Shekhar observed the changes in how the company’s employees were managed following liberalization. It was this transformation that prompted the programmer to investigate unionism at “Big Blue”. Eventually Shekhar encountered UNI’s Hedge, who was at the time working on forming the ITPF, and got involved with the organization. After becoming disenchanted with the direction the Forum was heading, Shekhar started doing mobilization work with UNI’s newest project, UNITES. From there he moved on to become the union’s leading officer.
Shekhar’s experience as a knowledge worker is worth some reflection. Despite lucrative opportunities in leading companies such as IBM, perceptions of injustice and unfair management practices opened the door to interest in unionization. As he was quoted in a major Indian daily, *The Telegraph* (2006), “There is exploitation in the BPO sector. A labour union is imperative”. Furthermore, Shekhar’s connection with IBM has an ongoing importance for UNITES. When Australian workers with IBM forced the company to negotiate a collective agreement after going on strike, Shekhar saw this as a significant breakthrough for organizing efforts in India. The Australian context is important considering that the Association of Professional Engineers, Scientists and Managers, Australia (APESMA) serves as a model for UNITES, according to Shekhar (2008a). Years later UNITES joined IT workers, trade unionists, and labour activists from around the world in the landmark Second Life on-line strike against IBM in 2007, acting in solidarity with Rappresentanza Sindacale Unitaria IBM Vimercate (RSU), the union representing over 9,000 workers employed by IBM in Italy.

From its inception, UNITES has responded to the complaints raised by IT-ITES workers about a range of perceived injustices, especially those employed in BPOs. In 2006, nearly one hundred call centre employees with Bangalore-based Bel-Air BPO were struck by what has come to be known as the “fly-by-night” operations common in the industry.

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7 “To start with we will ask IBM to make the same commitments for the company in India as they have agreed to do in Australia… then we will take the agitation to other companies”, Shekhar was cited in major Indian publication (Shankar 2006).
Workers discovered that the operation had been shut down and they were not going to be receiving pay entitled to them (Suresh 2006). For three years UNITES pursued the case, at great expense to the union. The case-by-case basis response to worker demands has raised the union’s public profile, but it has also drawn attention to structural problems of IT-ITES organizing. “See, there have been trials, errors, there have been spontaneous workers coming together because there is an issue,” the General Secretary recalls (Shekhar 2008a). But, as the Bel-Air example points out, immediate demands by workers, not all of whom are members, does not amount to a sustainable membership base. This was an issue both with the ITPF and the YPC. As Shekhar continues, “once the problem gets solved, or the problem doesn’t get solved, [the employees looking to UNITES for advice] just disappear…” (Shekhar 2008a). This is an ongoing frustration, one that the trade union leader attributes to the pressures of ITES-BPO employment specifically. “So we have sort of become a safety net for people… where to come”, Shekhar said. “But, they are not really active. They say, 'okay fine, you guys are doing a good job so please continue doing a good job, in case there's a problem I'll come to you.' That active involvement is not what we are seeing to a great extent” (Shekhar 2008a).

Without a sustained membership base, particularly in major MNCs, corporations will not negotiate with the union. Some of these companies have responded that they will consent to a formal dialogue when UNITES achieves 30 percent membership in their call centres or BPO units. Lacking access to the workplace makes this objective a daunting task
(UNITES 2009d), and the experience in attempting to broker a dialogue has not been positive. As the General Secretary pointed out, “in some cases they almost … threw us out” (Shekhar 2008b). “The problem”, he went on, “is that the moment I speak to somebody he becomes a member, he maybe gets a promotion, he gets transferred, so it is like, they have never said no to us… but by some coincidence that person moves around” (Shekhar 2008a). These surprise promotions have led UNITES activists to suspect that this is a direct result of an employee’s interest in unionism. Gaining critical mass in a firm’s BPO unit, some with over 10,000 members, is currently a monumental challenge. Because companies do not want the union network to become strong, a call centre agent might be raised to team leader, effectively relieving him or her of whatever complaint they initially had. It is for this reason that UNITES’s current successes in negotiating six collective agreements have been limited to small to medium enterprises. But these successful agreements have also been accompanied by failures to sign CBAs with major MNCs such as HSBC, British Telecom, Barclays Bank, and Lloyd TSB.

High attrition and turnover rates are further obstacles to organizing efforts – 60 percent of the existing call centre workforce has a tenure of one year or less in any given facility, 50 percent in domestic operations (Batt et al 2005). Without the treatment of call centre employment in particular as a career, the “worker in, worker out” mentality that supports rapid turnover contributes to a footloose and temporarily employed workforce (Shekhar 2008b). This in turn means that a union contact with prospective members is fleeting and
unsustainable. Collecting membership dues from the majority of those outside the parameters of CBAs contributes to UNITES’ uncertain fiscal situation. But this reality in the call centre industry has led industry managers to support some elements of unionism so long as it controls attrition, a major stumbling block to the sector’s growth (Sandhu 2006).

Managers at Excel, where UNITES scored its first CBA, signed an agreement with the union to assist in controlling attrition, with the union helping to bridge the communication gap between management and employees (Pratap 2010). Recruitment and training consumes between 16 and 25 percent of gross annual earnings for a single worker, so the incentive of controlling turnover is clear (Holman et al 2007; Batt et al 2005). With Indian call centres possessing the highest global turnover rates of between 30 and 80 percent (Holman, Batt, and Holtgrewe 2007; Cohen and El-Sawad 2007), UNITES’ advantage could be one of helping to regulate this aspect of call centre and BPO employment. Company attempts to fulfill the same objective have included using investigation companies to carry out background checks to find out if prospective employees have a history of deserting firms (Callcentres.net 2007b). Forcing new employees to sign a bond is another method, but one that has resulted in bad press for the companies and provides an opportunity for UNITES to intervene on behalf of employees (Krishnan 2009).
In its brief history, UNITES has made a name for itself in the public eye by bringing to light issues pertaining to inequality and exploitation in IT-ITES. One of the earliest initiatives involved holding a forum in response to the murder of Pratibha. Even after UNITES attempted to raise the issue of women’s safety with IT-ITES companies, little was publicly said in response to this small Indian trade union. However, after this incident occurred, Shekhar (2008a) asserts, “that's when people actually started […] started looking us up, and … […] some of the things we were trying to talk … as a union, was something new to many of them”. An executive with HP, Som Mittal, was reported as saying that women working at night was dangerous, confirming what the union had already been saying. While the responses to this incident were mixed – some in the labour movement were calling for a ban on women working at nights – UNITES was in support of women’s rights and rejected recommendations for restricting women’s access to the industry (Deccan Herald 2005). The promotion of gender equality and workplace safety became a major campaign issue for UNITES, and the memorial service held for Pratibha in UNITES’s Bangalore office helped build positive press for the organization. It was shortly after this event that the President of INTUC and Governing Council member of the ILO, N.M. Adyanthaya, stated that the union federation would “support UNITES as it is a responsible new-generation union founded on trade union philosophy”

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8 Other research indicates that 50 percent of workers quit for a higher paying position in a similar job, followed by 30 percent who leave to seek higher education (Rajeev and Vani 2007).
Indeed, these early efforts attracted a significant number of members to the organization (Taylor and Bain 2008).

Hara Prasad, an HR manager and UNITES activist, has identified sexual harassment and discrimination as a leading form of injustice in IT-ITES. Because over half of the UNITES members covered by collective agreements are female, the issue of sexism represents a leading concern for the union— it has also been a rallying point for worker support. In one instance, a prospective female employee was sexually harassed during a placement interview that Prasad had arranged. This is a symptom, Prasad (2008) suggests, of leading executives having little oversight, or concern, with regards to the actions of front-line managers. For Shekhar, the problem is more severe and related to the inherent corruption of middle management in IT-ITES firms (Prasad and Shekhar 2008). This was a leading concern at a joint UNITES and UNI press conference in Delhi in 2008 (UNITES and UNI 2008). The ITPF’s Dr. Ramani Natarajan (2008) provided a similar response, saying, “They [companies] all have these gender committees, but [what woman] is going to talk about sexual harassment when the whole thing is going to blow in the open?” Both organizations recognized the deficiencies in industry attempts to respond to sexism and structural inequality.

UNITES decided to respond to equity concerns by advocating for the establishment of a legal sexual harassment redress system in the BPO sector, with legal status under India’s
Trade Disputes Act (Acharya 2009). Another measure has been the Decisions for Life project, which aims to raise awareness amongst young female workers about their employment opportunities and career possibilities, family building and the work-family balance. For UNITES, “[women’s] choices are key to the demographic and workforce development of the nation” (UNITES 2009a). UNITES took action against the assault of women in the South Indian city of Mangalore by helping to organize and participate in the March 8th Women’s Day midnight rally (see Sengupta 2009; UNI 2009). Union and professional associations are conscious of making meaningful interventions on behalf of workers, not through grievance procedures alone, but through public acts of social solidarity.

UNITES’ role as a regulatory mechanism stresses how labour organizations serve to draw attention to poor managerial practices and structural problems in the industry. Major firms like HP, for instance, “know that it is very easy” to absolve themselves of responsibility for work-related problems (Shekhar 2008a). Legal routes take years and companies are in a better position to defend against allegations than a union with limited resources. One such concern is the widespread exploitation of un-paid overtime, which is a particularly difficult case to confront in salary-based workplaces (see Suresh 2006). With the recent economic slowdown, there were growing reports of global IT-ITES firms, like Accenture, having planned to increase working hours by almost an hour a day. Once claimed as the torchbearer of good HR practices, major IT-exporters such as Wipro
have asked employees to strictly abide by the fixed nine-and-a-half hour working day. Of course the reality is that IT professionals are working fourteen to sixteen hours a day, with performance and timing even more strictly monitored given the global economic climate (Mishra 2008). Without the basic provision offered by labour laws regulating work times, un-paid overtime is an expectation. Indeed, the economic crisis exposed problems within India’s golden industry which was followed by negative changes to otherwise ideal conditions of employment.

Labeled as “India’s Enron”, in early 2009 Satyam Computer Services’ Chairman, Ramalinga Raju, admitted to committing “financial irregularities”, bringing down the reputation of the IT industry’s corporate governance and management systems (see Timmons 2009a, 2009b, 2009c; The Economist 2009). UNITES responded publicly to the case of fraudulent accounting practices in one of the subcontinent’s largest IT firms, and made inroads with employees as a result. “The horrendous act is the biggest in [Indian] corporate history”, claimed a UNITES press release. “It appears corporations have taken advantage of economic liberalization and free market capitalism which is only a euphemism for casino capitalism” (UNITES 2009b). In response to this startling revelation, which culminated in the resignation of Satyam’s Chairman, the ITES union publicly announced that in October of 2008 it had written to what was then India’s fourth-largest IT firm to take a stand on the World Bank allegations that account statements were being doctored, but received no response (CIOL Network 2009). In a
major public relations breakthrough, India’s major news sources were reporting that approximately 2,000 Satyam employees who feared for their jobs had approached UNITES; this is in addition to the 96,000 hits the union’s website received in December and the estimated 270,000 it received in January of 2009 (Mishra 2009; Tejaswi 2009a). While this is not an accurate measure of prospective membership, nor a certainty of achieving recognition by a major IT firm, it is worth considering the changing public perception of a labour organization that emerged from obscurity just a few years earlier. And, it has been on the issue of layoffs and uncertainty facing India’s IT-ITES sector that has drawn UNITES into relevance.

Employment security in IT-ITES was called into question following India’s dramatic stock market plunge in late 2007 and what finally came to be recognized as a global recession. Considering that the finance sector is one of the major consumers of ICT services and products, the concern raised by UNITES was warranted. Fears of widespread job losses, estimated to be around 10,000 according the UNITES, were quickly dismissed by Nasscom not long after the union began raising this issue in the media. Raju Bhatnagar, a senior member of Nasscom, was clear in his statement that there would be “no large-scale layoffs. There are sporadic incidents here and there. The industry is growing and in fact, needs more people” (The Economic Times 2008b). Financial mogul, George Soros, bolstered these claims in his praise of India’s economic renaissance under Prime Minister Singh and expected that the Indian economy would
perform well (Sify.com 2008a). Speculation of a downturn nevertheless fuelled a move towards downsizing, even if the market did not demand it. This was partly a consequence of the just-in-time nature of IT-ITES and the clamouring of investors to protect stock value.

In June 2009, Outlook Business estimated even higher figures than those initially projected by UNITES, with between 77,000 and 110,000, or 3.5 to 5 percent out of the total two million employed in the industry, facing retrenchment (Mahalingam 2009). Nasscom’s President, Som Mittal, remained steadfast in his claim that there would be no mass lay-offs, but went on to note that the financial crisis meant that IT-ITES employees would have to understand the market realities, and “reset their growth and remuneration expectations” (cited in Tejaswi 2009b). The question of retrenchment continues to be a point of contention between UNITES and Nasscom, since officials with the industry group have repeatedly claimed that the IT-ITES sector continues to grow despite the global recession, in part due to expectations that the worldwide adoption of outsourcing will rise in the coming years (Nasscom 2009). By 2009, Infosys resumed hiring in the company’s BPO units (Callcentres.net 2009a). As a UNITES member and activist presciently observed prior to the full impact of the recession, pay “is generally not an issue in this area. I think it will become [important] now as a result of the global downturn, this is when it’s going to be a concern” (Bhargava 2008).
The situation inside leading Indian firms was not as optimistic as industry representatives suggested. For the first time giants such as Infosys Technologies and Wipro were cutting their usual annual pay increases of 12 to 14 percent down to 7 or 8 percent (Sayeed and Sekhar 2009). Even high-end designers and programmers were asked to sit on the bench, known as a “free pool”, as a disciplinary waiting area for IT workers with no work to do (Mahalingam 2009; Sinha 2008). With companies now trying to rationalize expenditures, some call centre employees have been asked to relocate to less expensive facilities in smaller cities, or risk losing their jobs. Small call centres were in a more precarious situation and susceptible to overnight closures, with estimates before the downturn indicating closure rates as high as 60 percent (Dash 2007). Admittedly, UNITES can do little to stave off unemployment but the union can advise and advocate for workers on how to prolong the redundancy process and ensure that they receive everything to which they are legally entitled (Kazmin 2009). Advocacy on a case-by-case basis is a leading example of UNITES’ attempts to make a breakthrough in the industry, such as assisting workers to receive their rightful compensation when companies close or when firms engage in unlawful terminations (Suresh 2006; Mohandas 2008)

UNITES has responded to the problems by engaging in a series of campaigns to raise awareness of industry developments. On May 1, 2009, the union launched a month-long “Stop the Pink Slip” initiative aimed at collecting 100,000 signatures from IT workers to force Nasscom to pressure the Indian IT industry to stop cutting jobs (Basu 2009). This
was a response to an alien practice in India – a practice UNITES considers avoidable.

“Instead of firing,” Shekhar is quoted as saying, “companies should focus on staff training, skill enhancement or learning new languages… They should realize that bench sitters are live intellectual bodies and not perishable commodities. And getting rid of jobs via the new-found, unscientific, biased performance evaluation is unfair” (cited in Tejaswi 2009a, emphasis added). Other organizational changes are also possible, notably increasing lateral hiring as well as internal austerity measures (Shekhar 2008a). Managers in large Indian firms have even resorted to verbally and physically harassing employees into quitting, which saves firms the effort of confronting labour laws (Silicon India 2009).

There was also reason to question the value of government incentives and subsidies directed at the IT-ITES sector, especially where labour is concerned. UNITES directed attention to how all of the tax-free revenues accumulated by the industry over the years have dried up, confirming that exemptions and indirect subsidies had outlived their usefulness (McKinsey Global Institute 2003). The YPC’s proposal to introduce a tax and matching government funding for just such a scenario is all the more relevant considering what UNITES concluded. The recession, from this perspective, has been used to discipline the labour force and justify salary cuts and job losses. Failure to properly regulate the financial aspects of IT-ITES has been a major criticism from UNITES. Lacking a long-term or sustainable sectoral plan, despite the targets set in Five Year Plans since at least the mid-1990s, the industry depended on the projected increases in
offshoring from the United States and the UK to sustain growth. While Nasscom and other industry groups had called for further state attention to investments in education and technology-related infrastructure, the liberalized environment had abandoned the development of effective labour market regulations.

The ability of UNITES to operate as an information centre and a publicly recognized advocate for IT-ITES employees has granted the organization considerable promise of becoming a more influential player when negotiating with leading companies. However, there is the reality that a small percentage of workers, concentrated mostly in the ITES-BPO sector and constrained to the metropolitan hubs of Bangalore and Hyderabad, are actual members of this adolescent union in the constellation that is India’s vast trade union movement. The critical mass achieved by white-collar unions in decades past has yet to be achieved, and without this important achievement the capacity to negotiate with multinational enterprises is restricted. As the union’s leading activists have recognized, large foreign companies like HSBC and Barclays, both of which have negotiated collective agreements with unions in their home countries and have global framework agreements with UNI, have never opened the door for UNITES. After being ignored by these foreign multinationals, Shekhar (2008b) realized “that these guys are not going to accept the same commitment what they have given to the European works councils or to the members there. That was an eye opener. Then we started focusing on concrete organizing at these firms”.

273
Despite these setbacks, UNITES has responded by working in solidarity with other employee groups associated with IT-ITES, building on UNI connections that have been established in India and throughout Asia. Unlike the ITPF, UNITES presents itself as a “One Big IT Union”, rather than appealing solely to the higher value software engineers and IT professionals. “As per our constitution we do not demarcate between IT and ITES”, Shekhar (2008a) stated, “[m]y membership can be anybody who touches computers”. UNITES has adopted a pragmatic model that aims to conform to the needs of a highly skilled workforce, flexible employment, and temporary employment contracts. This also breaks with the strict division of labour and job protection strategy of white-collar unions in India, developing instead a broader “industrial” style approach that cuts across the sector to include IT, BPO, and even support workers such as drivers and security. “What we try to do is we try to support... as many different groups as possible. Because we know this, we will be contacted at some point of life by the same member. The membership is very dynamic” (Shekhar 2008a). For this reason UNITES has created a Professional and Manager Services subgroup (PNMS), drawing on a UNI initiative, so “professionals will be there and the call centre and other members will be part of the BPO group” (Shekhar 2008a). This is a means of building connections  

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9 Wage rates would be formalized through industry accepted minimum standards and established through a “living wage” campaign (Shekhar 2008a). Security workers, drivers, and other support staff for the sector could benefit from a national or even state-level program aimed at regulating benefits and pay, as well as working conditions.
between the higher-end professionals and the numerically superior call centre workers that are represented by UNITES.

Building an umbrella organization is essential for UNITES to become a representative IT union, and not just an organization for ITES employees. As Rohde (2009) warned:

We should develop a kind of professional outlook, maybe also incorporation with professional organizations for engineers, computers societies, [that] have these human resource managers’ networks. So there are some considerations to make this organization more appealing to the higher educated professionals as well. That's the only way forward. You'll never succeed if you only organize support staff in those companies.

Solidarity amongst the various economic and social classes embedded within IT-ITES – or, as Shekhar (2008a) states, the “workers’ community at large” – is a worthwhile endeavour, but mobilizing real activity throughout the UNITES membership base has its own set of challenges. Building on the interest of recognizing workers rights, as we saw earlier, is one approach; women’s rights, environmentalism, blood drives, and marathons another. Such a strategy is premised on issue-based mobilization, as union activists commented. “It is a mixture of an NGO and a union that we are trying to make here”, Shekhar (2008a) emphasized. One strategic advantage with this approach is a transformation of the union’s image in the public eye and throughout the sector. For another UNITES activist, “This gives you an opportunity to help people: be organized, have a union. Not in the traditional sense of it, not go hardcore, go strike, or anything.
Just be there. Give strength to your voice. If you have a problem, somebody’s there to go to” (Bhargava 2008).

Even though the relationship between UNITES and the broader industry assumes a confrontational tone in the media, the union’s interests in modeling its activities on the ILO’s tripartite governance structure – through which unions, industry leaders, and governments address issues of mutual concern *vis-à-vis* a dialogical process – is hardly antagonistic. In recognizing the importance of offshoring and the significance of this reality in the current stage of globalization, UNITES engages the global IT-ITES sector in such a way as to promote a means of regulating practices with the interests of workers and the industry’s financial sustainability as primary concerns. This has been enshrined in the union’s collective agreements, which state, “To work together to further the mutual success of both parties; positioning [the company] for continued competitive success in the marketplace while enabling UNITES to best represent and serve its members”.

Attempts at regulating one of the IT-ITES sector’s most substantial industries, call centres, have been developed based on UNI’s *Global Call Centre Charter*. The “Stop the BOSS (Burn Out Stress Syndrome)” campaign showed that UNITES was initiating a movement that would draw attention to the conditions of work and not, in a traditional union fashion, by demanding wage concessions from employers. As Noronha and D’Cruz (2009, 229) rightly observe, “UNITES aimed at becoming a forum that could reflect the
professional aspirations of its key constituency”. In this sense the union did not assume an altogether different course than that initially taken up by the ITPF. For reasons such as this, UNITES has taken the position that it will “strive towards creating a distinct and cogent link between employers and employees at all levels” and seeks to interface with the leading industry body, Nasscom (Lekkad 2009).

5.4 Conclusion

The “New Generation Networks” (NGN), UNI’s description of the latest union models, can with certainty be used to define the leading labour organizations in the Indian IT-ITES sectors. Trying to make headway into the sector and building on personal experiences with traditional manufacturing unions, activists and labour lawyers working with the YPC attempt to develop a forum through which IT-ITES professionals can engage in consciousness raising initiatives as a starting point for identifying as workers. With a more professional image in mind, the ITPF approached IT as a services forum for the industry’s most privileged stratum and, through the knowledge of its most engaged activists, a response to perceived shortcomings that exist in managerial practices. Shrugging off the union image, subsequent tensions within the Forum helped clear a space for other UNI-supported projects, namely UNITES.

While industry leaders claim that the professional identity defining even the lowest ranking BPO employee inhibits a turn towards unionization, it is worth reflecting on Ramaswamy’s (1985) conclusion that the ambivalence towards unionism is caused by a
disillusionment with unions \textit{as they exist} rather than with the principle of collective organizing itself. Undoubtedly, the radical image business commentators attribute to India’s labour movement assists in sustaining a negative image of unions amongst India’s most privileged workers. Yet, it is worth recalling that the General Secretary of UNITES was drawn to unionization based on his experiences at IBM, perhaps the most lucrative information technology firm in India at the time.

A range of success stories and limitations marks the history of these cases, with the ITPF a notable example of possessing more shortcomings than victories. As the first association formed in India determined to organize IT professionals, the Forum launched an initiative that gained public and industry attention for its efforts at building a \textit{community} of professionals. Enthusiasm, however, was accompanied by setbacks and internal debates that eventually led to the suspension of external funding. The geographic dispersion of Forums also presented organizational challenges. Regional forums operated autonomously and there was never a coordinated communications strategy at the national level. There were also obstacles in forming a coherent strategy, as consensus did not form in the ITPF, or UNI, on whether the Forum should represent individual or collective demands. The lack of intelligence gathering and company mapping is one accusation levied against the ITPF, which justified this early members’ commitment to unionism (Hegde 2008).
For UNITES, the transformation of the union image was important in order to appeal to IT-ITES workers. A militant and confrontational approach to negotiating with company management is replaced by strategies that work to enhance industry expansion and ensure that firms are respecting basic national and ILO standards of employment, as UNITES President, Pritvri Lekkad (2009) emphasized. As countries like the Philippines and Kenya started to gain attention as emerging offshore destinations threatening India’s dominance in the market, UNITES acknowledged the reality of offshoring and sought to support universal standards of employment rather than create an antagonistic and nationalist position of domestic versus foreign labor. Not surprisingly, the most vulnerable employees, namely those working in call centres and other segments of the BPO sector, have so far been the most receptive to unionization. Both UNITES and the ITPF developed a recruitment platform that emerged from the professional and political interests of their prospective membership; strategies determined to mobilize this constituency were ultimately based the social and economic characteristic of young, middle class Indians. For the trade unionists that had come from other industries, this was a serious compromise, but one founded on a pragmatic interest to see representative structures extended to IT and ITES.

Campaigns initiated by UNITES and the ITPF against sexual harassment in the workplace were matched with community organizing, leadership development, education and training, as well as working towards a sustainable and prosperous Indian IT industry.
By making appeals that go beyond bread-and-butter issues and by focusing on regulating industry practices, both organizations, before the ITPF’s dissolution, presented examples of how labor organizations can appeal to professionals in industries that some have said are not in need of “intermediaries”. It has also been the case that these two organizations made efforts to define what they are for rather than simply what they are against. By offering proactive recommendations, UNITES has attempted to shape the industry’s engagement with employees rather than offer strategies that foster confrontation with companies. Meanwhile, the YPC represents a coalition of labour activists affiliated mostly with the legal profession, but ultimately concerned itself with the radical social and economic transformations that accompanied employment in India’s booming call centres. If gains were to be made for workers, YPC members maintained, any attempts at collective action, or even the formation of collective identities, would have to be based on rank-and-file initiatives. Based on their first hand experience representing these employees in courts, the YPC became aware that labour conditions were less optimistic than the industry reported.

Media and economic reports have indeed created awareness that not all is well for workers in India’s call centres in particular, but business groups still maintain their reticence towards unionization. Even following successful efforts by UNITES to draw attention to structural flaws with how management has dealt with workplace harassment, Nasscom executives maintain that responsive HR policies, few if any health and safety
complaints, and good working conditions, mean that employees have little need for organizations such as unions (Bhatnagar 2008). But, a process of dialogue, however limited, did begin in 2008. Nasscom agreed to formally sit down with UNITES, but the industry association has not publicly stated that it recognizes trade unions in the sector, according to UNI’s Deputy Secretary, Philip Bowyer. “It’s very important for [UNITES and UNI] because,” Bowyer said, it “would have been a great reinforcement to people in these difficult times, when people are worried about their future, when they are worried about their jobs, if Nasscom could have had the courage to say that it will come out and support what is a basic human right” (UNITES and UNI 2008). This ambiguity on the part of Nasscom maintains an important balance that on the one hand rejects the need for unionization without a clear statement of opposition, and at the same time undermines attempts by unions to gain legitimacy in the eyes of managers and their representatives at the industry level.

Threats of job losses and industry working conditions, experience has shown, are not in themselves catalysts for rapid union growth. To secure a significant membership base UNITES is faced with the challenge of outreach and appealing to a workforce that is ambivalent towards collective organizing, as well as the dismal prospects of getting MNC recognition without a critical mass. Anjali Sinha, the UNIDOC and UNITES officer in Delhi, recognized the difficulty of attracting a young, fragmented group to the union. “To attract that crowd”, she says, “there are different ways of [getting] the people, and the
idea is to get the … message across, which could be through films … art exhibitions … photography exhibitions … theatre, it could be any form” (Sinha 2008). Issues-based activism such as local community service, charity work, supporting “living wage” campaigns, marathons, establishing IT training programs, and advocating for vacation time on Independence Day are further campaigns that, as Shekhar indicates (2008a), have helped UNITES appeal to prospective members (UNIAPRO 2008).

So-called “new generation” methods of organizing have been complemented by traditional organizing strategies, particularly for UNITES. For instance, seminars and training programs at software parks were discussed as a means of getting the attention of thousands of IT-ITES workers. Second, the establishment of chapters at technical colleges and universities offer students career counseling and support services as well as strengthen the network of future BPO employees. Third, interfacing with industry associations has been acknowledged as a means of promoting common professional interests (Lekkad 2009). The development of a strong communication network is an effective channel for providing on-line information about unionism and labor rights, job info, and support services. Activists with the YPC similarly acknowledged the need to engage with the media and operate on a social terrain that is unfamiliar to traditional trade unions. Such strategies represent attempts at breaking down the barriers between professional associations and professional trade unions, in the case of UNITES, just as Strauss (1964) suggested in his study. This could also represent a means of reconciling
individual with collective demands, inspired by the formation of a professional community beholden to a situated set of aspirations and identities. In chapter six the dissertation extends this analysis to the Canadian call centre sector, and explores how established trade unions have made inroads into an industry where their Indian counterparts failed.
6.1 Introduction

Chapter six frames the unionization of call centres as a recent example of telecommunication unionism, a precursor to the IT enabled services (ITES) sector in Canada. Following the introduction the chapter explores how the structure of the country’s call centre sector has been shaped by unionization, as well as the significance unions have had on the conditions of employment in the industry. Finally, the chapter examines four examples of union interventions in the workplace using in-house, in-bound financial, outbound, outsourced telemarketing, and outbound, outsourced research call centres as case studies. Unionism in Canada, not unlike India, is conditioned by three interrelated dimensions: the structural dimensions of work, anti-union tactics by employers, and the economic and organizing strategies deployed by unions in Canada.

Despite the evidence supporting the claim that unionization provides net benefits to workers and managers in call centres, companies have a history of union avoidance in this flexible and just-in-time industry. Industry groups maintain their commitment against industrial relations reform that might advantage labour, lest such initiatives reduce flexibility and increase the possibility of union involvement in the sector (Callcentres.net 2009f). Threats of globalization and facility closures are examples of how employers
have countered the efforts of workers who have sought to organize with trade unions. Unionization in the broader ITES sector has proven crucial for several reasons, not least of which is the test call centre organizing presents to the trade union movement’s capacity to respond to structural changes in the Canadian economy. The fragmentation of employment, increasingly a “normal” feature of the call centre sector, mapped by uneven geographic development across Canada and the globe, means that unions are under growing pressure to focus their organizing efforts on outsourced, subcontracted, facilities.

Union involvement in Canada’s call centres has a relatively long history and is not separate from the tradition of unionism in the telecommunications, financial, and public services sectors. This is perhaps the most distinguishable contrast with IT services union formation in India, where traditional labour organizations were unable to make headway in the industry. Second, where Indian industry associations, state planning initiatives, and the sectoral development of IT-ITES are often governed by overlapping regulations and policies, call centres in Canada stand apart from other elements of ICT, as per the North American Industry Classification System (NAICS). From the vantage point of trade union organizing and industry planning, call centres are distinguished from other sectors within IT. Not unlike their counterparts in India, however, unions in Canada have also been forced to engage with workplaces that stand outside of their original sectoral mandates. Canadian unions, particularly those that emerged from the commodity and manufacturing sectors, have expanded their attention to the service sector as
technological innovation, de-industrialization, and globalization undermined their historic centres of strength.¹ This provides the context for which I discuss trade unionism in the call centre industry.

The analysis that follows is as much an examination of union transformation as it is about the unionization of call centres. The United Steelworkers of America (USW) has been active in the sector since the early 1990s, when it first organized customer service representatives in a CIBC Visa centre in Toronto. Having originally formed as a union representing a conglomeration of steel, mill, chemical, and manufacturing workers, its slow transformation into a “post-industrial” union, however incomplete, presents a remarkable shift towards a service sector labour organization. Presently, 16 percent of the quarter million Steelworkers in Canada belong to various transportation, trade and service sectors. For the USW, call centres represented a challenge to traditional organizing methods as well as a new frontier for recruitment. But even seasoned telecommunication unions have had to overcome their share of hurdles. The Telecommunications Workers Union (TWU), arguably one of Canada’s most powerful unions until it faced major setbacks following five years of labour action against Telus, the country’s second largest

¹ Recent downturns in Canada’s economy deepened the effects of structural economic changes, undoing the gains made in the late 1990s when manufacturing was a major source of new jobs. This trend ended after the dot.com bust of 2001 and was made worse in 2005 when the Canadian dollar hit record highs (Ferrao 2006). Manufacturing and construction sectors, along with young people, low-paid workers, and working-age immigrants, experienced the heaviest employment losses between October 2008 and October 2009, when total employment declined by 400,000 or 2.3 percent (Statistics Canada 2009).
telecommunications firm, has for the first time in its history had to confront the reality of offshoring (see Shniad 2007; Stevens and Shi 2009).

6.2 Ringing in the Changes
Besides the small outposts of regional telecommunications operators that existed in parts of British Columbia and Western Canada, much of the country’s telecommunication landscape was dominated by a handful of carriers at the turn of the 20th century, the most notable of which was Bell Canada. BC Tel in British Columbia, government-owned monopoly enterprises in the Western Prairie Provinces, and Bell in Central and Eastern Canada, had command over the telephony business. By 1992, sixty firms generated over $13 billion in revenue, with the top ten accounting for 98 percent of the total, with Bell Canada, BC Tel, and AGT alone taking in 82 percent of revenues (Verma and Chaykowski 1997). Until the centralization of industrial relations in Canada, organized resistance was fragmented and disparate, where it existed. The history of trade unionism in the sector, not unlike in the United States, did not emerge until the end of the 19th century. Even craft workers were without any independent form of representation until the formation of the International Brotherhood of Electrical Workers (IBEW) in 1891. It was not uncommon for carriers to establish their own company unions, such as the Electric Employees’ Organization (EEO), formed in 1932 by BC Tel, which acted as an anti-union measure at a time when labour resistance and organizing was growing in the Depression-era economy (Bernard 1987).
Companies were actively opposed to the establishment of unions throughout the industry. In the U.S., AT&T used an array of management techniques, “strike-resistant” technology, and an elaborate personnel program aimed at promoting employee loyalty to prohibit the entry of unions (Schacht 1985). Divisions between telecommunication workers also maintained a fragmented resistance to employer power. Craft workers, who performed the tasks of cable splicer and linemen, and the routinized occupation of operator, had inconsistent moments of solidarity, and were often at odds in their representative organizations. These occupational separations between workers were further manifested in their respective national affiliations between the craft-centred American Federation of Labour (AFL) and the Congress of Industrial Organizations (CIO). The National Federation of Telephone Workers (NFTW), a loose confederation of autonomous unions that evolved from various company unions in AT&T’s American subsidiaries during the 1930s and later became the Communications Workers of America (CWA) in 1947, affiliated with the CIO in 1949. While operators had been admitted to the IBEW as early as 1912, union officers representing electricians and other skilled crafts were resentful of being subject to the rule of operators, citing the dangers of working with electricity as fundamentally distinct from the tasks involved with switchboard operations (Schacht 1985). This opposition was as much a question of gendered divisions of labour as it was a territorial dispute between craft and routinized work.
Descriptions offered by business leaders of employment in telecommunications, notably that of operator, were not unlike the contemporary descriptions of call centre work, or post-industrial employment generally, that appear in industry publications and economic development literature. This depiction applies not just to the nature of the work but also to the portrayal of the industry as without a need for union intervention. “In our business we have not the problem of the mill-owner or the steel manufacturer”, stated Bell System’s chief officer, Henry B. Thayer in 1922. “We have an exceptionally intelligent lot of people with more education than the average of working people. Among the men we have a large proportion with a considerable term of service and among the supervisory women” (cited in Schacht 1985, 13). In Canada, BC Tel was known for constructing an image of the operators’ work as glamorous, professional, prestigious, and exciting in order to make it appealing to prospective employees (Bernard 1987). However, operators did indeed turn to union representation as a response to low pay, long hours, heavy supervision, the psychological strains of work, arbitrary management decisions and a lack of appeal mechanisms. Operators were mostly women and experienced high levels of turnover. Before equal rights legislation, many of these employees were paid less than men and wages could vary based on marital status and family arrangements (see Jain, Lawler, Bai, and Lee 2010 for an account of the effectiveness of Canada’s employment equity legislation). Craft unions affiliated with the AFL, however, were reluctant to engage in operator organizing campaigns since the young, female-dominated workforce had a reputation for being difficult to unionize.
(Schacht 1985, 33-34). Indeed, both the conditions of work and the problems of unionizing a structurally flexible workplace remain ongoing obstacles for unions and their interventions in the call centre industry.

A divide within the Canadian union movement marked the evolution of telecommunication unionism in Canada. Employers and governments were more accepting of craft unions such as the IBEW than they were of the One Big Union (OBU), mainly due to the militant industrial unionism that the OBU proposed. Strikes, workplace sabotage, and other forms of resistance were practiced even by the skilled workers employed by telecommunication giants in Canada, particularly in B.C. where the influence of conservative craft unions were not as strong as they were in the east (Bernard 1982). And there was reason for workers to question the efficacy of union intervention at the time. Companies commonly refused to bargain with trade unions and often enforced the signing of loyalty pledges and routinely dismissed union activists. Even when unions gained recognition with the employer, their militancy was curbed in the 1920s and 1930s by constitutions that stalled union radicalism by requiring a 90 percent strike vote and banned workers from participating in solidarity actions with other union. Certification was tenuous even if companies recognized the union, since firms were not obligated to continue their recognition once contracts expired. This tempered the militancy of dominant unions in the sector and, indeed, the term business unionism accurately defined the telecommunication unions of this period. Publicly owned
companies, such as SaskTel and AGT, could also boast of compliant non-striking unions, the UTW and CWA, as representatives of their respective workforces (Rideout 2002, 35, 36). War time legislation in Canada, notably Order-in-Council Privy Council 1003, enacted in 1944, and later the Industrial Disputes Investigation Act (IDIA) of 1948, formalized industrial relations by providing a framework for union certification, exclusive representation, entrenching the right to strike, established the right of private-sector employees to form and join unions, and mandated compulsory collective bargaining. Most importantly, the IDIA curbed the anti-union activities of employers by putting restrictions on management’s ability to interfere in organizing, despite protests from business associations and industry leaders (see Logan 2002). Company unions were effectively banned just as they were following New Deal legislation in the U.S. and passage of the National Labor Relations Act (NLRA).

It was not until the 1960s, however, that telecommunication unions began to practice a type of social unionism, exemplified by the TWU and the Communication Workers of Canada (CWC). As Rideout (2002) contends, union radicalism surfaced as company-oriented unions were replaced by labour organizations focused on representing the interests of workers rather than those of the company. This tendency accelerated during the deregulation era of telecommunications in the 1980s. A leading telecommunication union in the U.S., the Communication Workers of America (CWA), shifted from a business union model aimed at servicing members through union-management
cooperation in a regulated environment, to a rank-and-file mobilized and politically charged organization (Katz, Batt, and Keefe 2003). Similarly, by the time the Federation of Telephone Workers of British Columbia became the TWU in 1977, structural transformations in the sector demanded a consolidated, and united union, capable of addressing an industry that had moved from providing basic telephone service to the larger terrain of telecommunications (Bernard 1987). The existing regulatory regime at the time, national oversight bodies like the CRTC, and federal labour relations legislation further strengthened the union’s bargaining position relative to the industrial relations landscape of the early 20th Century. By some accounts, a prolonged period of growth during the 1970s and 1980s had helped secure relatively tranquil labour-management relations, which meant that both workers and business were able to prosper at a time when industrial disputes were rife in other industries (Verma and Chaykowski 1997).

Being part of a union in the regulated monopoly sector was almost a given, even in the United States, where union density rates have been consistently lower than they are in Canada – the difference in 2009 stood at 12.3 percent and 31.4 percent respectively. Operators, an important occupation for telecommunication providers and until recently the voice of service provision in the telephone industry, were hardly the marginal figures they had been in their craft-based unions. Nor did the nature of the profession absolve the
operators, understood in the contemporary vernacular as call centre workers, of the need for collective representation. The structural element of the industry furthered the importance of union involvement, especially in the wake of corporate downsizing following the deregulation of telecommunications in the late 1980s and early 1990s. Selling customer service as a commodity and rationalizing the expense of call centre facilities has put unions and workers again in a position to rethink their approaches to organizing.

6.3 Canadian Call Centre Economy and Unionism

Unions face similar challenges in maintaining their foothold in Canada’s call centre sector as they do in other industries. The organization of employment, an internationally competitive environment, and pressures to rationalize expenses through the use of outsourcing and temporary workers add to the problems of gaining new ground. As Holman, Batt, and Holtgrewe (2007) profess, the liberal market economy structure that defines Canada’s call centre terrain is central to our understanding of working conditions, benefits, and the influence of unions in the sector. To be sure, the industry is far from uniform and spans several sectors such as government services, finance, telecommunications, health care, transportation, education, manufacturing, and others. This has come to mean that labour organizations that are not telecommunications unions per se have effectively represented call centre workers for decades. From a human

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2 Union density amongst the 650,000 employees at AT&T reached a peak of 56 percent in 1983, but fell to 24 percent in 2001. Amongst the conglomeration of Bell companies, union rates for union-eligible network
resource management (HRM) perspective, authoritative industry-wide studies have consistently published results suggesting that unionization produces positive results for labour and employers. However, the union density rate for call centres remains below that of the national average, at 19.9 percent and 29.7 percent respectively in 2007 (Van Jaarsveld, Frost, and Walker 2007, 4; Statistics Canada 2007) – call centre density rates are still above the average for the broader IT labour market, which stood at 16.4 percent the same year (Software Human Resource Council 2007). Canada’s union density rate increased to 31.4 percent by 2009, but no conclusive recent figures on union density rates exist for call centres (HRSDC 2009).

Union presence in the sector is dependent on four conditions: the position of call centres in the broader corporate structure, as either in-house or outsourced; a company’s market base, international or domestic; the nature of services provided by the facility, in-bound or out-bound; and finally, the status of employees as full-time, part-time, or temporary. Working conditions, gender politics, state regulations, regional economic conditions, and union organizing strategies play a further role in determining the level of unionization. But as a report for Statistics Canada concludes, compositional changes in the labour market are chief contributors to shifting rates of union density (Morisette, Schellenberg, technicians declined to about 57 percent in 2001 from 82 percent in 1983; amongst customer service and sales workers, 26 percent and 66 percent for the same years (Katz, Batt, and Keefe 2003, 576). Between 2005 and 2007 the unionization rate for IT workers in Canada experienced little variation, growing from 16.3 to 16.4 percent (Software Human Resource Council 2005; 2007). Professional, scientific, and technical services constituted the single largest segment, at 44.9 percent (Software Human Resource Council 2005; 2007).
The distribution of call centres by sector and region substantiates this claim. Western Canadian call centres, noted as having a higher rate of in-house establishments (33 percent) compared to the national average (6 percent), are more likely to be unionized. Transportation and utilities possess the highest rates of call centre unionization, at 50.7 percent and 70.4 percent, which reflects the overall density rates in these two sectors (Contact Centre Canada 2006b). Centres located in Eastern Canada, on the other hand, where the prevalence of outsourced facilities catering to U.S. markets are above the national average, have one of the lowest rates of unionization, at 21 percent. Outsourced centres have a staggeringly low-density rate of 6 percent (Carroll and Wagar 2007, 2, 10). This can be attributed to the history of company and sectoral unionization, where trade unionism in the telecommunications, financial, and public services represents employees occupying a range of positions within the organization. Before the prevalence of subcontracting and offshoring, companies would usually perform these duties in-house, giving unions greater leverage in their efforts at organizing and in making industry or company-wide gains for workers. Strong collective agreements and an influential position in the labour market permitted an authoritative position at the bargaining table as well.

4 For instance, as the number of people employed by firms with less than 100 workers increases, where unionization is traditionally less prevalent, this creates a downward pressure on union rates. Changing demographics related to age and gender, the authors argue, are also key variables. As industries with longer histories of proportionally higher unionization rates diminish and workers are forced to look for work in non-unionized workplaces and sectors, rates subsequently decrease. Morisette, Schellenberg, and Johnson (2005) also suggest that a “reduction in employee need for union representation” is one possibility for declining rates, as is increased management opposition to unionization, but they stop short of substantiating their tentative conclusions.
For more recent, and largely foreign, entrants to the Canadian market, especially in the Atlantic Provinces, an historic absence of unionization reflects a labour-management culture that is based on corporate HRM practices rather than union-oriented industrial relations regimes. Broader economic trends and union experiences have also contributed to the condition of organized labour in certain sectors. New Brunswick, recognized as a post-industrial development project based on a surge of call centre operations, has witnessed its overall unionization rate decrease from a high of 29 percent to 16 percent in 2005 (Morisette, Schellenberg, and Johnson 2005). Informational capitalism, to borrow from Castells (1996), has not measured up in terms of providing the type of quality and well-paying jobs. It is fair to conclude that this is both a structural feature of the new forms of employment and the reflection of the ability of workers to struggle for gains and transform work through unions.

Where call centres are unionized there is much to be said about the improvements made for labour. Union certification contributes to the stabilization of job tenure and operates as a regulatory mechanism securing both wages and employment conditions. Collective bargaining agreements have also provided for paid breaks not already covered by provincial employment standards, paid and unpaid leave, seniority, as well as scheduled

5 Eastern Canadian call centres are significantly younger (9.6 years) than their Central Canadian counterparts (13.7 percent), lower than the average of 12.6 years (Van Jaarsveld, Frost, and Walker 2007, 8).
The combination of unionization and the nature of in-house and in-bound operations contributes to the longer tenure experienced by customer service representatives (11.3 years) compared to outbound operations (3.6 years) (Van Jaarsveld, Frost, and Walker 2007, 31). This reflects the general characteristics of the union advantage across Canada’s labour market (Statistics Canada 2007). Lower turnover rates, measured by dismissals, quit rates, internal promotions, and retirements, reduce the costly expenditure of training and allow firms to retain highly skilled and experienced employees. Investments in HRM directed at recruitment, job design, communication, and employee involvement also helped to increase employee satisfaction and lengthier tenures (Carroll and Wagar 2007, 3; Batt 2002; Batt and Moynihan 2002). Non-union centres, on the other hand, have twice the average turnover rates of unionized centres in comparable markets, at 33.6 percent compared to 16.1 percent; non-unionized centres have a quit rate that is three times the average of their unionized counterparts, 16.5 percent and 5 percent respectively (Van Jaarsveld, Frost, and Walker 2007, 3-4). Collective agreements also contribute to job security by providing workers with formalized responses to managerial authority and performance evaluation – only 54.5 percent of unionized centres use performance information for discipline purposes compared to 74.5 percent in non-union facilities (Van Jaarsveld, Frost, and Walker 2007, 28).
Collective bargaining agreements also maintain the union wage premium across the Canadian labour market. Unionized call centre workers earn 36 percent more than non-union employees, far exceeding the national average of 7.7 percent (Van Jaarsveld, Frost, and Walker 2007, 5; Statistics Canada 2007, 6). For unionized in-house agents this comes to $21.86 per hour compared to $17.82 for non-union workers; or $14.44 per hour over $12.53 for outsourced facilities (Carroll and Wagar 2007, 2).6 Earlier studies indicated startling differential base-pay rates, some as low as the provincial minimum wage and others as high as $125 per hour (Guard 2003, 2006; Buchanan and Koch-Schulte 2000). Tele-health centres, staffed mostly by unionized Registered Nurses, constitute the second highest paid call centre market (Contact Centre Canada 2006b). Women are especially advantaged by union representation, as they achieve 94 percent as much in hourly earnings as their male counterparts across industries (Statistics Canada 2007). It is not insignificant that the share of women in unions has risen steadily since the 1970s, from 12 percent in 1977 to 48 percent in 2003, which can be explained partly by the changing structure of the Canadian economy over this period (Akyeampong 2004, 6). Since over half of Canada’s call centre employees are women, union representation not only advantages workers generally, but women specifically in this gendered profession.7 Wage benefits associated with collective agreements have also permitted gains for managers as well. While this category of employee is excluded from bargaining units, unionization

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6 This is still below the average hourly earnings for unionized employees according to 2006 figures, which stood at $23.34 for full-time employment (Statistics Canada 2007).
7 Western call centres exceeded the national average, as 70 percent of agents are women, compared to Ontario at 65 percent and Atlantic Canada at 67 percent (Carroll and Wagar 2007, 15).
results in call centre managers earning, on average, 21 percent more in annual pay than their non-unionized counterparts (Van Jaarsveld, Frost, and Walker 2007, 24). As evidenced below, this has not prevented managers from actively opposing union organizing campaigns.

Companies have responded to collective representation by stalling the growth of their unionized workforce by hiring temporary employees. Indeed, a higher portion of unionized call centres use temporary workers compared to their non-union facilities, which correlates both to union presence and stronger dismissal regulations in Canada compared with the U.S. (Van Jaarsveld, Frost, and Walker 2007, 22). This reflects an economy-wide trend in Canada, where temporary employment has increased almost twice as rapidly as permanent employment in recent years (Galarneau 2005; see also Vosko 2005). Because conventional economic arguments suggest that unionized employees require greater per unit output costs and reduce management autonomy (Walsworth 2010), temporary workers help maintain managerial authority over the labour process and the allocation of benefits. Unionization, along with sector characteristics, also contributes to hiring decisions. Unionized (21.3 percent) and in-house (24.7 percent) centres remain the most selective when it comes to employee recruitment (Van Jaarsveld, 2007).

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8 Between 1997 and 2003 almost one-fifth of overall employment growth was accounted for by temporary jobs, or 12.5 percent of paid employment in 2003. Even at a time when GDP expanded and economic growth created more favourable employment conditions, temporary work still grew more rapidly than permanent employment. On average, temporary workers earned 16 percent less than their permanent counterparts (Galarneau 2005).
Frost, and Walker 2007, 19). Unionized call centres, then, are advantaged by stable terms of employment despite the use of temporary contracts.

6.4 Call Centre Unionism
As research on Canada’s call centre landscape demonstrates, workers employed in this industry are not inherently averse to unionization. Chapter three presented general characteristics of call centre employment, such as the working conditions, labour processes, and propensity for resistance. The experience of UNITES in India furthers the claim that there is room for labour organizations in industries that establish professional identities. Unionism does indeed have a place in call centres, as history and recent examples demonstrate. As Buchanan and Koch-Schulte (2000) propose, unions are instrumental in shaping the industry and should actively pursue changes related to skill enhancement, worker participation in the labour process, minimizing burnout, and in recognizing the feminization of labour as an equity issue. Given the considerable public financial investment governments have made in developing the call centre industry in Canada, scholars are right to argue that workers are justified in demanding well-paying jobs and respectful conditions of employment (see Guard 2006). Unionization, therefore, is about transforming work, not just resisting the authority of management.

Responding to the fast paced changes inherent to telecommunications has been a pivotal challenge for organized labour. As regulatory agents, unions in Canada have in recent decades been reactive rather than transformative, meaning that technological and
organizational innovations have kept labour organizations on a shaky footing. Automation through speech recognition software, for example, is a technical shift that has allowed companies in higher wage countries like the UK and Australia, to use technology as a way of cutting costs (Kotadia 2007; Williams 2007). In some cases this has led to the closure of well-paying and often unionized call centres in Canada and elsewhere (Canadian Press 2006; Sarnia Observer 2006). Public sector unions have also had to contend with government cost cutting, evidenced by Canada Post’s plan to outsource 300 call centre jobs across Canada. The Public Service Alliance of Canada (PSAC), the country’s second largest public sector union, objected to this move and joined forces with UNI Post & Logistics in a global effort to reverse the privatization of public services (UNI 2010a). Unfortunately for the union and its members, the postal service has not gone back on its decision. This poses a threat not only to the workers who face immediate job losses because of government downsizing, but also to the national union movement which depends on the public sector as a membership stronghold.

Public and private sector call centres have been victims of this highly cost sensitive industry. The worst-case scenario, workers being met at their places of employment with

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9 Like offshoring, companies have to contend with customer backlash against changing interfaces with customers. Consumers, in this respect, are often more influential than labour organizations at forcing the hand of firms to reintroduce human interaction, but still with limited success (see Williams 2007). In other scenarios automation has been used to decrease wait times for clients and move customers from hold to speaking with a CSR. Companies have even used customer demand as a catalyst for developing new products, namely selling reduced wait times as a commodity for those willing to pay extra to save time on the phone (Roberts 2007). Amtrak’s automated voice system, nicknamed “Julie”, handled 18.3 million calls in 2007 and dispatched 5.1 million of them without any human intervention (Akst 2009).
locked doors, is not uncommon. Even in New Brunswick, amidst a supposed boom in the province’s centerpiece industry and after massive public investment, companies exercise little allegiance to their employees or region. This has meant that union intervention across the sector is stalled by company closures as workers become fearful that employers might be reticent to open new operations if union activity increases. Consolidation efforts by major telecommunication providers have further undermined economic development initiatives as well the strength of established unions. Bell Aliant’s decision to close small regional call centres in 2009 resulted in the dismissal or relocation of about 100 unionized workers in five centres around the province of Nova Scotia (Power 2009). Local politicians responded by threatening to take their telecommunications business elsewhere (CBC News 2009). Large telecommunication companies, even where they hold near-monopoly status, have carried out reorganization strategies that, in effect, undermine benefits and security achieved by unions and their members over years of struggle. Bell Aliant is just one notable example (see Brophy 2009).

Unions seeking to represent call centre workers have had also had to defend the rights of prospective members during the course of campaigns. Some argue that, indeed, employer resistance in Canada is the norm, with over 80 percent of employers actively opposing union certification applications in some districts. This impacts not only initial certification outcomes but also the probability of establishing and sustaining a collective
bargaining relationship (Bentham 2002). Threats of dismissal or transfers, issuing inappropriate threats or promises, and managerial support for employee-initiated campaigns are examples of anti-union activities. Such are the conditions that unions and their supporters must resist. In 1999, the Canadian Union of Public Employees (CUPE) filed a complaint with the Nova Scotia labour relations board against a Connecticut-based call centre operator after the union accused Ron Weber and Associates of firing two employees for helping with the certification drive (Cape Breton Post 1999). The powerful labour organization, the Service Employees International Union (SEIU), faced off against direcTel, a North Dakota-based company that operated an outbound call centre in Saskatoon, claiming that the company tried to intimidate workers by dismissing several employees before a certification vote. Reports indicate that the mood amongst workers in the workplace changed during the union campaign, with one employee stating, “We didn’t want a union at first, but there’s been so much crap going on”. Giant outsourcers like Convergys have been mired in labour relations disputes for similar reasons (BCLR 2003). Even though there are quantifiable gains to union representation, both for employers and employees, this has not stopped opposition to attempts by labour to organize – a reminder that work is indeed a contested terrain.

6.5 Call Centres and the USW

Much has changed within the ranks of the United Steelworkers in the last twenty years. While the name certainly gives the impression of a manufacturing union, only 65,000 out of a total membership in Canada of 256,000 come from the steel industry and mining. In
fact, the USW’s second largest local, Local 1998, is composed of 5,000 administrative staff at the University of Toronto, most of whom are women. From factories to offices, hospitals, university campuses, hotels, warehouses, banks, and call centres, the USW has established a presence. As Jorge Garcia-Orgales (2008), Research Director for the Steelworkers’ Canadian offices reflected:

We started in the 1980s. In Canada we started even ten years earlier than in the United States. At that point the union made a conscious decision that there was a new economy growing out there, and there was an opportunity for the union and a need for the workers to have unions in all these "new economies". We started there organizing health care sector, post-secondary education, security guards.

The USW’s development from an industrial union to one increasingly dependent on the service sector has come about through trial and error. Internal policy debates have also helped steer the USW into the post-industrial economy. In 2002, the Everybody’s Union Everywhere report emerged from a Steelworkers National Policy Conference in Montreal, highlighting the significant challenges facing the union. What is important about the document is its commitment to transforming the union’s image and organizing strategy. Even though the report’s platform hardly represents a shift towards social movement unionism, the USW has addressed a number of factors identified by Clawson (2003) and others (Kumar and Schenk 2006a, 2006b), as crucial to establishing a new upsurge in organizing. The focus on women’s empowerment in the union movement, a longstanding tradition within the Steelworkers, has been instrumental in identifying the potential of service sector employment and the current state of the gendered division of labour in the Canadian economy (see Fonow 2003). The report further emphasizes the
need for organizing non-traditional sectors as a necessary response to the devastating decline of membership resulting from technological change and corporate-led globalization. There is also recognition of the growing “linguistic, racial, occupational, and gender diversity of the United Steelworkers” in Canada (USW 2002, 3). Such cross-constituency organizing, which stresses the intersectionality of social struggles and the significance of coalition-building inside unions, has been identified as crucial for revitalizing the Canadian labour movement (Briskin 2008; see also Yates 2006). Since a majority of the country’s job growth has been taking place outside the manufacturing, construction, mining, and logging sectors, and because the economy is reliant on more part-time and low-paying service jobs than before, the USW has identified women and young people, those who work in these sectors, as a source of “new energy” in the union (Marshall and Garcia-Orgales 2006).

6.5.1 Omega Direct Response

Compared to established telecommunications unions like the TWU, CWA, and the CEP, the USW is a recent entrant to ITES. Its first call centre bargaining agreements were not

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10 Organizational issues related to women’s empowerment began at the Steelworkers’ first International Women’s Conference in February of 2000, which gave rise to Women of Steel. This initiative, Fonow (2003) reflects, involved a range of discursive practices and formal structures that sought to institutionalize equity concerns and feminism in the USW. Marshall and Garcia-Orgales (2006) have drawn attention to the Steelworker’s efforts at building a sustainable international solidarity movement that emphasizes the importance of strengthening the ties between workers in the Global North and Global South. The creation of the USW’s Humanity Fund, established in 1985 as a response to the famine in Ethiopia, is examined as a central example of union resources deployed to help support trade unions in South America, where Canadian mining companies occupy a dominant role in the sector.
signed until the 1990s, and still only about 2,000 to 2,500 members, less than 1 percent of the total membership, of the USW come from this sector. Of these workers, most are concentrated in Ontario (District 6), Manitoba and British Columbia (District 3). This development has been the focus of several influential articles on the USW’s intervention at the Omega Direct Response (OMDR) facility in Sudbury, Ontario. Guard, Steedman, and Garcia-Orgales (2007) provocatively address the successful efforts of organizing the “electronic sweatshop”, and how the OMDR campaign defied traditional strategies by relying heavily on inside rank-and-file workers as leaders in the unionization efforts. As these and other authors conclude, the “winning strategies at Omega were developed and implemented collaboratively by the organizer and the inside committee” (Guard, Garcia-Orgales, Steedman, and Martin 2006, 283). Experiences in the Sudbury facility helped prepare the USW for an engagement with the organizational features unique to outsourced call centres. Indeed, tactics were developed that reflected the situation at the Omega centre. This is what made the rank-and-file intensive efforts so instrumental. As the USW organizer, Denis Dallaire\textsuperscript{11} (2008) discussed in an interview,

If you’re going to start any new campaign, you really got to have key people. You can’t just stand outside and say sign your card and give it back. It doesn’t work that way. You really have to inoculate the inside committee to prepare them for the management campaign….\textit{We really need to build the inside committee and have natural leaders that are passionate about it}. It’s not always there, sometimes you have only one.

\textsuperscript{11}Dallaire was himself the past president of the Office, Technical, Professional Employees at Inco and was part of unionization efforts in his own workplace back in 1990-1991.
Forming a sustainable group of supporters and transforming them into organizers was made difficult by the rapid employee turnover. Flexible shifts and inconsistent schedules prevented close relationships between employees from being established, hindering the union’s ability to construct a comprehensive database of contact information. For months, Dallaire was taking on the organizing tasks by himself and, even as the campaign escalated, he was joined by only one support staff. Intimidation by managers created further challenges. Several workers were nevertheless transformed into union activists as the campaign grew. A successful campaign, this case indicates, can be attributed not only to rank-and-file support, but also to the experience and support of veteran organizers who are sufficiently resourced by the union.

The case of OMDR’s arrival in Sudbury is not unlike the conditions that prompted New Brunswick’s entry into the post-industrial economy. The city developed an aggressive marketing campaign and offered financial incentives to employers if they established call centres in the region, and emphasized the local unemployment rates, availability of skilled workers, training opportunities in local post-secondary educational institutions, and property acquisition and leasing costs, as part of its appeal (St. Pierre 1999a). OMDR was the first, and for a time the largest, company to set up in 1999, with 1,500 employees at two sites (Guard, Garcia-Orgales, Steedman, and Martin 2006). Sudbury’s declining manufacturing and resource sectors meant that the traditional sources of employment were being eroded. Dallaire (2008) recalled, “there was excitement in the city, they were
all very positive about the new employer coming in even though they’re only paying $8.00 an hour [as a starting wage]”. Unions had a substantial presence in the city already, notable the USW, with a density rate of almost 50 percent, predominantly male, skilled and semi-skilled industrial workers. Union halls and events were hubs for community life (Guard, Steedman, Garcia-Orgales 2007). But, outside of the white-collar component of large firms like Inco (before it became Vale Inco), knowledge sector unionization was limited to government workers in the city. Economic conditions created a favourable climate for call centres in the city, with an educated and largely female pool of workers constituting the labour market. Omega was further advantaged by its ability to hire Ontario Works recipients as an inexpensive source of labour, contracting them for brief periods of time before letting them go. The company’s decision to exploit this vulnerable group of workers, research suggests, provoked employees to recognize the injustices commitment by the company and helped build support for the union (Guard, Steedman, Garcia-Orgales 2007).

Conditions of employment, characteristic of call centre work, and the behaviour of management were leading catalysts for unionization. In fact, accounts by organizers, shop stewards, and the USW organizer point to the arbitrary nature of managerial decisions and lack of respect by employers as the primary cause for union intervention. The company also fell through on its commitment to introduce a benefits package, even months after the facility opened. After the fanfare had settled in Sudbury the reality of
work at OMDR was known throughout the city. Dallaire tells of an acquaintance working at the call centre:

The first day I remember... she calls me says, wow, we got this big [policy and procedural] manual, and it looks positive, it’s so up-beat. Then, two or three days later she says, I’m getting a funny feeling it won’t be what is says in the book. And it went kind of downhill, [but] she was determined to make a go of it... [She] calls me a week or so later and says, it’s just not good at all. If there were any balloons involved, they’ve burst, and we need to bring in a union there.

This prompted a discussion within the regional USW offices about whether or not the union should attempt to organize the facility. Not everyone thought the campaign would result in success. After the drive was approved by the USW, Dallaire took a leave from his job at Inco and began what would become an approximately seven month organizing campaign.

Judy Searson, the Unit Chairperson for the amalgamated local representing OMDR workers, offered a poignant description of work at the call centre. Herself trained in HRM with extensive managerial experience in the service industry, Searson began working at Omega after the campaign had concluded. She took on the role of shop steward after six months with the company and moved on to became unit chairperson shortly after. “I would have never stayed there if it hadn’t been for the union. I don’t think I would have lasted two months”, Searson (2008) recalls. “It had to be the worst job that I have every worked at in my life”. Most accounts of the Omega managerial staff indicate a lack of professionalism in conduct and skill. “[T]hese people, they just, they figure, ‘I’m management so I can say or do whatever I want to you and you just have to take it
because you’re this lowly worker’… For some reason they think… in order to be a good manager you have to be hated. I had one of the supervisors tell me that one day” (Searson 2008). Even the selection process was described as haphazard, confirming what studies have concluded about hiring requirements in outbound facilities (Carroll and Wagar 2007; Van Jaarsveld, Frost, and Walker 2007). As one shop steward commented,

They were just hiring anybody by random when I got hired. There was like seventy people, there was three-day training, except Omega didn’t know what they were going to do with seventy people… They can’t seem to keep people employed. The turnover in Sudbury, I would say about 17,000 people have been through that same call centre… Because it’s not an easy job. (Wendy 2008)

A lack of professionalism on the part of management, as well as anti-union efforts by the employer, contributed to the union’s success. OMDR brought in an operations director from another company tasked with the responsibility of keeping the union out. But, Dallaire (2008) says, “the project leaders were taking it upon themselves to do stupid things… and we took it to our advantage”. The campaign started to bring evidence of poor working conditions and labour code violations to the public’s attention. After the union filed a charge with the Ontario Labour Relations Board (OLRB) over Omega’s decision to fire an employee for being actively involved in the organizing campaign, support grew for the drive. The incident also gave the union an additional advantage, since the Board not only ordered the reinstatement of the employee, the company agreed to mail all employees a package which included union cards and other union information. Whereas the campaign had previously been restricted to signing cards outside the workplace, this turn of events allowed the union to communicate with all employees
through the company database. Successful appeals by the union showed employees that
the Steelworkers were an effective organization capable of representing the workers.
OMDR President, Bharat Hansraj, however, was increasingly concerned about the public
image his company had in Sudbury. Citing the jobs and other benefits Omega brought to
the community, Hansraj said in an interview, “I’m not sure how much Sudbury wants
these call centres anymore” (St. Pierre 1999a).

Organizers stressed that the intention was not to chase the call centre industry out of
Sudbury, or to create antagonisms with OMDR and its managers. Fairness and respect
were the chief goals of the drive, in addition to the establishment of a benefits package,
seniority structure, and a grievance procedure. But Omega used economic uncertainty
and unionization to claim that a real threat to the company’s financial well-being actually
existed. In addition to OMDR’s decision to terminate an employee for supporting the
union, and by threatening to dismiss any employee to be found working in support of the
USW, the company also stated that it would close down the facility if employees voted to
be represented by the Steelworkers, again breaching the *Ontario Labour Relations Act*. In
its letter to the employees, as per the agreement with USW organizers as an act of
remediation, Hansraj was forced to concede that it broke provincial labour relations
legislation. Even after certification, management reiterated these threats, despite the fact
that the company was still profitable.

Originally when they were going to unionize, that was the threat, they'll shut it
down… Well guess what? We unionized and they didn't close the doors. Then
they said, what was it, the first arbitration we had it was around layoffs and seniority, and they said if you take this to arbitration we'll close the doors. Well we took it to arbitration and they didn't close the doors. It's threats, and it's idle threats. I said, they're not going to close the doors, they are making money! (Searson 2008)

Staff were also beginning to learn more about their rights in the workplace and responded to management accordingly. “The inside people that we had were really well versed in what their rights were”, Dallaire (2008) explains. “Some of them, I’m telling you, I so admired them. They just would go right up to [managers] and challenge them: ‘Do you realize that this is breaking article X [of the OLRA]?’”. Dallaire attributes these bold responses to the strong communications skills call centre workers developed on the job, especially with respect to their experience taking abuse from customers. These occasions were also a reflection of how the campaign accelerated over time, starting as a discrete, “low key” drive and moving to a point where supporters were wearing union buttons in the workplace. Establishing a sustainable organizing committee remained difficult, however. Though hundreds of people had signed cards, only a handful of employees were willing to be active in the campaign. “It wasn’t an aggressive push over, we slowly took it and built on them” (Dallaire 2008).

Organizers increased their presence at social events and used social networks to reach out to employees. Sudbury’s Labour Day picnic was used as an occasion to sign over sixty members. Gary Patterson, then-president of USW Local 6500, invited Omega workers to the event to “give them a taste of what unionism is all about”. A banner reading,
“Welcome Omega Employees”, was the union’s attempt to attract employees working for Sudbury’s largest call centre (see St. Pierre 1999c). Union activists had role-played the call centre experience for participants at the event, helping to create an affinity between the union and OMDR employees. This approach was innovative and effective, since it was a means of establishing a collective identity amongst the workers by drawing attention to the shared stresses involved with call centre work through consciousness raising. “Get a real job” was the play developed by rank-and-file organizers, and later performed by Ring Around the World players at an international conference on call centres in Toronto in 2003. The title was drawn from the abuse call centre workers would receive over the phone when clients would tell them to “get a real job”. Each telemarketer would recite their story about how they were coping with the stressful conditions of work, presenting a realistic depiction of employment (see Pilon 2003).

The reinstatement of the terminated employee and the company letter reassured people that it was indeed safe to support the union, assisting the campaign by giving the drive a “kick start”, as Dallaire put it. Accompanying the growing pro-union momentum, rank-and-file opposition to the campaign also surfaced. Organizers were suspicious that the anti-union activists were coached or supported by management, but the union could never confirm the claim. In a couple of instances the two parties, supporters and opponents, would rally to demonstrate their position publicly.

I remember the day we filed the application, we had a rally… and I’m standing there and we have maybe seventy-eight [to] eighty people… and the anti-union
group were standing next to me, but I had one of those bullhorns and they were trying to pull it away from me… [They cried] how it wasn’t fair, I was being heard more than they were. (Dallaire 2008)

Antipathy and outright opposition corresponded with the history of unionism in the region. The prevalence of a union culture also meant that friends and family members of some Omega workers had negative experiences with unions, fostering a predisposition amongst these workers to avoid or fear unionization (Guard, Steedman, Garcia-Orgales 2007; Searson 2008). How call centre workers identified themselves as knowledge workers is likely to have affected their propensity to support or reject the union as well, at least from the union organizer perspective. “You wonder why we have difficulty getting organizers… [O]ur culture of being white-collar at Inco is no different, I remember visiting people that I knew seven times before they signed their card, and I knew their family members and everything. What is it?” (Dallaire 2008). Other narratives indicate more open hostility. Local media reported the feeling of hostility experienced by some union opponents, with one employee stating, “Ever since they started talking about forming a union, this has been a very stressful place to work… I’ve been verbally abused by pro-union people” (O’Flanagan 1999). Dallaire (2008) also explained the prevalence of company managers creating myths about inside committee connections with the union:

What do you do? You built the inside committee, some of them [are ridiculed], they call them the elite… I’ve had one place they were saying, ‘do you realize that once you unionize that the inside committee will become the union bosses and will benefit from the union dues’… We’re demonized big time and until laws can change we’re disadvantaged.
In a complaint that would represent a standard tract against unions, call centre employees publicly suggested that the union was ignorant of what companies actually provided in wages and benefits. Reproducing anti-union arguments forwarded by employers, a Sudbury call centre workers commented, “What do you think would happen if the prospective buyers or companies that bring business to all of these call centres were bombarded with demands and ultimatums? They would turn around and go with the lowest bidder and would leave the teleconferencing future of this city dead in its tracks” (Brown 2001). As media coverage of the campaign indicated, this sentiment was not uncommon during and after the unionization drive at OMDR (O’Flanagan 1999). Because some of the region’s call centres were paying more than minimum wage without requiring post-secondary education, employees voiced support for existing benefits and feared the repercussions that would follow from unionization. It was not insignificant that the Omega employee cited above was writing after the successful campaign at OMDR, when the company first introduced the benefits package after a collective agreement was finally negotiated. Other statements reveal that employees were genuinely suspicious of the promises made by union organizers. One staff person argued with co-workers that “nothing is going to change” and that a union “is not always going to fix what’s wrong” (St. Pierre 1999b). But it is worth considering that some employees were convinced by OMDR’s threats of a facility closure, and fearful that they would lose their jobs if the union efforts succeeded.
Despite the anti-union efforts of OMDR, the Steelworkers successfully gained the confidence of workers, who voted 68 percent in favour of unionization. Dallaire emphasized how important this was not just for the USW, but for the labour movement as a whole. “I remember the day after winning the vote and having different unions calling me, leaving messages about finally, somebody has finally made a breakthrough of significance”, he recalled. Indeed, the structure of outsourced and telemarketing call centres stacked the odds against the union’s efforts. As Dallaire said, “It’s almost fool proof to keep unions out”. After months of campaigning, turnover threatened the sustainability of an effective organizing campaign, and other, more ambivalent employees, grew disinterested in union activity. The certification process provided the employer with an advantage as a result. Even after unions submit applications with a solid majority having signed cards, managers can commence their campaign in a short period of time and “turn a lot of people around” (Dallaire 2008). Omega’s CEO publicly stated at this time that he could not guarantee the company’s presence in Sudbury if staff decided to unionize (see St. Pierre 1999d). As studies in other Canadian jurisdictions conclude, management opposition, measured by unfair labour practices, is at least twice as effective in the voting regime as compared to a card-check system (Riddell 2004).

Success was hard fought and claimed as an important victory for the Steelworkers. New strategies were deployed and a range of lessons were learned for the industrial union regarding this growing industry. Even before the final certification vote, Omega
employees at a Toronto facility expressed interest in organizing (St. Pierre 1999b). Obstacles seemed insurmountable at first, and organizers had to initially convince union officials that the campaign would be beneficial for the organization. But despite the certification victory, the USW and its supporters faced immediate hurdles. Not one year after electing to be represented by a union, members voted 85 percent in favour of strike action to back contract demands. OMDR had, at that point, refused to agree on a first collective agreement, prompting workers to threaten labour action. Officials with the company refused to publicly comment on the talks (Sudbury Star 2000). However, by the end of 2000, both the union and OMDR had settled on a collective agreement. Sustaining membership interest, despite the message conveyed by the overwhelming support for a strike vote, continued to be a problem for the local. As the Unit Chairperson points out, “The most that we get out… is about thirty people… So when you can’t get the activists to come out to a meeting, how do you get the membership? (Searson 2008)

Searson’s frustration with the lack of membership involvement in union activities applied to workers throughout the local, which is composed of fifty-nine units and approximately 2,900 members. It was even difficult to get unit chairpersons and shop stewards to attend. Building a union identity amongst the membership has been a challenge, and Omega employees, by some accounts, are still not confident enough to confront managers through the established grievance procedure. Turnover has lent to this problem, especially when it comes to the appointment of stewards, but more generally because
time and experience is needed to develop a confident and empowered union membership.

Wendy (2008) remarked,

> We’ve had a couple of people we’ve made shop stewards, they haven’t lasted too long. They’ve gone to other jobs. It’s not the fact that they’re not committed, it’s that they’re young, and in a call centre you don’t want to be there for the rest of your life, that’s for sure. It’s kind of hard. Do young people really get involved? No. It’s mostly, I’d say, thirty-five years of age and up.

Wendy’s own experience is telling of what contributed to her involvement with the steward position at OMDR. From working as a coordinator of a collective kitchen to her involvement at a women’s centre, Wendy’s commitment to social justice-related employment helped her develop a sense of affinity with unionism and human rights at work. When asked about the satisfaction she derives from the job of CSR, Wendy (2008) remarked, “I personally don’t like the job, I like the people that I work with. I’ll be honest, the reasons I’m still there is because I’m part of the union”. Other comments were suggestive of how influential a unionized environment can be for employee retention. “I heard some people say they would never go to another call centre because the fact that none of them, there isn’t another one unionized in Sudbury” (Wendy 2008).

The lack of employment options in the region was another factor that kept some employees at the facility. While the reality of turnover cannot be avoided, former employees who had moved on to other industries indicate that their interest in unionization at Omega prompted them to become union activists in their new workplace.

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12 Just prior to working at Omega in 2002, Wendy was employed with a local taxi company and had been involved with a union campaign at the workplace, which ultimately ended in defeat. She was terminated from the company shortly afterwards and was encouraged by friends to apply at OMDR.
From the vantage point of union members, Omega’s senior and front-line managers never relented on their resistance to the union. Searson (2008) was very blunt in this regard: “They hate the union with a passion, always have”. Like Wendy, Searson was adamant she “would have never stayed [at OMDR] if it hadn’t been for the union”. The company has on a number of occasions tried to remove her.

They actually tried firing me three times. [In] 2003 I was terminated because they said I was AWOL. They said I was out trying to organize a call centre in Thunder Bay. And then in 2004, August, they terminated me for low SPH [sales per hour].

Searson admits that her ability to sell was less than stellar, and jokingly responded that she would never leave the Chair position and return to the phones. “I know that I wouldn’t have the ability to fight the way I do now”, she continued. But her account of the incident reveals a deeper intent behind the termination. A senior HR manager deliberately tried to prolong the arbitration process she had filed, thinking that if Searson was away from work for a given period of time it would be considered as her stepping down from the position as Chair. The attempt failed and Searson was reinstated with pay.

This is a reflection of poor management and a deliberate strategy to undermine the union’s representative structure. Because of limited involvement in union activity amongst the Omega workforce, the union’s influence in the company has been contingent on the experience and knowledge of longer serving activists who currently hold the positions of steward and Unite Chair.
One of the most contentious issues that provoked Omega employees to unionize were the sales per hour (SPH) statistics, which management used to assess and rank performance. Employees were routinely sent home because they were not making sufficient sales, but the termination of employees on these grounds ceased after the establishment of a collective agreement. Considering that Omega is an outsourced and outbound call centre, attempts at changing the company’s performance standard was challenging for the new local. But the union raised the issue with OMDR, stating that if scripts are followed verbatim and call centre workers are conducting their jobs according to requirements, the ability to secure sales would continue to be uncertain, at best. Searson (2008) declared that if Omega enforced a strict policy on SPH, despite the union’s use of an arbitrator to appeal dismissals on these grounds, agents are implicitly encouraged to deviate from scripts and deploy dubious methods of securing sales.

They’re what we call in the industry as “slammers”. They’ll lie to the customers to get the sales. I said, those are the sales that don’t stay. Those are the people who call the company and say look, this isn’t what I was told and … I don’t want this.

Without a union’s presence, employees were unable to voice such objections, according the Unit Chair. But the frustration and stress employees felt when berated for not making sales added to the level of attrition.

The strains of making sales under intense pressure are exacerbated by the hasty training process, which took new entrants from the classroom to the sales floor in less than two weeks. At one point the process had been reduced to one day! From the union’s
perspective, management refused to concede that this was an inappropriate amount of training and that the company should introduce a lengthier and more comprehensive training regime. However, representatives from an Omega client, a U.S.-based financial institution, recognized that the CSRs were not getting sufficient training after they monitored calls. For Wendy, Omega managers from the Toronto and Sudbury facilities eventually came to acknowledge the problem, but this issue has yet to surface at the bargaining table. “When you’re bargaining you’re going in with what members want”, Searson pointed out. In other words, in the surveys conducted by the union around bargaining time, training is not listed as a priority.

As the accounts provided by organizers, stewards, and chairs suggest, the union has been able to provide measurable and qualitative benefits for the employees at Omega. By the latter it is meant provisions secured through non-contractual language and bargaining agreement clauses, by way of worker empowerment and the ability to counter management through the intervention of union representatives. One example is the feature of resistance to workplace surveillance. Telemarketers at Omega are aware that calls are monitored, both by clients and the company. Several employees have also recognized that the purpose of surveillance has shifted from fulfilling a “coaching position”, as Searson (2008) notes, to a disciplinary mechanism. Managers deliberately targeted union activists like Searson as a means of building a case for dismissal based on poor performance. As Wendy (2008) put it, “as soon as you put those shop steward shoes
on you got a target on your back”. Workplace solidarity was exercised in an effort to undermine management’s attempts at disciplining union activists.

I remember this one little monitor, I’d go in the morning and she’d say, okay Judy, you’re on the hit list again. And before she would monitor me she would walk by very quickly and say, okay, you’re up, be really really good for me. And I would. I would be completely scripted and there would be absolutely nothing on the tape, nothing they could use against me… [The] monitors liked me and they were my members! So they would come warn me… (Searson 2008)

Monitors who colluded with managers were viewed with suspicion by colleagues since they were part of the same bargaining unit. Actively supporting management’s intent to use surveillance as a disciplinary rather than a training tool would prompt responses from other call centre workers, especially those targeted for surveillance. The union structure operated as a formal and informal channel for resistance, even if the collective agreements did not contain clauses specific to the use of surveillance, audio or video, in the workplace. ”We have had some monitors that went along with management and really did try to nail people and get people in trouble”, Searson (2008) commented. Her response was to threaten to revoke the member’s union benefits on the grounds that he was causing harm to another member. After a process of complaining to management, the monitor quit that position and moved to reception. Consequently, Wendy (2008) pointed out that it is tough to find monitors because “you don’t want to be hated by your colleagues”. Having access to this information meant that monitors possessed important knowledge as to why particular call centre agents are being surveilled, be it for training purposes or disciplinary action. So while there were strategic reasons to have union activists performing that function, it still remained an unappealing task.
Despite the antagonisms faced by union organizers in the months leading up to certification, as well as the ongoing challenges in the years following their initial success, the biggest threat to the USW Local 2020 has undoubtedly been the precarity of the outsourced global call centre market. It is here where unions are at their greatest disadvantage. When OMDR was acquired by the Indian firm, Silverline Technologies Ltd. in 2008 (*BusinessLine* 2008), fears surfaced that the company would increase its use of offshore facilities. Searson suggested, however, that the Sudbury workers do not understand the scope of the problem. At its peak the Sudbury OMDR facility employed approximately 1,500 people, but by 2005 that number shrank to fewer than 300, with about 200 to 250 being part of the bargaining unit. As a staff representative for the Steelworkers indicated at the time, business has been most affected by the post-September 11 economic downturn and, by his account, the do-not-call legislation in the United States (St. Pierre 2005). “I was there when they were downsizing from 750 to 200 people”, Wendy (2008) said. “[B]oy were they getting rid of people left, right, and centre. Sometimes I wonder if they weren’t getting rid of the wrong ones”. Shop stewards had what was described as a case overload and the company was using simple infractions to issue verbal warnings and written reprimands, sometimes in the course of a single day. By 2008 the number of employees sank to less than 130, by Searson’s (2008) recollection. More problems surfaced in 2002 when call centre staff were being sent home without pay as a result of downsizing. The union struggled with a way of dealing
with this crisis because it had no control over the company’s shrinking client base and revenue.

Of the few options available, the union and employees filed grievances citing the Omega’s denial of seniority rights. Gerry Loranger, a staff representative for the Local, indicated that stewards had received over fifty grievances from members of the unit over the issue. The director of operations at Omega responded that the skills and performance history were a factor in determining layoffs, not just seniority rights, citing provisions within the collective agreement as a justification for how the process was carried out (Wilhelm 2002a, 2002b). Rifts within the membership surfaced as a result.

There was a couple of the younger ones that felt they should have stayed. I said look, no, this is what the union’s about, we’re all about seniority. We had a couple of them come to me and wanted to grieve the fact that they’re getting laid off. We said, no, you can’t. Sorry, but… you know, the senior people stay. (Searson 2008)

Searson recognized the limits to what unions, in their present state, can do as a response to globalization and precarious aspects of call centre employment. When Coronna, Ontario-based 411 call centre workers employed by Nordia, a joint venture involving Bell Canada and Excel Global Services, lost their jobs due to company downsizing, the USW was presented with limited options. The company cited the innovation of voice-automated technology and growing business demand for self-service offers as the reason for cutting jobs and concentrating operations in Kitchner’s existing centre (Sarnia Observer 2006). Workers had voted in favour of certification at the facility just two years earlier, following an application to the Canadian Industrial Relations Board (CIRB)
(Casselman 2003). Talks to bargain a closure agreement between the union and the company broke down as Nordia refused to provide an enhancement to severance packages mandated by the Employment Standards Act (ESA) (Canadian Press 2006). While the company did agree to provide some severance to those workers not covered by ESA provisions, it refused to continue employee benefits or to fund an employee adjustment centre. Similarly, just four years after Telespectrum employees in St. Catharines certified with the USW, the U.S.-based company closed its doors almost overnight. The company said it regretted the loss of jobs but insisted that fluctuating client demands forced the business decision to close (see Adamczyk 2004; Fraser 2008). In an interview with Bryan Adamczyk (2008), a USW staff representative, it was revealed that Telespectrum was shutting down largely due to the high Canadian dollar.

The OMDR Unit Chair was adamant that as the USW became a global union it could wield greater influence over transnational employers. This would still take vast support within unions. “[Y]ou have to educate our members about their power”, she continued, “[u]nions have the power if they wanted it” (Searson 2008). Indeed, the union’s success at Omega was followed by the unionization of several other call centres in Ontario. In 2001, USW International President Leo Gerard told members that the union “will not let Sudbury became a low-wage community… We’re looking aggressively to unionize these folks” (cited in Bradley 2001). Gerard was concerned that the growth of call centres in the region would mark a lowering of wages and hurt the area’s economy. In 2001,
Dallaire, inspired by the victory at Omega, took on the task of organizing TeleTech, part of Colorado-based TeleTech Holdings, then Sudbury’s second largest call centre after Omega. Ultimately the certification campaign was unsuccessful, due to what was seen as the company’s more effective and professional anti-union strategy (Whitehouse 2001; Dallarie 2008). Local call centre companies learned a lesson from OMDR’s mistakes. But Wendy (2008) was certain that the USW’s presence in the sector made a difference in Sudbury’s non-unionized call centres.

Well, I’ll tell you that call centres now, if it wasn’t for the union at Omega, I don’t think people from TeleTech and Persona and even at Rogers… I think they’re treated a lot better because of the union, because we are unionized and they don’t want to be.

In the outsourced call centre market this is especially significant, where turnover is highest and employment security minimal. Other Steelworker call centre cases further reveal the advantages of unionization, not just in terms of benefits and financial gains, but as a regulatory mechanism that structures worker voice into workplace decisions.

6.5.2 Strategic Communications

Strategic Communications (SC) is a Canadian-owned outbound call centre that conducts surveys and polling for unions, social movements, non-profits, political parties and advocacy groups. With two locations in Canada, one in Toronto the other in Vancouver, SC has been providing services for clients in Canada and the U.S. since 1991. The focus here will be on the unionized Toronto facility, which has been in operation since 1994. Not unlike the appeal of social justice that attracted a handful of Omega workers to shop
steward and unit chair positions, union activists with the USW local at SC followed a similar path. This matched the company’s self-image, which is fashioned as a “socially progressive firm” (StratCom n.d.). Gail Drever, the Unit Chairperson, had been with the company for ten years and had previous experience working in a government job and then subsequently fundraising for environmental groups. Drever was active in the initial union organizing campaign at SC three years prior, and considered herself a high profile union activist at the time. During her past experience working for the government, Drever was unionized but never active in her union.

Because of its political and social orientation, USW officers recognized that the company was different than most call centres, especially in comparison to OMDR (see Adamczyk 2008). Fair wages and a progressive attitude towards work were ostensibly embedded within SC’s organizational framework. But, like any workplace, dissatisfaction with human resource and management practices prompted employees to think about unionization. For Drever, the rapid growth of the company in a short period of time contributed to discontent as managerial policies were not developing along with SC’s expansion. What appeared from a caller’s perspective to be arbitrary wage increases left an impression with some workers that favoritism motivated management decisions.

So the growth was just amazing. It was still being run very haphazardly. I mean this is a personal perspective on it, not just my own, but some of the reasons for it were the wages were really bad and any attempts to give wages were sort of arbitrary and sporadic. They [management] would just announce that some people were going to get a raise [laughs]… We got to the point where enough was
enough, we need to even things out and make it more acceptable to everybody.
(Drever 2008)

While the dissatisfaction with certain policies was prevalent amongst the callers, some of the senior call centre staff were not in favour of unionization. Most agreed that changes were needed in several respects, but there was not a consensus that union representation was a necessary step. By this point there had already been an attempt to organize SC, but the campaign was met with opposition from employees and the employer due to the union’s stance on environmental issues. As Draver recalls, the union in question represented forestry workers in British Columbia and had pursued legal action against Greenpeace, an SC client. The owner of Strategic Communications “came into the phone room and had a captive audience and talked about why he didn’t like this particular union”, she said (Drever 2008). This account suggests that the employer did not openly oppose unionization, but the company was not supportive of the union in question, and it quickly became evident that the initiative would fail.

Without a union the employees were left with few recourses of action in their attempts at transforming workplace policies. The response was to form a staff association as a way of negotiating sick days, wages, and other issues. As the Toronto SC manager, Kim Erksine (2008), acknowledged, these agreements were not recognized by the Ontario Ministry of Labour and were effectively based on an “honour system” determined by the employer’s willingness to comply. Drever labeled the agreement as “very corporate”, and the absence of a binding grievance procedure furthered employee dissatisfaction with the existing
association. Activists started to “shop around” for unions not long after the failed attempt at organizing, and finally approved of the Steelworkers after interviewing union officials. The USW’s commitment to industrial democracy and rank-and-file participation in managing the local and the broader union structure was seen as an appealing advantage over other unions. An emphasis on union training and education, a hallmark of the Steelworkers’ approach to addressing grievances, among other issues, were cited as additional strengths. During the second organizing campaign, Drever noted, the employer was far more removed from the process and did not exert anti-union sentiment. “I think when we chose the Steelworkers”, Drever (2008) said, “they sort of went along with it. They didn’t actively oppose anything”.

As bargaining began, management was less antagonistic to the union and employee demands when compared to the OMDR case. Contract negotiations and the organization of work, however, still remain fixed to a workplace politics governed by a division between management and employees. It was for this reason that the staff association and its non-binding agreement failed to address workers’ concerns or mitigate the perception of arbitrary decision making. The staff agreement also lacked a representative structure, so callers were still required to address problems as individuals rather than making appeals as members of a collective organization. When asked about the relationship between callers and management, the Unit Chair responded,
It’s mixed. I think most people approach a union shop steward, even with minor stuff. There are a few people who will talk to management. If they aren’t able to get a satisfactory answer, they will come to the union. Management here is not hard to approach. But, what people find generally is when a [steward], or myself, approaches them with something they get a much quicker response. (Drever 2008)

With regards to employee satisfaction and the professionalism of managerial staff, the difference between OMDR and SC was palpable. “There are a lot of reasons why people would stay”, Drever (2008) argued. “[I]t’s also a relaxed and friendly environment, and that’s what keeps people here. They have flexible work schedules”. From management’s position, the company has a “good relationship with the USW” and the employees as a whole are described as a “very active group of people, a really intelligent group of people” (Erskine 2008). Employee commitment to SC can be attributed both to the attitudes of managers and the company’s socially progressive vision, as well as the protections now offered through a collective agreement and union representation. This is why SC boasts of a retention rate above the industry average for outbound centres – according to Erskine (2008), the average length of stay for employees is two years, with turnover being highest in the first three months.

Another feature that helped set SC apart was the inclusion of work processes in the bargaining agreement, specifically training and work distribution in the most recent round of negotiations. Drever had experience in the industry but she did find that the “training was minimal at best”. Even the senior manager admitted that how the training was delivered needed improvement (Erskine 2008). The union successfully appealed for a
position in the bargaining unit for a training coordinator who would be responsible for identifying callers that were not producing results. This ensured that the focus on performance monitoring was directed at making constructive improvements and not discipline. The purpose, it was explained, would be to “work with people, to improve their skills, or find out what’s wrong without punishing them” (Drever 2008). A contributing factor to SC’s financial success has been its capacity to adequately resource these new training positions and expand the program. At one point Erskine was responsible for not only managing the Toronto and Vancouver call centres as human resource director, but also dealing with labour relations and training. These duties have grown as a result of unionization to include bargaining. It was seen as necessary for the training process to be made the responsibility of more than one individual already tasked with managing the facility. Supervisors were made responsible for one-on-one coaching rather than administrative duties, furthering the company’s commitment to improving the skills of callers. Most of the broader structural changes are not specific to the unionized facility in Toronto, but cut across SC’s operations.

From the union and company perspectives, recent changes to company policies related to training, for instance, have been mutually beneficial. For the unit chairperson, union intervention has enforced collective representation and employee voice. Managerial decisions can now be appealed, for example, through the grievance procedure. For Drever, the wage scale needed dramatic improvements, although the union negotiations
have reduced the number of tiers, meaning that it takes a caller less time to make a higher wage rate.

When we started off, they had a wage grid that was ten steps and our first bargaining [negotiation] was like pulling teeth. We were able to get that reduced to seven steps. I would like to see that continue, to about four steps…. Hardly anybody [stays long enough to make the top tier].

Ultimately the negotiation process has been beneficial to members of the bargaining unit, since wage increases are regular and based on service. The benefits program has also expanded, providing greater compensation to the entire workforce and not, Drever (2008) described it, “some people getting some and others not”. Without a collective bargaining process the employees, working through the staff association, were unable to convince management to make any of these concessions.

Erskine, who started as a caller with the company, provided other insights into how work at SC changed since unionization. In many respects the senior manager agreed that a union presence has improved the quality of employment overall.

It has some positive effect on our quality… in that we have become more organized in how we do the training, performance improvement, review… [B]efore we had one person doing all that stuff… We’re now in a position that I can make a good argument for having more call centre staff. Not management staff, but support staff, like trainers. It has had an improvement there. (Erskine 2008)

Erskine also conceded that a formal grievance process has revoked management’s ability to dismiss employees without a strong justification, to the benefit of both callers and the company. “The way it’s affected the quality of work positively, it has put us in a position
where we had to learn about getting more professional about how to manage [the work] across the board”, she continued. Despite the contentious issues that have arisen, she believed that both parties came out “with an improved relationship”. But, from a manager’s vantage point, Erskine also acknowledged some negative elements that have arisen since unionization. Antagonisms at the bargaining table, as well as over grievances and disciplinary cases, mean that emotional ties between managers, employees, and union representatives surface at the professional level. There is a tendency for animosity that is directed at the in-house manager to persist during and after problems have been raised. Erskine’s sentiment is likely due to SC’s progressive self-image as well as her own experience as a caller when she began work at the company. On the subject of quality of work as a consequence of unionization, the conclusion she drew was quite different.

I don’t think it has improved the quality of work being done… It might have a slight negative impact, we do have people who feel – not that the union or union representatives have told them this – untouchable. ‘I can under perform because I'm in a union and you can’t fire me’… There's more of that sort of thing now. When you put in a safety net… some people will go that way. (Erskine 2008)

Admittedly, Erskine recognized that this is a sentiment rather than a quantitative shift in caller performance. In certain scenarios, though, employees will attempt only the bare minimum standard, according to Erskine. A work-to-rule attitude – especially with regards to literal readings of a script – is a response to management’s efforts at intensifying performance, even though job description titles are used to push callers into doing more than the minimum. Never was it indicated that the union or union officials condone or support this attitude. Despite these subtle attitudes that suggested
dissatisfaction with the union, the senior manager was actually supportive of the outcomes and process. As a response to colleagues in other call centres, Erskine (2008) remarked that the most anti-union managers often “don’t know how to manage in a unionized environment, which is just managing properly”.

Unionization offered a mechanism to mediate disputes between workers and managers where a staff association model failed. The political consciousness of callers at SC assisted the unionization efforts, and the absence of a concerted management-led anti-union campaign helped facilitate a positive relationship between management and the union throughout the process and after certification. Disagreements still persisted at the bargaining table and power imbalance are far from absent, but employees and managers benefit from the establishment of an institutional framework for addressing problems within the call centre workplace. Problems, the dissertation adds, that are not unlike those across the sector. The Strategic Communication case also parallels the type of employer-union engagement that characterizes in-house, in-bound centres, like the USW-represented CIBC Visa facilities in Toronto and Vancouver, rather than the antagonistic relationship reflected at OMDR in Sudbury.

6.5.3 CIBC Visa
By the time Dallaire had begun organizing Omega, the USW already had a history of representing call centre workers in the banking sector since 1990, when employees at the CIBC Visa centre in Toronto certified; the Vancouver branch followed in 1998 (The
Globe and Mail 1998). Not unlike the general characteristic of SC callers and the affinity they possess towards social justice causes, the shop stewards interviewed from the CIBC Visa Toronto facility were trained as social workers and found the task of representing and assisting fellow CSRs, appealing. For Sandra, her initial interest in taking on the job of steward was sparked after the union resolved a grievance in her favour. When a position became available she said, “Why not? Just utilize my skills here” (Sandra 2008). Because the customer service representative job also involves resolving problems, albeit for customers, both managers and colleagues positively received her interest in being a union representative. “[Managers] always compliment in terms of how I was able to deal with the situation, they always want to have me at their meetings. [They see me] as a fair person”, Sandra continued.

After ten years as a social worker, Karen (2008) appreciated a job where she could leave her work behind at the end of a shift. This sentiment is what initially prevented her from taking on a steward position, as well as the time commitment of being a parent. Karen became increasingly involved in union activism after assisting shop stewards, until she was approached to be part of bargaining. Then, she ended “up doing the shop steward work as well. Because people would approach me with all the issues and they kind of have this kind of trust with me. So, I said okay” (Karen 2008). Susan (2008), a shop steward in Vancouver, was inspired by the Solidarity movement in Poland and her previous work history, reflected that, “corporations and people who have money own all
the rights, so someone has to get together and have a voice, to have some basic rights of
privileges if you’re the person who’s losing them”. These initial experiences are
c Contrasted with those of Carolyn Ruppenthal, Unit Chairperson of the Vancouver facility,
who was employed in the centre during unionization.

Ruppenthal came from a family with a business history, and her affinity towards
unionism was not apparent in the beginning. “I actually started out not happy that the
union came”, she recalled (Ruppenthal 2008). This sentiment was shared by other
employees as well, fostering resentment that never completely dissipated within the
bargaining unit. At the time, British Columbia labour law did not require a certification
vote, and the workplace was automatically certified once the union signed a requisite
number of cards. The organizing drive took place over a six-month period, according to
Ruppenthal’s account.

When they came in I said alright, they’re here, I’m going to learn as much as I can
about them so I’m not ignorant… I thought people expected more than what the
union could do… Not realizing that there’s a lot of good that unions can do. (Ruppenthal 2008)

Ruppenthal also resented the fact that the Toronto centre employees received wages and
benefits that Vancouver CSRs were unable to attain. She came to realize that these
privileges were a result of negotiations that had taken place for almost a decade. Other
CSRs in Vancouver realized this as well. In addition to this glaring difference between
the centres, Ruppenthal explained that an HR manager transferring from the Toronto
office had built a reputation of being “very disrespectful of women”. His response to
complaints by employees was what assisted the union efforts: “He said, if you’re unhappy, get a union” (Ruppenthal 2008). The union’s success was countered by a decertification attempt just as the union was in the process of negotiating its first contract, less than a year after formation. Union supporters were suspicious that management supported this anti-union activist, but this allegation was never confirmed. Ultimately their efforts failed.

An ability to respond to member complaints is a vital element of the shop steward and unit chair positions. Depending on the concerns at hand, the union and its representatives are often at an impasse as to how to incorporate these demands into formal complaints or bargaining items. As workplace surveillance at CIBC Visa expanded with the development of technology, employees at the centre were increasingly under the impression that the company perceived the CSRs as potential “fraudsters”. This has prompted complaints, directed through the union representatives, but the question of monitoring has not become part of bargaining negotiations. Unlike Omega where monitors were part of the bargaining unit and worked in-house, CIBC Visa has centralized its audio surveillance and monitoring system in a separate facility in Montreal. A shop steward at the Vancouver facility voiced another type of response to monitoring, suggesting that surveillance is at times both an accepted and merited practice.

We realize that it’s something they have to do. Not so much checking up on us as making sure that the customer gets the best service, and that’s perfectly fine. Then there’s training issues. If I come along and do something and I forget to do something and I do it wrong, I need to know that I’m not doing it wrong twenty
times… [Customers] deserve the best you can give them… Some people feel that they are under the whip, but they don’t understand that that’s the culture. (Susan 2008)

General security concerns and privacy protection are included in the surveillance practices at work. CSRs are not permitted to have iPods or camera devices at their docks, and managers frequently monitor whether or not call centre workers keep their terminals locked if they leave the workstation. Infractions for these violations of company rules will generally involve the union chairperson or stewards (Ruppenthal 2008). Monitoring has become an “accepted” dimension of the job, but CSRs have mixed views of its purpose, from ambivalence to supportive acceptance.

What appears to be of greater concern from a CSR and trade unionist perspective is training. “There’s gaps in between, shortcomings”, Sandra (2008) indicated. “I think it’s a rush to get the class completed”. At one point, Karen (2008) explained, a high turnover rate prompted reforms to the introductory training system, after union representatives voiced their recommendations with management. Ruppenthal (2008) noted that the company does the “best they can do” and that “until you’re actually on the phone, you never truly understand the job… It’s trial and error, but it’s getting better”. As far as the Vancouver Local is concerned, training has never been considered a bargaining issue, partly due to the fact that the material is based on standardized approaches developed in Toronto. While Ruppenthal was content with the training, some shop stewards have indicated that the training period is too short and that the time is condensed to meet the
company’s immediate “business needs” (Sandra 2008). Intervention by stewards on behalf of individual CSRs has been the most common strategy in helping colleagues improve, but managers are reluctant to implement broad changes unless it meets the financial needs of the company. In other words, the statistics-based performance evaluation is the key determinant of a CSR’s worth, and subsequently a justification for remedial training.

Basic evaluation criteria related to time per call and bonuses have so far been left out of negotiations, either because the bank refuses to consider these bargaining issues, or because the union does not feel that it has required support from members to engage with management further, or a combination of both. As Susan (2008) indicated, base salary and grievance policies have been the main achievements of the union; measurement tools and the right of management and supervisors to do their jobs according to company mandates, are effectively off the table. Questions around promotions have been equally absent from negotiations, even though the opportunities for upward mobility at CIBC Visa are far more plentiful than they are for SC and Omega employees. However, all promotions require employees to step outside of the bargaining unit. As an in-house operation, the bank has provisions that allow CSRs to move into management positions or outside of the call centre entirely and into other departments. When asked about aspirations beyond working as a CSR, one shop steward expressed interest in a human resource position, but indicated there are informal obstacles for union activists.
And the reason why they put road blocks [up] is because as a union steward they think we don’t really care about the business, because we’re union. It would be harder for them to put you in that department for the fact that you were a steward. (Karen 2008)

Ruppenthal (2008) emphasized the mobility restrictions in the Vancouver branch, saying that the chances for promotion in the call centre were “virtually nothing”. The flat hierarchical structure discussed in chapter three is evident at CIBC Visa, where there exist CSRs and managers. While not unheard of, she went on, “it would create so much hostility for a representative, regardless of who it is, to become a manager suddenly” (Ruppenthal 2008).

Union efforts have, however, resulted in qualitative gains that might otherwise have been left unresolved. When the Vancouver centre refused to introduce ergonomic changes to workstations for employees with medical needs, the problem was resolved in a few hours after Ruppenthal (2008), at a time prior to her appointment as unit chairperson, appealed the decision with a shop steward. For the most part transformation takes time and employees “don’t realize that a contract will take years and years to build. Each little thing is an achievement” (Ruppenthal 2008). For Randy Gadtka (2008), the regional USW coordinator for the Vancouver area, building mature collective agreements that benefit long-term employees is where a union’s influence is strongest. Some of the impatience reflects the age gap within the bargaining unit, and the demands associated with various age cohorts, as Karen (2008) explained.
A lot of the younger reps, when they come in and look at the collective agreement say, okay, why can’t you get this, this, and this, not realizing how long it took for us to make all of the new changes in the agreement. But after a while they come to understand what the union has done so far for the bank.

Karen shared this sentiment, arguing that basic bread-and-butter issues are the chief priority for a workforce dominated by CSRs in their early 20s. This creates a secondary problem for the union – recruiting shop stewards and building a sustainable community of union activists. “They don’t have an idea”, Karen (2008) exclaimed. “They chuck [the collective agreement] in their desk and if they need to know anything they still have to come back to you”.

Perhaps the greatest challenge that the shop stewards identified was the lack of negotiation and conflict resolution skills amongst the younger workers. Karen and Sandra, for example, said that without the abilities both had acquired as social workers, newly appointed stewards might not have the proficiency to deal with problems in such an efficient and professional manner. Since the union in both centres has become a common and institutional dimension of work in both CIBC facilities, the lines of communication between the union and management have so far proven to be an effective channel of conflict resolution, mediation, and workplace participation. Still, Ruppenthal (2008) reflected, some workers in her unit are still too intimidated to read union newsletters and bulletins in the workplace. “They are terrified”, she says. The Steelworker reps have even been successful at including an introduction to unionism in
the initial training session organized by management, albeit a short amount of time, but nonetheless normalizing the union into the fabric of work.

Issues surrounding participation in union work are common in both Vancouver and Toronto, lending to the frustration felt by unit chairpersons and stewards. Part of this is due to the ignorance common amongst “office workers”, Ruppenthal (2008) insists, who are reticent to acknowledge the strength of collective action, or to recognize how their unionized workplace has secured benefits that they take for granted. Rank-and-file participation is instrumental in securing these hard-fought gains, and management is aware of this. In the time leading up to bargaining the senior manager in the Vancouver facility makes additional appearances on the floor and sales targets are rewarded with food and other prizes. “Usually more food comes out a month before bargaining… Absolutely”, Ruppenthal (2008) joked. Indeed, a disengagement from collective identification as workers works in the interest of managers, who try and persuade employees of their benevolence through open door policies and generous benefits. In this respect there are similarities between the outsourced call centre environment reflected in the Omega case, and the well-compensated and secure employment conditions that characterize in-house call centres situated in the financial sector.

6.6 Conclusion
With rapid developments in technological infrastructure, Canada’s telecommunication system seems unrecognizable compared to its origins as a telephone and telegraph
network in the late 19th and early 20th centuries. Evolving along with the structure of various sectors and the entrenchment of ICTs in the workplace, the call centre worker has taken on a range of titles that differ from the simple operator of years past, from telemarketers to customer service representative. What has remained, however, is the pivotal role these tele-mediated workers play at the intersection between companies and customers, or between governments and their citizens. Convergence and the global division of labour has tremendous influence on how this intersection is structured as well as how work is organized, managed, and seen as a provider or seller of services. High intensity work, gendered divisions of labour, disparities in pay within the sector, and flexible employment regimes generate more problems than were faced with the organizing of workers in previous stages of the profession’s development in Canada.

As an example of labour convergence, the USW is at the same time responding to the challenges posed by the “new economy”, just as it is to structural shifts in corporate organization and globalization. Even moving outside of its core membership in manufacturing and mining, towards representing service sector workers has proven less of a challenge than competing against the nature of outsourcing and offshoring. The Steelworkers’ success at Omega is significant for this reason. While this endeavour was followed by both victories and failures, the experience provided the union with insights into how unions reflect and revise their traditional approach to organizing. A commitment to transforming these strategies has proven useful in responding to
Steedman’s (2003) question: what will the effect of offshore outsourcing be on union presence in the call centre industry if unions are organizing only in the large centres where the highest union density in the industry exists?

Industrial relations regimes across Canada have become less favourable for labour, and, without expansive changes to legislation, unions will continue to struggle with the question of how to represent the interests of workers employed by companies and industries that have literally closed overnight. What the case studies here have shown is that despite these threats and uncertainties, the Steelworkers have made qualitative changes to the conditions of work even where other workers have expressed doubt and, worse, opposition to attempts at certification. Even in situations where employees are dissatisfied with benefits, pay, and acknowledge the lack of dignity and respect by managers, economic uncertainty and fear are powerful obstacles stacked against trade unions. Anti-union efforts, as such, will come not solely from the ranks of managers but also from fellow workers opposed, for ideological and practical reasons, to union representation, uncertain and un convinced by what unions have to offer.

In the wake of a successful campaign, the case studies have also shown that union mobilization is still required to ensure that the bargaining process represents the interests of members and, most importantly, is practiced in good faith. Further, the efforts of building and sustaining a local do not cease once a workplace votes in favour of
representation. The stewards and unit chairpersons interviewed here all shared a commitment to working in the best interest of themselves and their members, as advocates, negotiators, and representatives with management. Union strength, in these instances, has been conditional upon the skill, experience, and commitment expressed by activists inside the workplace. While it is certainly the case that a handful of devoted unionists in the call centres provide most of the immediate services for the bargaining unit, the institutionalization of a union’s representative structure, or more plainly the normalization of a union’s presence, demands a sustainable level of participation. The precarious nature of call centre employment that characterizes outsourced and outbound facilities jeopardizes this possibility.

What the stewards and chairpersons in this study confronted were not only the decisions of management, but the uncertainty many of their colleagues, and they themselves, felt towards unionization. Even individuals trained as managers developed an affinity towards holding a union position once they recognized the arbitrary and unfair practices exercised by superiors. Others saw the need for empowerment and wanted to ensure that labour had a voice in the decisions at work. As Ruppenthal (2008) emphasized at the end of the interview, “[W]e need any help we can get in the call centre to make it a better work environment. I’m really thankful to the Steelworkers for that, because they’ve really educated me a lot. I didn’t realize the rights I had”. In this regard unionization is not a conscious act of resistance, but a means through which workers regulate the terms of
employment and make meaningful interventions in the governance of labour practices. In the next chapter I address how unions attempt to address the uncertainties of call centre and ITES employment on the global scale, and what modes of resistance and regulation are deployed in the process.
Chapter 7
Union Internationalism

7.1 Introduction

Shortly after the end of the First World War, William Lyon McKenzie King, who is widely recognized as the founder of Canada’s industrial relations system, wrote of the existing state of the global economy. As King (1973, 13) reflected, “[i]t is essential to recognize the cosmopolitan trend in order to view the problem of Labor and Capital [sic] in true perspective. It is no longer a local problem or even a national problem… but an international problem of the first magnitude”. King foresaw the re-emergence of a global economy after the devastation wrought by the War, as well as the challenge this meant for the regulation of both wealth and labour. National approaches, he observed, were quickly becoming subordinated to global political forces, dominated, of course, by Britain’s international influence. Internationalism had, however, been accepted in radical circles as an ambition for labour movements since at least the mid-19th century, with trade unionists, socialists, anarchists, communists, and Marxists proposing the establishment of associations that could transcend national boundaries and interests – this was an obvious contrast to King’s conservative vision for a global economy and industrial relations system.

The final chapter draws attention to the international character of organized labour’s response to global post-industrial capitalism. Drawing from Youngdahl’s (2008) prognosis on the future of cross border unionism, the two leading trends in the union
movement identified here are, one, the formation of global union federations (GUFs) and, two, international mergers between national unions. To this list I add a third trend – the development of Global Agreements (GA), which has created a nexus between GUFs, transnational unions, and local labour organizations. While all three constitute a renewal of global trade unionism, the process is one defined by a strong element of centralism and coordination, not bottom-up rank-and-file action, just as Voss (2010) cautions in her study of union revitalization. The thesis is established by commencing with a brief account of the emergence of international trade unionism and global union federations and follows by discussing how UNI, the USW, Unite, and Workers Uniting fit into this historical context.

Debates on the growth and effectiveness of transnational unions have a long and contentious history, and these narratives can by no means be singled out as supporting any single claim about the political motivations surrounding the formation of global trade unionism. Indeed, there exists a theoretically rich and politically vibrant reservoir of literature charting the phenomenon that is labour internationalism. Chapter seven examines the challenges confronting unions and global union federations – successors of international trade secretariats (ITSs) – in their attempts at building transnational alliances and organizing strategies focused on post-industrial workplaces. These strategies, I argue, have been informed by the characteristic of a new international division of labour and post-industrial capitalism, as chapters two and three discussed.
Union Network International (UNI), the Swiss-based GUF has been instrumental in establishing IT labour organizing in India, first with the founding of the IT Professionals Forum in 2000, and later in assisting with the emergence of UNITES in 2005. UNI is the world’s leading service sector federation and a worthy subject of study in the case of call centre employment because of its attentiveness to organizing the IT and ITES sectors.

In Canada, the United Steelworkers’ admittedly limited entry into ITES is, at first glance, a strange bedfellow to pair with an analysis of UNITES and UNI. As the cases in chapter six revealed, the USW employed its own organizers and relied on national approaches to organizing call centre workplaces in Canada. And, unlike UNITES and the ITPF, the union received no external financial resources. Yet the union is part of an international organization, headquartered in Pittsburg, Pennsylvania, that has members in Canada, the United States, and the Caribbean, making it a truly transnational union. The USW continues to be engaged in global solidarity struggles that involve workers from Oceania, Latin America, and South Africa – all well beyond its membership base. In 2007, the international stature of the union grew even further. By merging with Unite the Union (Unite) from the UK, the new global entity, Workers Uniting, became the first trans-Atlantic labour union – only Ver.di, the German Unified Service Sector Union formed in 2001, exceeds Workers Uniting in size and still ranks as the world’s largest trade union with over two million members. While the union merger that formed Workers Uniting may have little immediate impact on the ground in Canada, the international union now
has allies which help fund and support initiatives like UNITES in India through direct union activity and through the support of UNI.

A central contention of chapter seven is to establish that the strengths, regulatory environments, and organizing activities of national and regional trade unions condition the effectiveness of global unionism. Important to this debate is the growing trend of union convergence. Union convergence and mergers, while often strategic, are not by themselves solutions to declining union density rates or to the consequences of global capitalism. Despite the long history of labour internationalism, many of challenges of the past have been left unresolved, and the formation of bigger organizations cannot alone resolve these issues. Further to the point, labour union convergence “is difficult to achieve, full of contradictions, and offers no guarantees of success at the bargaining table”, as Mosco and McKercher (2008, 108) remind us. However, this is not to say that the merger of labour organizations at the national and international levels is without purpose. Convergence can provide workers and their representative organizations with the strength to confront corporations and increasingly pro-business governments by taking advantage of the synergies brought about through the combination of once-independent trade unions and global federations. In some instances, there are equal disadvantages associated with not adopting union convergence if changes in the economic and technological world outstrip a union’s ability to negotiate with radically transformed, and likely converged, corporations.
Communication and knowledge workers especially, Mosco and McKercher (2008, 41) enforce, are well positioned to draw from the importance of convergence considering that workers in these sectors are at the forefront of “producing for a converging arena of electronic information services or knowledge”. This was the thrust behind the formation of Ver.di (Vereinte Dienstleistungsgewerkschaft or Unified Service Sector Union) in March of 2001, marking the emergence of a converged post-industrial union that aims to develop an integrated trade union policy for the entire service sector in Germany. As corporate and technological convergence accelerates in a globalized economy, it makes strategic sense for international and national trade unions to do the same. The five unions that founded Ver.di conceived of the new union as a reaction to the shift from an industrial to a service-oriented “knowledge-based” society, seeing convergence as a necessary step towards renewal and survival (see Keller 2005). But at the same time there are limitations. Affinities between workers across borders are not by any means natural, and labour unions themselves are imperfect institutions that are not consistently well equipped at responding to structural economic changes. Nor does convergence immediately invigorate rank-and-file mobilization, increase the rate of membership growth, or improve the chances of organizing campaigns. Programs that aim to address these difficulties must do so through active interventions and solidarity-building initiatives, as the trade union officials interviewed in this study propose. Union convergence is fraught with pitfalls, but it also opens up new prospects for building
stronger trade union movements by bringing together a coalition of unions and trade union cultures. What the chapter maintains is that the marshaling of union resources around organizing and the implementation and enforcement of Global Agreements (GAs) have the potential to draw from the strongest dimensions associated with convergence by facilitating multi-sector and internationally coordinated organizing drives and solidarity campaigns. While specific case studies are in need of further empirical research, chapter seven works to establish this conclusion by looking at the development of such initiatives from the perspective of union leadership as a starting point.

7.2 Internationalism
Throughout the 20th century, trade union movements in the industrialized countries embodied a range of political commitments that evolved from socialist, anarchist, and liberal traditions. The establishment of the Soviet Union in 1917 and Cold War politics emerging after World War Two further splintered these tendencies within union movements, nationally and internationally. As international union organizations matured in the post-War period, they also came to be increasingly defined as institutions dominated by union federations of the Global North, reproducing colonial-era power imbalances between workers in what came to be acknowledged as a new division of labour.

International trade secretariats were the product of national trade unions that represented specific industries, occupations, and professions. Major craft industries had all
established their own secretariats and by the beginning of World War One there were over thirty such institutions in operation (Busch 1983). These organizations were tasked with exchanging information, organizing solidarity action, research, and liaising with organizations at the national and international level, government and private. They also served as employment agencies that assisted skilled members in finding work if they traveled abroad (Windmuller 2000). In 1945, union federations throughout Europe and North America established the World Federation of Trade Unions (WFTU), which attempted to transcend the skill and trade-centred philosophies that guided most ITSs. The WFTU, centred in Prague, was also Communist-controlled, which precipitated obvious conflicts in the Cold War period. The conservative American Federation of Labour (AFL) had never sought membership in the organization, whereas the Congress of Industrial Organizations (CIO) was part of the WFTU until 1948. By 1949 most of the Western (and non-Communist) unions disaffiliated from the WFTU to form the International Confederation of Free Trade Unions (ICFTU). The AFL was instrumental in mobilizing support away from the WFTU, and, with assistance from the Marshall Plan, it organized a series of union conferences that prompted the formation of the ICFTU. Respective Christian unions developed their own approach and founded the World Confederation of Labour (WCL).

Even within these new union internationals, now ostensibly defined by divergent political agendas, ideological battles continued. In response to the growing influence of American
labour associations within the ICFTU, specifically from the now merged AFL-CIO, European members attempted to link socialist, communist, and Christian centres through the European Trade Union Confederation, based in Brussels (Breitenfellner 1997, 543-544). Cold War politics played a deciding role in dividing labour movements, and the attempts at “internationalism” merely entrenched the influence of world powers in the realm of unionism. As Harrod and O’Brien (2002) argue, the ICFTU was a purposeful rival to the WFTU, and was mandated to battle communist unions as well as confront employers on behalf of members. Critical accounts suggest that the ICFTU was not only complicit with colonialism and actively supported the United States’ role in world affairs, but also collaborated with the new regime of Fordism and state-nationalist unionism. The ICFTU’s adherence to “development” ideologies acted as a front for capitalist expansion in the ex-colonial regions by advancing American interests abroad, particularly as it had a hand in shaping trade unionism in the Third World (Waterman 2001b).

Union federations reflect the features that defined national union movements and reproduced, at times, the existing power structures embedded in world politics. After the collapse of the Soviet Union, the WFTU lost much of its influence and the ICFTU dominated in the terrain of international labour politics before becoming the International Confederation of Trade Unions (ICTU) in 2006. Its position as the representative of “free trade unions” in the non-Communist world meant that the federation’s ideological moorings became disoriented without the guidance of Cold War alliances. The ICFTU
had, according to critics, fallen victim to the uncertainties of globalization and suffered the same inability as regional unions to negotiate with an increasingly transnational capitalism (Waterman 2008). It also suffered from what other dissenting labour unionists described as drifting “along without an ideology, without a policy and without a programme” (Gallin 2002, 239). The main criticism, like that levied against trade union movements at the national level, was that the ICFTU remained committed to a continuation with the old compromises that defined Fordist labour-capital relations. More recently this involved seeking an engagement with international organizations of capital such as the World Trade Organization (WTO), in an effort to represent labour in the global arena as if the Fordist model was still intact. This was evident in the Federation’s activities in Asia, “where the affiliates of the ICFTU are predominantly pro-government, pro-business unions seeking partnership with capital at regional and international levels to legitimate their own claim to represent workers locally” (Greenfield 1998, 181).

The tendency to structure union engagement with employers through collaboration is described by Cox (1977) as the ideology of tripartism, characterized by the historical emergence of a corporatist form of the state, through which trade unions and their international federations seek recognition and legitimacy. Tripartism’s historic roots are grounded in the International Labour Organization’s (ILO) founding principles, dating back to its establishment in 1919 as an arm of the League of Nations. Within the ILO, tripartism is essentially a consultation between government, employers’, and workers’
representatives at each stage of the standards-related decision making process, through which conventions such as those regarding minimum wages, employment agencies, child labour, etc., are established (ILO n.d.). The impetus to adopt universally accepted standards of humane conditions of labour was brokered through structures within the ILO as a means for metropolitan capitalist nation states to mitigate against working class unrest. Like corporatism, the strategies developed by the ILO were politically designed to manage labour problems in a specific era of capitalist development (Elger and Edwards 1999). The process is dependent on technical fields of control and representation by various levels of bureaucratic mechanisms, which include trade unions, industry associations, and government agencies. Rank-and-file union members are, as a result, further removed from the international union movement due to the existence, and intervention, of additional administrative structures. As Dan Gallin (2009), once the general secretary of the IUF (International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers Association), stresses, bureaucratism is a significant threat to union revitalization and rank-and-file activism. While there is indeed strength in numbers and scale, working class mobilization is inhibited by a centralization of authority within labour associations. This tendency contributes to a criticism of union convergence since larger trade union organizations can expand administrative processes and hierarchical divisions between union officials and the rank-and-file.
The sources of these critiques are important, as are the questions they raise about the future of international union organizations. The conclusion is not a dismissal of union internationalism as a whole, but recognition that ideological and political tendencies cannot be transformed without active intervention by the membership. This is true of efforts to rebuild union power but also in shaping unions to effectively reflect the interests of workers in a changing economy. The question then becomes one that takes issue with the definition of internationalism itself – or, how the typologies of internationalisms contribute to an understanding of the historic experiences and future possibilities. Waterman (2001a, 319) clarifies the significance of differentiating between the types of internationalist projects. Whereas labour internationalism “refers to a wide range of past and present labour-related ideas, strategies and practices, including those of cooperatives, labour and socialists parties, socialist intellectuals, culture, the media and even sport”, union internationalism is restricted to a specific and arguably the most central form of worker “self-articulation” and representation today. It is through these models that the dissertation assesses UNI and the USW’s convergence model of renewal.

7.2.1 The Crisis of (International) Unionism
As the hegemonic manifestation of labour internationalism, GUFs are positioned as sites of global solidarity efforts. It follows that union internationalism is currently experiencing a significant crisis considering its role as the institutional representative of labour at the global level. Further, the crisis in internationalism is not unlike the crisis experienced by national union movements. The problems are precisely the result of
strategic orientations produced by a national determination to secure gains for members by winning rights and standards within the liberal or social democratic state. What Waterman (2001a, 2001b, 1992) and his collaborators (Waterman and Wills 2001; see Wallerstein 2000) argue is that union internationalism must renew its strategies by finding alternatives to neo-liberal globalization by strengthening ties with anti-globalization and social movement struggles in and outside of the workplace. In other words, labour internationalism and social movement activist tendencies are the keys to union revitalization. They are, the scholars follow, determined by an ambition to conceptualize unionism around what is explicitly defined as a globalized, networked, and informational capitalist system, vis-à-vis Castells’ (1996) prognosis on the network society.

Waterman’s main fault is his generalization of claims made by post-industrial scholars like Castells and others. The post-Seattle narrative that Waterman supports is worth unpacking as a consequence. The imagery of centre-less and non-hierarchical models that orchestrated the resistance to the WTO’s convention in Seattle during the fall of 1999 drew wide acclaim by activists and scholars. These tactics were similarly exercised to criticize the “traditional” and seemingly dated approaches deployed by trade unions and their “old social movement” allies. While these debates do confront the limits of the ability of trade unions to affect broader social change, no effective solutions or alternatives were uniformly developed in the process of resistance. The questions that
unions face are focused on strengthening, or revitalizing, their capacities to bargain and represent workers, while simultaneously empowering rank-and-file activism and social movement activism as a means and an end. It is not the institution of unionism that is outdated, but the model of organizing, mobilizing, bargaining, and exercising political influence. Anti-globalization protests outside of political gatherings do little to resolve the crisis of trade unionism or the threat to the collective bargaining process embedded in national industrial relations regimes. The same holds for NGOs that seek to represent labour demands in developing countries. At the international level the challenge is compounded by the lack of enforced (global) regulations.

On economic issues social movements have taken on political challenges in ways that have drawn wide public attention and support to their cause, effectively surpassing unions as agents of change in the public consciousness. This has certainly been the case in resistance to NAFTA (see Dreiling and Robinson 2008) as well as talks around the Multilateral Agreement on Investments (MAI), which was successfully stalled by the Council of Canadians. Unions continue to be involved in these struggles, but membership is conditioned on being part of legally recognized collective units. Social movements do not suffer from these formalities. It is not enough for the major representatives of labour to commit to change, Clawson (2003) and others propose (see Bieler, Lindberg, and Pillay 2008a), but instead that democratic movements and mass mobilization make demands on their representative organizations as well as in the broader political and
economic terrain. Renewal is essentially a blurring of the distinction between union membership and civil society, as well as an undermining of cultural and administrative practices within trade unions. Indeed, this was the thrust of Gallin’s (2009) recognition of how bureaucratism within the internationals can sabotage the movement to transform union culture and practices. Whether or not syndicalism and the One Big Union movement becomes a pattern for the future, as Gallin (2002) alludes, remains to be seen.

What many scholars agree upon is the necessity of transnational cooperation amongst labour organizations as a means of coordinating activity in response to multinational enterprises and global capitalism. The question is one about how to make this transnational cooperation work and the extent to which revitalization and a new upsurge can be projected at the global level. Similarly, questions about workers rights and enforceable labour and environmental standards are increasingly debates that must be addressed in international circles (see Gordon and Turner 2000a; 2000b). If the original ITSs were mandated with being information clearinghouses that coordinated national union activity and informed members about the regulation of craftwork, today’s global union federations have begun to focus on developing into solidarity centres that are capable of collaborating with unions, labour associations, NGOs, social movements, as well as governments. This is where solidarity building draws from sociological questions of mobilization. Despite the scope of international federations, the influence of unions is still contingent on the capacity to marshal support through collective action, as Tilly (1978) and Kelly (1998) have theorized. For international federations, the challenge is
one of invoking the collective activity of regional locals, and of sustaining solidarity across national and North-South divides (see Frundt 2005).\(^1\) This is especially important in cases where GUFs have helped facilitate national organizing efforts and then face the subsequent challenge of addressing problems that lie ahead for the nascent labour organizations.

UNI and UNITES, as well as the USW, mobilized around the goal of changing the consensus between capital and labour, even though tripartism is an essential feature of their political approaches. Resistance to neo-liberalism has indeed been a major component of the organizing efforts of unions in Canada and India, but UNI has recognized that for the IT and ITES sectors especially, the traditional models of rank-and-file mobilization must be structured around a new form of regulation. Strategies focused on organizing workers at the physical workplace, bargaining over wages and conditions, and concentrating on the sanctity of full-time work need to be replaced with new structures that can capture flexible, casualized, and even part-time workforces. Vinod Shetty and other YPC activists quickly realized this fact when they began their dialogue with Indian BPO and call centre workers (Shetty 2008). These bread-and-butter foundations do not exclude social movement unionism, or the inclusion of civil society actors. As Lambert’s (2002) example of international trade union involvement in anti-

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\(^1\) Informal versus formal sector employment dominates the challenge of union organizing in the Global South, where national and international union efforts have been met with difficulty. But the issue is one that cannot be left unresolved in the broader debate of international unionism (see Bieler, Lindberg, and Pillay 2008; Davies and Ryner 2006; Stevens 2010).
Apartheid struggles indicates, labour movement renewal is conditional on labour associations to perform both.

Internationalism is a means of rallying the strength to challenge the prerogatives of capital as well as forcing multinationals into a position of mitigating economic crises through a compromise with organized labour. Such a compromise cannot follow a single formula, as Herod (2001) suggests, whereby global unionism adopts a handful of practices that constitute the toolbox of resistance; a range of tactics are required to attempt an engagement with MNCs. Internationalism is one aspect of this engagement. Social movement scholars have furthered this argument by stating that globalization has come to demand new “power repertoires”, which are defined as historically specific constellations of power strategies and defined by Tilly as an “inventory of available means” (Piven and Cloward 1998, 414-415). Global unionism, or union movements that are international in focus and in their operations, does not make the national strategies obsolete, but instead makes strong, nationally based unions and their alliances with a number of social forces, prerequisites for vibrant internationalism (Breitenfellner 1997; Lambert and Webster 2001). Solidarity enables the development and implementation of such strategies.

7.3 Regulating Global Capitalism

Historians of international union organizations have developed models for understanding the theoretical and ideological dimensions of global unionism. Cox (1977) has drawn
attention to the conflicts within the ILO and other labour bodies, notably regarding their inability to escape the gravity of corporatist frameworks of negotiating with capital. In this model, labour essentially remains a marginal participant in these discussions. Waterman’s address of labour internationalism remains incomplete, except for his capacity to identify the central challenges facing organized labour at national and international levels; no effective program has resulted from his numerous treatise on global trade unionism. In the shadow of the WTO, IMF, and World Bank, the ILO has been marginalized from discussions on how to regulate international capitalism. While the World Trade Organization has committed to work with the ILO, there has been no meaningful engagement on the WTO’s part to apply Conventions or basic labour standards to agreements or policies that seek to govern international trade amongst the member states (Wilkinson 2002), even though leading officials within the International Labour Organization suggest that international financial institutions have started to recognize the significance of including labour in the discussion of anti-poverty campaigns and resolutions to the growing food crisis (Tinoco 2009). The impasse is clear: international regime formation in industrial relations is unlikely to unfold without a shift towards a supra-national framework or, at the very least, a coordination of national frameworks on labour standards and the rights of unions (Haworth and Hughes 2002).

7.3.1 Union Network International

Corporate practices such as offshoring and outsourcing have generated dilemmas for global union federations and their efforts at representing workers in advanced and
developing economies. A leading question now confronting these labour organizations is: How are bargaining efforts possible with companies that operate complex international commodity and service chains beyond the reach of national unions? National legislation and rudimentary social programs remain key resources that enable workers to engage with management as well as offer employment insurance schemes to buffer workers from the immediate pains of economic restructuring (see Freeman 2007; Auer, Besse, and Meda 2005), but the capacity to negotiate with global firms is a separate hurdle. UNI and other GUFs have attempted to circumvent this lack of formal regulation by developing agreements directly with major multinational enterprises. After undergoing a review of its operations, UNI recognized the strategic importance of operating as a global union rather than a federation. This is part of focusing the union’s energy on expansion since its founding convention in Chicago in 2000, when over 1,000 leaders of service and technology unions and representatives from FIET (International Federation of Employees, Technicians, and Managers), MEI (Media and Entertainment International), IGF (International Graphical Federation), and CI (Communications International) merged to form UNI. At this time UNI is the largest service section GUF, representing over 15 million workers from over 900 unions in 140 countries. As UNI’s Deputy General Secretary, Philippe Bowyer, commented,

We are a very financially sound organization. So that was a lot of work. More recently, this year [2009] we are trying to make a major change in the organization to be much more focused... [T]his really revolves around the idea of Global Agreements [GAs], the agreements with global companies acting like a global union instead of some loose federation of people. (Bowyer 2009)
Global Agreements (GA) serve as “soft law” agreements that help secure a voluntary commitment to core labour standards as well as an act of rule setting between two, non-state actors. Global Agreements also serve as non-binding conflict resolution mechanisms with the intent of resolving problems before they become damaging to either party involved, much in line with OECD Guidelines on Multinational Enterprises (see TUAC and OECD 2004; OECD 2000). Despite their lack of judicial recognition, GA’s establish best practices and mutually recognized standards, often based on ILO Conventions and principles (see Fichter and Sydow 2008; ILO 2008). General agreements also help to develop the legitimacy of GUFs by securing support within companies for such agreements. So far GA’s have yet to be part of any substantive global industrial relations regime building, but they do operate as a strategic ambition for global federations such as UNI in their efforts at securing a dialogue with leading MNCs. UNI has so far signed global agreements with over thirty multinationals and aims to increase this to over fifty in the next year. Unfortunately no GA’s have been signed with dedicated IT or ITES multinationals, like HP, Microsoft, or Wipro, and UNI has yet to be recognized in the social dialogue process by industry leaders in Europe (Rohde 2009). Success, however, has been made in establishing agreements with major telecommunication and service companies like Quebecor and Telefónica, which do have within their operations significant information technology components.
As the Deputy Secretary of UNI, Philippe Bowyer (2009), reflected on the GUF’s signing of its first Agreement in 2001,

Our idea at the time was, if there’s a global company and we have an agreement with it that they will recognize unions all over the world – that was about as far as we went. That was where the idea originated. So we started by trying to talk to different companies and it was pretty hit and miss and haphazard… [The] GA is not just what it says in the agreement, it’s the fact that the companies at the global level recognize us and talk to us. *It’s our foot in the door*... *The issue is an object, it gives people something to work towards, but it's not the end.*

Referred to as the UNI-Telefónica Code of Conduct, the agreement was reached in March of 2001 and later revised in December, 2007. As a global telecommunication provider with a presence in Latin America and Europe, UNI regarded the signing of this agreement as a major success. From the union federation’s standpoint, the Code of Conduct helped to entrench the company’s favourable industrial relations practices by ensuring non-discrimination in employment, freedom of association and trade union rights, employment stability, minimum wages, and workers’ representation at the workplace, regardless of where the company operated. For Telefónica, the motivation to engage in negotiations was based on a pragmatic interest in promoting the firm’s corporate social responsibility (CSR) strategy and enhance employee satisfaction (European Foundation for the Improvement of Living and Working Conditions 2008).

But, Bowyer (2008) admitted, the efficacy of such agreements can be limited.

Companies just wanted to make an agreement with us, we made it, but frankly they have not done very much... So we've tried to get away from that. Now what we do is create these trade union alliances which start by bringing unions together... *The idea is to keep the unions involved and keep them mobilized around the issues in the company. That’s the key.*
In the case of Telefónica, two Spanish trade union organizations, the Trade Union Confederation of Workers’ Commissions (Confederación Sindical de Comisiones Obreras, or CC.OO) and the General Workers’ Confederation (Unión General de Trabajadores, or UGT), were instrumental in developing and enforcing the Code. Bowyer (2009) stressed that the engagement with employers can help secure industry standards across a company’s global operations but, more importantly, “increasing standards means creating union members”. UNI officials reiterated that the effectiveness of GAs is dependent on the power of national unions responsible for their implementation. The federation’s newly established organizing fund resources local campaigns, which are facilitated through the GA’s. Rather than a regulatory tool in themselves, Bowyer indicated that global agreements are used as a mechanism to expand union membership. Marcus Courtney (2009), head of UNI Telecomm, furthered this claim.

Our Telefónica [agreement] has been very successful in certain parts of the country, in terms of what’s going on in Brazil, in terms of San Paolo, it’s been successful. They have been able to organize thousands of workers there. Other parts of South America they’ve talked about how it’s been able to resolve a lot of national issues between the companies and the unions, in terms of positive outcomes... Then again, we do have problems. In Ireland there’s problems, there’s problems in Mexico we’re trying to resolve – it’s not the silver bullet.

Courtney recognized parallels between his experience as president and organizer with WashTech and how leverage over powerful companies is only possible with a sustainable membership base and contractual agreements. “Global Agreements”, he continued, “are a piece around the international component… I think you really need to have every country pushing for improved comprehensive national standards around bargaining and
organizing rights” (Courtney 2009). UNI Europa officials shared the concern, insisting that what UNI does is sign and then monitor these agreements. As Birte Dedden (2009), UNI Europa’s Policy Officer, suggested, “the more agreements are based on national law and are part of collective agreements that are covered by [national legal jurisdictions] where you have a legal empowerment… [t]hat is a better instrument”. UNI’s European office and its union affiliates have the advantage of engaging with multinationals through works councils and a comprehensive Social Dialogue mechanism that assists in the enforcement of a GA framework.

Global Agreements offer a rudimentary tool to address the comparatively large gaps in labour protections offered by other developed countries, notably the United States. Despite the rhetoric of stateless and decentred globalization, unions and their international federations are empowered (or disenfranchised) by national legislation or regional employment standards. Rather than accepting a blanket statement on the effectiveness of GA’s, officials with UNI are conscious of the fact that the implementation of agreements is conditioned by the nature of political regimes and industry standards. Indeed, the existence of a GA does not guarantee that a multinational company, or its subsidiaries and affiliates will necessarily abide by it. Despite the generally positive outcomes that have followed from UNI’s agreement with Telefónica, the company’s subsidiary call centre in Puerto Rico, Atento Puerto Rico, fired union organizers who were active in a campaign led by the CWA. Atento management violated
both the terms of the GA and U.S. National Labor Relations Board (NLRB) regulations in the process. On the other hand, UNI affiliates in Brazil sited the GA as instrumental in their successful efforts at securing a collective agreement with Atento in 2006, indicating that Global Agreements can offer leverage to unions, even though they are not guarantees of success (see Mosco and Lavin 2008).

A third component of global agreements is the potential to build cross-border solidarity. In its “Tell-Tell-Telefónica” campaign, which focuses on entrenching the freedom to organize across the company’s global operations, UNI mobilized international union and labour support to ensure that workers in Mexico and Ireland are able to experience the pledge to which the MNC committed. Framework agreements are used as leverage for local organizing activities and operate as rallying points for international solidarity. They also open spaces for NGOs, consumer, and civil society groups to hold companies accountable for their voluntary obligations, as well as build connections with trade unions through voluntary networks (Riisgaard 2005). UNI is attentive to reproducing these strategies in several African countries, where the federation is helping local telecommunication unions draft an agreement with MTN, a leading telecommunications provider on the continent. This has also broached the tripartite strategy of engaging with industry groups and governments in an effort to set out the groundwork for a rudimentary regulatory framework that could potentially establish sector-wide standards and collective agreements.
For the Deputy Secretary, reversing the decline of trade union membership has been identified as the central objective. Grand debates of global governance and international labour relations practices are not abandoned, but the immediate goal of increasing union strength is the point of departure. “Organizing”, Bowyer (2009) repeated, “becomes the key to everything”. Agreements also facilitate UNI’s entry into national economies, especially when MNC’s expand their operations into the developing world. GAs with leading financial institutions, security firms, insurance, telecommunications, and other service sector companies are pivotal for entry into India, where UNI has been making strides with Group4 Security and other multinationals. Coordinated projects and the establishment of an Organizing Department within the GUF assists such ambitions. Operating as a global union has meant mobilizing support amongst constituents to build new union projects where existing labour organizations had failed. This was the thrust behind getting the ITPF, and subsequently UNITES, off the ground. The strategy is also aimed at allowing for UNI to operate independently from member unions as a global organization, rather than a confederacy. By marshalling financial support through dues and establishing a centrally-administered organizing fund, UNI aims to work at strengthening existing GA’s or fund local organizing campaigns, autonomously. Seed money is deployed with the intent of establishing sustainable national unions that can exist independently from the global federation – a principle goal that the ITPF was unable to achieve.
These ambitions are the focus of a strategic internal reorganizing within UNI. One objective has been to concentrate financial resources on key projects; another was to focus on securing global agreements with flagship companies in an effort to establish sector-wide gains with industry leaders. Expanding union membership is a component of both dimensions. UNI also recognizes the importance of entering sectors where union interventions are minimal or non-existent. The case of UNITES in India is a relevant example. More broadly, developments in information technology and ICT usage within corporations have raised obstacles to traditional union efforts, forcing UNI to reflect on its internal organizational strategy. One response has been the merger of the IT and telecommunications departments at the UNI Europa level. Lorenzo DeSantis, a research associate at UNI, commented that the union federation is changing the way it is working by concentrating on organizing and not just servicing existing gains and unions. As for IT, “that is really important for us because the IT part of the new sector doesn’t have any global agreement at the moment, whereas the [telecommunications] part has some. That will be a great help if we can work with some union that is already there that has experience campaigning for global agreements…” (DeSantis 2009).

What DeSantis and others enforce is the union renewal process that is unfolding within UNI, structurally and culturally. UNI’s organizing strategy and interest in building alliances with unions and worker associations is part of a broader project. For IT and
ITES initiatives, the strategy involves transforming the kinds of messages unions convey to prospective members. This sentiment has been expressed in Bibby’s (2004) review of UNI’s union building efforts, which argued that unions have failed to “stimulate broader public debate on globalization or to make wider alliances”, hindering the appeal of organizations that are ineffectual at representing the interests of workers in particular sectors. WashTech in the United States, the Communication Workers Union (CWU), and UNIFI, a banking union in the UK, as well as the ITPF in India, were referenced as leading alliances that have helped to invigorate debate about the future of knowledge and information-sector unionism. The debate about union resurgence has also summoned interest about how global federations are relevant at the national and international levels. Such a renewal meant taking a more complex position on offshoring, outsourcing, and the global division of labour in post-industrial sectors. UNIFI’s Globalization Charter with banking giant, HSBC, sought to manage the process of change arising from the globalization of the financial institution’s operations, and for the firm to adopt ethical employment standards in all its sites. UNI’s Call Centre Charter is also the result of attempts to apply employment standards and best practices to company operations no matter where they are located. UNITES has included the Charter in its collective agreements with Indian companies in an effort to establish basic standards that are universally accepted and premised on the standardized nature of call centre work. Similarly, UNI’s position on electronic monitoring and surveillance in the workplace helped draw attention to the threat to employment standards in workplaces where
information and communication technologies are prevalent or central to the work process (UNI 2006a; 2006b). These initiatives have been derived from extensive dialogue with labour organizations from around the world that are part of the UNI fold, shedding light on the advantages brought about through a converged GUF framework. UNI-sponsored conferences in Europe have also helped raise awareness to wider privacy concerns relevant to ITES and IT employment. Speaking to a group of young conference participants, Dedden (2009) argued,

Our thing, in terms of the target groups you’re trying to hit in terms of organizing, my experience in that conference for instance, is that they loved the fact and were surprised to find trade unions addressing the issue of Web 2.0 and on-line rights at the workplace. We were giving them input on their rights when they are Facebooking on your laptop at work. Or, are you entitled to this union? Stuff like that. Or, what happens is, and to what extent, can the employer prohibit things and to what extent can we integrate that into collective bargaining or negotiations, etc.

Union relevance, Dedden’s comments suggest, is maintained through innovation and working to incorporate concerns of younger, IT-enabled workers into the discussions on unions. As a global federation, UNI is then able to develop this research further and support organizing efforts in other regional or national jurisdictions. Conferences and other face-to-face interactions facilitate engagement between union leaders and workers from various settings as well as invoke a dialogue across countries on the subject of unionization. The GUF, in this instance, is not simply an intermediary, but an active participant in union renewal.
The question of how to organize young, professionalized, IT workers has been of growing importance for unions, as chapter five discussed. “[T]here’s still the image problem for the unions, especially towards the young people. Even more towards young IT professional who are, as far as I can see, not really interested in joining unions”, DeSantis (2009) commented. “So I think that’s really a problem that has to be solved. Here I’m not sure UNI can play a role apart from telling affiliates that there’s a problem, but then it’s up to affiliates on a national level to act”. Cultural transformations within unions are not just a matter of reflecting the economic realities of 21st century economies, it is also a matter of survival. UNI officials recognize that unions need to change their strategies, and from their vantage point, it is vital that the global union does the same. Speaking to the issue of high-tech workers in Europe, DeSantis (2009) emphasized that UNI needs to “go away from the traditional union message” which is primarily focused on salary rates and holiday privileges. UNITES activists realized this in their efforts to speak with IT and ITES workers in India.

I think the majority of IT workers … already have very good working conditions, so they are not interested in hearing from someone in a union that we are going to give you what you already have… I think unions should, towards IT people at least, base their message on training, on the idea that young people will move from one workplace and job more frequently than their parents were doing. The idea would be to have a union for life, but knowing that they will change workplaces a lot of times in their career, and they will have the support of the union. These are things that can be more appealing to these target groups. (DeSantis 2009)

“New Generation Networks” (NGN) have been developed to represent these concerns by challenging conventional union organizing strategies and engaging with participatory
decision-making. Similar issues have been addressed through UNI’s Professional and Managerial Staff (P&MS) groups, which take issue with service sector labour concerns such as workplace surveillance and maintaining a basic standard of benefits across particular sectors. At the European level, UNI is similarly engaged in a re-branding exercise. “Our task”, Dedden (2009) emphasized, “is actually to respond to current changes in the sector”. One approach has been to merge the UNI-Europa Telecommunications and IT offices in a broader ICTS (Information, Communication, and Telecommunication Services) department, reflecting the converged nature of corporations and labour groups operating in increasingly indistinguishable sectors. UNI’s role as a global union is to operate as an “international coordinator” of established practices and to offer a bird’s eye perspective, rather than offering career guidance and services directly. For Rohde (2009), local unions are the providers of such services and ultimately take on these newly established best practices; UNI is tasked “to pick up on positive examples and to organize a kind of knowledge transfer so the member organizations can learn from each other, and [do not] have to reinvent things everywhere”.

The attempt at constructing a renewed union image was especially pressing following the 2008 financial crisis. Courtney (2009) realized that while IT workers were hit by the economic downturn, the consequences were of a different severity compared to other sectors of the economy. Part of the crisis, he maintained, could actually enforce the
professional identity, as workers could cite their superior skills and education qualifications as a buffer against long-term unemployment and economic decline. While scholars have long maintained that white-collar and high-tech workers are increasingly subject to the same precarity and eroded standards of labour experienced by labour in other industries, the message Courtney conveyed was that despite the possible onset of this reality, the crisis did not automatically hit the “reset button”, as he put it. In other words, fractures may indeed appear in the privileged and self-identified professionalized vocation of high-tech IT employment, but not necessarily enough for workers in these sectors to turn in large numbers to collective labour associations, whatever they may be.

One of the most substantial challenges for global and national unions was to use the crisis as a basis for justifying the need for a labour organization that would assist members in good times and in bad. Organizers, by Courtney’s account, are required to ask questions and raise concerns that skilled and semi-skilled IT workers would be receptive to: In a post-recession scenario, would high-tech workers regain their wage advantage? Could their health benefits be maintained? Would pensions and employer contributions to retirement schemes continue? “I think you have to really dive down into those issues and figure out,” he argued, “the only way you can get out of that is bargaining collectively. That’s the only way to reset, but it’s not an automatic reset here” (Courtney 2009). Of course, the character of collective bargaining need not reflect the existing notions and legally recognized practices, as UNI Europa’s Policy Officer argues, but instead to
develop “services [unions] can provide within this sector”, such as training, and bargain for support from employers (Dedden 2009). The acceleration of offshoring and outsourcing has become a prime rallying point for workers in these sectors, one that labour associations and unions have used to assist in their organizing campaigns.

What makes offshoring a challenging subject for a global union, ostensibly one representing workers in the Global North and South, is how the organization maintains a commitment to a diverse membership that has been advantaged and disadvantaged by the changing pattern of a global division of information work. In 2005, UNI released its Charter on Offshore Outsourcing, a document that was attentive to the internationalized distribution of high-value services associated with finance, insurance, media, graphics, IT, health care, and telecommunications. The Charter envisions labour market policies and public investments in education and training to mitigate the social consequences of offshoring, not unlike the liberal resolutions promoted by labour economists and international organizations like the OECD (see TUAC and OECD 2004). Global Agreements are a central component of the Charter. Like the GA’s, UNI’s Charter called on unions and corporations to negotiate a settlement on the terms of offshoring and outsourcing, to ensure that there was both a labour and business-side agreement to the decision (see UNI 2005). What Dedden (2009) and DiSantis (2009) stressed is that UNI does not oppose outsourcing, but instead seeks an arrangement where companies could not escape labour or environmental standards by relocating. “Ideologically we are not
against outsourcing”, DiSantis (2009) said. “We think people should be unionized in the destination countries as well”. UNITES represents an extension of this policy, and its President has supported the internationalist perspective on establishing and enforcing global standards, rather than resisting globalized service and production chains (Lekkad 2009).

Building on these offshoring policies, members of UNI Europa and UNI IBITS, as well as a handful of other unions, helped to launch the Making Offshore Outsourcing Sustainable (MOOS) project as an initiative to formulate coherent union responses to the movement of work across Europe and internationally. Indeed, UNI’s European offices and members contend with the “nearshoring” phenomenon that takes place with Eastern economies (UNI 2008). When MOOS first convened in 2005, the focus was placed on the offshoring of ICT-intensive employment amongst European member unions. By 2006, the Vancouver-based workshop included trade unionists and academics from North America working to establish practices that could enable national unions to engage with multinationals over the question of offshoring and outsourcing (MOOS 2006a, 2006b, 2007). UNI-Europa’s handbook on offshore outsourcing, which emerged from these discussions, urged unions to be proactive in their response to globalization by confronting companies before they took the steps to relocate work. Collective bargaining and inter-union solidarity action were recognized as tactics to hold companies responsible for their operations (see De Bruyn and Ramio 2006). The global union’s first ever call centre
conference, held in Athens in 2005, was part of this effort to expand unionization in the ITES sector as a platform to confront a global industry and to regulate what was understood as part of the “global mobility revolution” (UNI 2006c).

7.3.2 Workers Uniting

At a convention hall in Las Vegas, July, 2008, the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, or United Steelworkers (USW), already a synthesis of numerous mergers, joined with the British Unite the Union, itself a by-product of an Amicus-Transportation & General Workers Union arrangement formed in 2007. This resulting merger formed Workers Uniting, the first trans-Atlantic union. In its founding constitution the new amalgamated union declared that its members will “build global union activism, recognizing that uniting as workers across international boundaries is the only way to challenge the injustices of globalization” (Workers Uniting n.d.c.). With over three million members, the international organization represents an effort at convergence across sectors and borders. Leading organizers and union activists were also aware of the need to confront multinational capital at the local and international levels. In this regard union convergence is understood as a necessary strategy to confront the local, national, and international expanse of economic inequality within sectors commonly perceived to be outside the reach of unions.
The process of convergence is fraught with challenges, particularly as it relates to balancing the necessity of constructing a functional international union, coordination of bargaining, solidarity work, and the realities of local organizing. The question is complicated when the merger is transnational, and becomes increasingly problematic when factoring in developing economies with developed ones. This has prompted some scholars to ask, “can regular workers organized in unions, mainly based in the North, and the hundreds of millions of non-regular or informal workers, mainly in the South, understand each other and begin to define common goals” (Bieler, Lindberg, Pillay 2008b, 265)? These are problems UNI continues to face. With the accelerated convergence of corporate organizations, unions are under further pressure to take similar steps as a strategic response to the growth and decentralizations of operations. Technological and industry convergence has furthered the affinity unions have with tactics that equip their organizations with the ability and resources to mount effective campaigns that seek to regulate a near free-for-all scenario and force companies into a position of making concessions with their workers. If UNI’s perspective on Global Agreements is any indication, local bargaining initiatives and mobilizing will condition the political and economic success of the global union as well. Having a well-resourced and influential union with connections across borders may indeed be part of the solution.

There has been both fanfare and pessimism over the USW’s merger with Unite. As one report in Time magazine glibly noted, “Workers of the world, unite, indeed. But don’t
expect a revolution” (Grose 2008). Labour scholars have yet to come to a consensus over the issue, and the emergence of Workers Uniting has reignited debates about the effectiveness of global union federations and the future they may or may not hold in the era of globalization. Either way, as Andrew Murray, a spokesperson for Unite stressed, “We’re dealing with global companies that can move capital – and employment – around the world, at will in many cases… While big business is global, and labor is national, we’re going to be at a disadvantage” (Associated Press 2008). And indeed, several developments have been marked as successes for the new union and its international allies. In 2008, ArcelorMittal, the International Metalworkers Federation (IMF), the European Metal Federation and the USW signed an important agreement that guarantees minimum safety standards for the company’s 320,000 workers (Holecek 2008). As the world’s largest steel manufacturer with operations in over sixty countries, establishing a meaningful (and enforceable) agreement with the sector’s leading company could have significant implications.

The agreement with ArcelorMittal signaled an ongoing move to negotiate, and build alliances, transnationally. Workers Uniting, and its British and North American constituents, have sought to expand their reach into Eastern Europe, Latin America and Asia. Derek Simpson, Unite’s joint general secretary, has already held talks with his counterparts in Australia and Eastern Europe about future collaboration (Kleinman 2008; see Aslam 2008). Outside the formal bounds of trade unions, the USW has been working
since the 1990s on strengthening its network of strategic alliances with foreign unions, with connections being established with mining and manufacturing unions in Brazil, South Africa, Australia, Mexico, Germany, and Britain (USW 2007). The union has also sought to collaborate with worker-owned cooperative initiatives, such as Mondragon in Spain, by building its own framework agreement with the long-term goal of seeing cooperatives established in North America (USW 2009). Unlike GUFs, such as UNI, established unions are capable of invoking rank-and-file support for these activities, reinforcing the importance of acting through and with international federations. Working in the interests of solidarity, the Steelworkers’ multi-million-dollar Humanity Fund has been an effective tool for union renewal by helping to sustain global alliances of workers and a commitment to social justice (Marshall and Garcia-Orgales 2006). These sources of funding have helped build global union councils and strengthen the USW’s influence amongst miners’ unions throughout Latin America (USW n.d.).\(^2\) Now, with a broader union structure in place, the partnership could potentially lead to the “synchronization of collective bargaining in companies with operations on both sides of the Atlantic”, using existing solidarity networks as the hinges for these efforts (Workers Uniting n.d.a).

One of the most pressing challenges facing Workers Uniting is that it represents workers in countries with vastly different economies of scale and divergent interests. This will test

\(^2\) International solidarity demonstrations were held by unions representing mining sector workers in 2009, of which Workers Uniting members were a part, as a protest against the Mexican government’s support for the anti-union actions taken by the nation’s largest mining interest, Grupo Mexico (Canadian Press 2009).
both the commitment of rank-and-file members and union officers to this new organization. While the international union’s structure is still in the development process, the two component parts will maintain separate identities for the time being. Beyond the international scope of Workers Uniting, the union will nonetheless become a registered labour organization in the UK, U.S., Ireland, and Canada, representing all of its founding unions (*Metal Producing & Processing* 2008). The blueprint for this design is intended as an example to other trade unions throughout the world seeking to take part in the creation of a global union without altering, completely, their own internal representative structures. As Herod (2001), Breitenfellner (1997), Lambert and Webster (2001) remind us, it is important for global unionism to recognize the significance of local organizing, building alliances with social forces, and acknowledging the pragmatic importance of national strategies – the effectiveness of Workers Uniting, and its affiliate unions, will depend on the capacity to fulfill these compromises.

Not unlike UNI, Unite and its allies in Workers Uniting have had to reconcile with the challenges affiliated with how unions build programs to manage the global scope of multinationals. There is nothing organic about constructing larger organizations. After the creation of Workers Uniting, Peter Skyte, National Officer for Unite, jokingly called the moment a time of “post-merger introspection”, much like what both Unite and the USW had gone through in previous amalgamations. In some ways, he added, the combination of unions is not altogether different than company level mergers, where the
organizational structure and human resources need to be coordinated around a central objective (Skyte 2009). It took UNI eight years to reach a point of developing a coherent organizing strategy. When Unite was first formed, the union’s new executive prioritized three pillars of activity: organizing, politics, and the international, as the organization’s International Officer remarked (Dubbins 2009). Indeed, renewal was part of the convergence project.

What has separated the cases of Workers Uniting, USW, and Unite, from earlier ITSs has been the initiative to move outside their role as “information clearinghouses”. For Workers Uniting, this also created tensions with existing GUFs and the relevance of their role as international representatives of national unions. For Dubbins (2009), there “was also this fear from the global union federations as to what [the creation of Workers Uniting] meant for them, and how they would relate to it”. Reactions were mixed. UNI, by his account, had a positive reception, whereas the IMF (International Metalworkers Federation) was initially more concerned. From another vantage point, unions from the South feared that this was an attempt by unions in the North to close ranks as a form of mutual protection against labour movements in poorer parts of the world. Dubbins insisted that there has been no intention to withdraw from existing global federations, but instead to build something more effective than what had otherwise been seen as a loose federation of unions. It was through an engagement within the IMF framework in 2003-2004 that the British and North American union officials discussed the idea of
constructing a truly international union. However, “there was a feeling that the IMF”, Dubbins added, “was not really capable of giving it that extra lift it [the trade union movement] needed”. Unite’s and the USW’s familiarity with the merger process provided an impetus to take the dialogue to the next step.

Both UNI and Workers Uniting have also worked to implement the guiding rationale behind their mergers, which focused on addressing global capitalism and organizing. Rohde (2009), a thirty-year veteran in the trade union movement, took this notion of renewal further by shedding light on the cultural elements of union formations. As a survival mechanism the strategy is not likely to be successful, but there are different examples as to how mergers can be structured. A labour organization, he goes on,

> needs to give some identity to individual members. The organization has to be a kind of a community, it’s not only a powerful organization to get things right and to stand up to employers, its membership also has to come with a certain pride. (Rohde 2009)

When unions in particular sectors are associated with negative connotations, individual workers are reluctant to join because of the professional and personal stigma accompanying the affiliations. Developing a strong affinity between the organization and its membership can, Rohde suggests, greatly increase the association’s influence and capacity to engage with multinationals. Waterman’s (2008) observation that rank-and-file members are largely ignorant of their union’s international affiliations is pertinent here. GUFs and international unions are tasked with building a global identity as part of the renewed union culture. Contextualizing union mergers in a historical framework also
helps to address how these challenges were resolved in the past. Workers Uniting may indeed be a new and innovative venture in union internationalism, but there still remain plenty of cross-border examples to reflect upon. Kari Tapiola (2009), the ILO’s Standards Director, concluded that the jury is still out on the effectiveness of union mergers, notably regarding the example of Workers Uniting. But, he proceeded to raise further critical questions related to the USW’s experiences in North America, and how this might impinge upon its capacity to build cross-border agreements.

[Y]ou have traditionally had US-Canada unions which probably is a reflection of the US-Canadian economic situation in production. That seems to have worked well. It does raise a question: why haven’t these unions done mergers with Mexican unions? We have had some similar discussions in Europe, for instance on possible mergers between Finnish and Estonian trade unions where the economic activities are closely linked. But even in areas like the Nordic [region], where culture is similar, the way collective bargaining is conducted differs from one country to another and even between sectors. I have difficulties in seeing that an international union could internationalize collective bargaining...

Building on Rohde’s comments, Tapiola (2009) furthered that trade unionists “have to make sure that the immediate link between the worker and his/her union representative does not seem to disappear”.

Two concerns are potentially left unresolved in the convergence and merger process. First, union convergence requires an internal mitigation of administrative and cultural tensions. Because unions suffer from competing interests in their pursuit of acquiring new members, it is necessary to establish bonds of solidarity even when conditions are not inherently conducive to collaboration. Mergers between once-competing unions in
the national arena are made possible by concessions and negotiations – at the international level this challenge remains as well. From this social perspective unions must establish not only an economic or legal presence in the workplace, but, more importantly, the rank-and-file must support its new representative structure in order for such endeavours to be feasible and prove successful. Even after signing the Ottawa Accord in 2007, the creation of Workers Uniting was met with administrative hurdles. “Even if you want to go in that direction [of merging]”, Dubbins (2009) argued, “there’s a whole load of obstacles that present themselves, not least of which is the legal requirements and legal registrations”. Convergence is met not only with contradictions and internal power dynamics, but also the immediate regulatory hurdles that make the creation of an effective and organized union somewhat of a challenge, to say the least.

Second, as Tapiola stressed, international bargaining does not yet exist. Industrial relations practitioners and scholars have acknowledged this deficiency since throughout much of the 20th century industrial relations has focused on local and national institutions and systems (Bognanno, Budd, Kleiner 2007); a workable global industrial relations regime has yet to be developed. Like UNI, Unite and their colleagues in allied unions have recognized the need for multiple strategies as a means of negotiating with multinational enterprises. Global Agreements have been recognized as one approach. For Skyte (2009), the question is not an either/or distinction between GA’s and national collective agreements – both are required tools to engage global companies, and both are
dependent on an active and mobilized membership for success. Unite, as a member of UNI, has experienced negotiating global agreements and seeing them through into the implementation phase. The eventual signing of a GA with Quebecor World, a Canadian-based printing company that employs 35,000 workers in more than 160 printing and media facilities worldwide, was cited as a success precisely because membership action and international solidarity put unions and GUFs in a position to negotiate with the corporation.\(^3\) Dubbins’ (2009) account is worth quoting.

At first the company refused to meet us, refused to answer any of our letters. They were, particularly in the United States, using union busters and actively doing everything they could to stop a global agreement, and to stop recognition and organization at their sites there. We, via the European well-organized sites, along with sites that were organized in the States and other parts of the world, we researched the company, built a network, had an academic involved in categorizing and cataloguing the abuses, we targeted the suppliers, their customers, and in the end we ended up with the company agreeing to sign an agreement.

Quebecor was a hard-fought victory for UNI and its national affiliates who worked on establishing the agreement over a seven-year period. An agreement between UNI and Quebeccor, the world’s second largest printing company, was eventually signed in April of 2007 (see Mosco and Lavin 2008). Working from a strong network of union activists was pivotal. In comparison, Dubbins noted the case of signing a GA with a Swedish-based printing company, which involved comparatively little struggle, but with minimal member participation the agreement is not recognized as being effective or “owned” by the rank-and-file. Unite’s approach to building GA’s is consistent with the union’s

\(^3\) In 2010, Quebeccor World was acquired by Wisconsin-based Quad/Graphics to become Worldcolor.
renewal strategy which hinges on making organizing a chief priority. “We’ve moved away from the servicing model”, said Dubbin (2009), “and much more towards issues-based organizing”. Global Agreements have been approached with the same vision, as a solidarity building effort dependent on new strategies and a focus on expansion not just servicing. This is what differentiates between an effective GA, and one that only includes the company and union signatures.

In the information technology sector unions have been far less successful in making strides with multinationals. Unite shares UNI’s acknowledgement that unions, and GUFs, have been unsuccessful at building any sector-wide recognition with major IT firms. If we look at the USW in Canada, its entry into ITES is relatively minimal compared to its European counterpart, Unite. Reiterating the union’s commitment to expansion, Dubbins (2009) pointed to the process of renewal through organizing new sectors. As he said, “Rebuilding the membership and breaking into new sectors has been the big issue and I think we’ve gotten much better from the last few years about what works and what doesn’t”. Successful attempts at organizing call centres have relied on this tendency, especially those facilities not already affiliated with companies that have a history of union representation. One of the major hindrances has actually been due to the dominance of IT and ITES by American multinationals like IBM and CSC, which have avoided a union presence in their U.S.-based operations for years (see Morgan and Sayer 1988). Without a strong labour presence in the home country, Unite and UNI have both
conceded that this makes their efforts in Europe more difficult. Global Agreements with companies such as Deutsche Telecom and Telefónica – which have a significant IT presence but are primarily invested in telecommunications – are a start, but the objective is to establish GA’s with major players like IBM, Sysco, and others. Works Councils have been established with other U.S. companies in Europe, such as EDS and HP, but nothing as substantial as a collective agreement or sector-wise negotiating potential.

Skyte (2009) suggests that changes in the IT sector may in fact boost union organizing. While the most privileged IT professionals are well paid, how employers are behaving, he argues, has changed. IBM workers in the United States led an on-line campaign, sponsored by Alliance@IBM CWA Local 1701, against the company to protest a 15 percent pay cut imposed by management. In 2007, international union support led to the first-ever virtual strike on Second Life, which disrupted the company’s activities in the 3-D environment. UNI, Unite, UNITES, Alliance@IBM, and a handful of other unions participated in the action, working in solidarity with the demands being made by Rappresentanza Sindacale Unitaria IBM Vimercate (RSU) in Italy (UNI 2007b; CWA 2008; 2007). 4 Similar decisions by management sparked opposition to IBM in the UK as well. This led to Unite being able to recruit hundreds of workers at HP and IBM over the

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4 IBM has been at the centre of international union efforts to negotiate with the company, either through legislated means or solidarity campaigns. In 2008 the company refused to negotiate a collective agreement with employees represented by the Australian Services Union, forcing workers to engage in rolling work stoppages (UNI 2008b). Success was achieved by employees at IBM Argentina when workers, affiliated with CEPETEL (Centro de Profesionales de Empresas de Telecomunicaciones) were finally given the opportunity to elect their union representatives, a first in the company’s 85 year history (UNI 2010b).
issue of pay freezes, pension schemes, redundancies, and internal restructuring. The next step is to enhance the ability to represent the interests of these workers and mobilize rank-and-file efforts, then to gain recognition. Federations and informal networks are seen as valuable resources in this regard.

Like the support drawn on the international scene by the USW and Unite for mining and manufacturing workers, GUFs and union networks help construct models of labour organizing for IT and ITES. Unite’s interaction with UNITES in India has been taken up through UNI as well as through independent correspondence with Karthik Shekhar and UNITES Professional activists. This has aided European trade union efforts at charting the offshore activities of British firms, like HSBC, and their operations abroad. UNITES’ emergence as a new union project through UNIDOC offices in India has also charted the prospects for founding greenfield initiatives throughout IT industries in Europe, such as ITT.eu in Ukraine. Skeptics argue that Western unions are serving their own interests by sustaining a dialogue with counterparts in emerging economies like India, and to some extent this may be true. However, the trade unionists were quick to respond that it is not a question of ending the corporate practice of offshoring, but to ensure fair and decent standards of employment. What the interview participants enforced is that national unions must reconcile how to best represent the interests of their membership and at the same time develop a pragmatic internationalist response the globalization of work. For Dubbins (2009), “We have obviously had the challenge of trying to take a positive view of jobs
relocating and the role it has in development, *whilst at the same time the number one priority has to be to look after the interests of the membership*. Labour internationalism, in Waterman’s vernacular, might aid in developing a coherent global solidarity network, but as union activists consulted in the research stress, the needs of the membership must be addressed first.

7.4 Conclusion
If any consensus has been established amongst trade union activists, nationally and internationally, it is that multinational corporations need to be confronted through a global framework. International trade secretariats, as mechanisms of communication and information exchange, have evolved into more focused organizations that attend to the ambition of organizing. This does not mean their contemporary equivalents, GUFs, have resolved debates about political affiliation and strategy – quite the contrary. The establishment of larger, converged union federations has been a consequence of the dual purpose of survival and innovation. Traditional craft barriers within labour organizations at the international level have slowly eroded, just as their smaller national counterparts have been forced to reconcile with economic transformations that have seriously eroded political influence and the capacity to bargain for sectoral demands. Earlier, radical attempts to forge a global *working class* organization, or what Waterman defines as labour internationalism, have not materialized amongst the community of global federations. Even the ITUC, itself a coalition of GUFs, cannot portend to operate as such an institution. But this is not to demean the ambition, or real gains, achieved by
federations and their local affiliates. An adherence to traditional approaches to engagement with corporations, however, is no longer compatible with whatever can be deciphered as a global labour relations regime, and this appears to be recognized by some members of the union leadership. As sectors evolve and converge, unions too have gone back to the drawing board to reconfigure their strategies and conventional approaches.

UNI’s emergence as the leading service sector federation comes from the reality that fragmented, and often-competitive relations between international union alliances and representative institutions were no longer sustainable. Political and industrial considerations are indeed inseparably intertwined, as King (1973) proposed, and GUFs have responded accordingly. But this is also why this is a work in progress, considering the inconclusive resolution about the effectiveness of tactics that are currently in the test phase. Global Agreements are manifestations of these intertwined factors, as well as prototypes of union renewal at the global level. Organizing efforts and rank-and-file mobilization are as important, if not more so, than the regulatory potential of these agreements. It is likely that organic manifestations of union alliances, such as solidarity networks forged from events and crises, are as effective as formal arrangements and agreements with companies. The USW, as an international union, has long been part of these movements, with its Humanity Fund one expression of marshalling financial support from members for international aid projects. This, and the interaction UNI has
capably formed with unions in the South, are examples of hybrid union-labour internationalism.

Union renewal has taken many forms as labour organizations struggle to service existing members. Social movement unionism and solidarity campaigns have the potential to bridge unions with consumer groups, NGOs, and others, but renewing the labour movement need not be conceived as a forfeiture of traditional institutions. Renewal is simultaneously an empowerment of labour organizations. Global union federations and international unions have sought to use these networks as a means of establishing support where formal union efforts had previously failed. As a way of capturing the attention of workers in IT and ITES, unions have necessarily taken this approach by constructing associations from the ground up. These organizations are unlikely to reflect the revolutionary ambitions held by the most radical elements of previous international labour movement, but the aim to increase membership through rank-and-file activism – even if these terms are no longer appealing – and forging new institutions and compacts with employers is a legacy of these early movements. What the engagement with union officials has confirmed, however, is that globally coordinated mobilization is important for trade unions and their allies in GUFs. Conceptual visions of globalization aside, unions must indeed think internationally but act locally; this is not merely a platitude. UNI, Unite, and the USW have taken up this task. The question now is to chart the ability of unions to confront companies at home and abroad.
Chapter 8
Conclusion

When futurist, Alvin Toffler published *The Third Wave*, he built on a tradition of forecasters who questioned what technological innovation could mean for the social world. “A new civilization is emerging in our lives,” he wrote, “and blind men everywhere are trying to suppress it” (Toffler 1980, 9). Some social actors were part of the wave facilitating this new dawn, others were trying to repel the inevitability of change, he insisted. In Toffler’s opinion, not unlike post-industrial thinkers like Daniel Bell, a new way of working, of living, of engaging in politics, and new forms of consciousness were being pieced together in the development of a new civilization. Even though Toffler was reticent to acknowledge the appropriateness of a single moniker, be it the Information Age, the Global Village, or Post-Industrialism, he did recognize a dramatic shift towards a radically new future that surpassed existing categories of economic and social organization. For the organization and processes of labour, Toffler and other forecasters like Peter Drucker, Jeremy Rifkin, Daniel Bell, and more recently, Richard Florida, were correct in their anxieties and hopes for what the future would hold. As these and other scholars acknowledge, technology has indeed created seismic shifts in the patterns of an international division of labour and a fragmented process of industrial production and service design. Yet, the contributions of critical labour process scholars such Harry Braverman and Michael Burawoy spoke of a consistency in the maintenance
of capitalist modes of production in what has been described in the dissertation as post-industrial capitalism – hardly a new civilization as Toffler proposed despite the remarkable changes in the terrain of social life, political relations, and of course, work.

The dissertation used as a point of departure a question referring to the challenges facing unions and worker associations in their attempts at representing call centre workers, an important part of the wider ITES sector. Political economy provided the junction through which developments in the terrain of work, globalization, the new international division of labour, and labour organizing were connected and understood as a mutually constituted process. Labour organizations that attempt to make interventions into post-industrial capitalism have faced many of the social challenges that futurist scholars anticipated for decades. Even though my project reads critically, and with suspicion, broad claims like creative, knowledge, and informational capitalism, the dissertation adheres to the contention that technical innovations and subsequent consequences stemming from the international scope of capitalism have indeed presented problems for labour organizers. Indeed, the political economy of offshoring and outsourcing, chapter four stressed, has fashioned a serious structural obstacle for unions not only because of the technical characteristics of this aspect of globalization, but also due to the pro-business response by governments to the new international division of labour. Chapter five took on the task of evaluating the successes and failures of information technology (IT) mobilization in India by drawing on the work of Strauss (1964), Srinivasan (1989),
Noronha and D’Cruz (2009), and Roychowdhury (2003), and their examination of professional unionism. Chapter six, on the other hand, analyzed the efforts of the USW in Canada’s call centre industry by drawing a comparison with telecommunication unionism, which envelopes a much broader and older history than that attributed to IT and ITES unionization. The challenges, I conclude, are as much questions of the social dimensions of work as they are related to the economic and political positionality of workers in the call centre sector.

In Canada, union stewards and unit presidents expressed both optimism and uncertainty about the future for labour unions in the wake of global capitalism. Union activists recognized that unions are at an impasse when dealing with the offshoring and outsourcing of work, particularly the types of employment that are routinized and conditioned by ever-evolving information and communication technologies (ICTs). The creation of Workers Uniting was received with optimism because it presented a hope that as corporations go global, so too could trade unions. There was also a feeling of uncertainty on the part of some union activists that younger workers were reluctant to mobilize around collective issues, preferring instead to focus on their individual lives in flexible and ostensibly temporary workplaces. This is not unlike the problems UNITES officials addressed in interviews as well. So while there is reason for restrained optimism when considering the advances of UNITES and the union’s capacity to represent over half a million ITES-BPO professionals, established unions in Canada continue to struggle
to recruit members even in industries and workplaces with traditionally high rates of
unionization. UNITES and the USW are remarkably different organizations, but both
unions have experienced overlapping setbacks when it comes to mobilizing support in
subcontracted and outsourced sectors of ITES, specifically the call centre industry. This
is evidenced in part by the fact that the union density rate in the call centre industry is
lowest in regions of Canada that possess the highest level of international facilities. Such
conclusions were drawn from the comparative nature of the research, adding to
importance of conducting fieldwork in both Canada and India as leading recipients of
outsourced call centre contracts.

Chapter two’s main accomplishment was the establishment of how a political economy of
a new international division of labour has worked to structure the call centre industry on a
global scale. The consequence, the dissertation maintained throughout, was not that this
or any other industry exemplifies uniform standards of employment or follows a one-
directional trajectory of development, only that the fragmentation of production and
consumption patterns condition the possibility for, and forms of, resistance and labour
mobilization. Appadurai’s (1996) articulation of a consumer and production fetishism
helped establish this point further; social relations of production, crystallized in material
form as commodities, also include the totality of production and consumption, the social
construction of space, and a global division of labour. Cultural and social interactions
between service agents and customers, therefore, are constituted and reproduced in these
cycles of international employment and commodity flows. Earlier political economic contributions to theories of commodification, such as that of Smythe (1977), made the important recognition that commodities have escaped the historic barriers that separated public and private space, as well as the separation of work and leisure. Different elements of control, be they economic or cultural, are deployed in the process as a framework for sustaining such social relations of production. Because several aspects of call centre work involve emotive engagement as the product, organizational processes are designed to effectively commodify emotion itself. Professionalism is one mechanism through which management interpolates employees as emotional workers who are producing a standardized good – services. For Indian call centre workers, this identity is constructed, reproduced, and legitimized amongst the workers themselves. Indeed, as Burawoy (1979; 1985) argues, the objectification of work is a subjective process in that labour participates in its own subordination. Professionalization also generates and helps preserve a structural anti-union attitude, albeit imperfect and as a process itself, subject to contestation and resistance.

Corporations have employed a multitude of organizational forms as a way of structuring increasingly complex global supply and production chains. International service provision has been made possible by such ICT-enabled processes, which allow companies to manage a network of subsidiaries and subcontractors. Standardized formats for customer interaction, emotional commodification, and other elements of delivering
services as both core and non-core activities are made possible by these innovations. Internationally accepted notions of professionalism have made the integration of global labour forces into Western markets conceivable in the last decade and a half, which is especially true for call centres and other components of ITES. This constitutes, the dissertation enforced, the second barrier for unionization. Chapter three signaled Taylorism and scientific management as a germ for these developments and corporate organizational models. Managerial as well as productive functions are subsumed under the watchful gaze of scientifically-established mechanisms of understanding the processes of control at work. This is a quintessential dimension of post-industrial capitalism, which is organized around knowledge for, as Bell (1999/1973, 20) maintained, the “purpose of social control and the directing of innovation and change”. Business process re-engineering and other commercial inventions have been adapted to fit the needs of post-Fordist national and, more so in the past twenty years, international markets. Because unions traditionally require the development of an accepted collective culture, unionization in its conventional form becomes less tenable if production processes prohibit the types of social solidarity necessary for the maintenance of mutual cooperation. In short, global post-industrial capitalism contributes to the establishment of structures at work and in the international marketplace that are increasingly inhospitable for organization labour. A new upsurge, therefore, requires more than new recruitment and organizing strategies, but also negotiation and industrial relations practices that are capable of confronting the transnational configuration of capital.
The dissertation also contributed to debates surrounding neo-liberalism and its place as a concept attributed to social and political relations that have defined developed economies since at least the mid-1970s. A key agent in this process has been the corporation, notably the multinational corporation, which is itself a product of mass markets, first nationally then internationally. Through structural adjustment programs and internal economic reforms, emerging economies like India have been subject to policies that align with the pro-business and free market prescriptions that provide a foundation, if only ideological, for neo-liberalism. Throughout the dissertation it was argued that neo-liberalism cannot be articulated as an absolute program, nor established anywhere as a hegemonic, uniform construct. It is not disputed, however, that liberalization, a hallmark of neo-liberalism, became a central feature of economic planners and policy makers in both Canada and India where the telecommunications and the wider IT-ITES regimes are concerned. Indeed, liberalization, commercialization, and privatization are brought about through intensive state intervention in economic and political affairs. Unions in both countries have been disadvantaged by these changes because industry restructuring diminished the influence organized labour is able to wield in the sector. But liberalization also provoked a technical and economic transformation of telecommunications that led to the decreased cost of conducting national and international business and increased access to mobile devices and services, which led to the emergence of a global call centre industry and other forms of high-tech employment. Liberalization and the internationalization of
telecommunications simultaneously worked to expand opportunities for commercialization and operated as a force for capitalist development in emerging economies like India, as chapters two and four demonstrated.

Even though business and industry literature speaks of a general benefit to the population as a result of liberalized markets, the effects have been unequal and uneven. However, the intent of the dissertation has not been to construct a narrative that idealizes previous modes of regulation, but instead focused attention on critically assessing what liberalization and deregulation has meant for labour. Chakrabarti and Cullenberg (2003), in their study of economic transition in India, cautioned against the nostalgic return to the highly regulated economy that marked the years before the New Economic Policies. The scholars go so far as to label an appeal to these previous economic strategies as “indefensible”, considering they were predicated on a system of production that sustained high rates of poverty, illiteracy and ill-health, and furnished a licensing system that maintained structural corruption which benefited the rich and elite of society. An appeal against the consequence of liberalization is not, to be sure, an advocacy for an earlier period of capitalist regulation. But at the same time the dissertation maintained that liberalization has not unseated traditional forms of inequality and, in the case of organized labour, has made conditions more precarious for unions and their members, as well as for a growing segment of the white-collar population.
What ties this dissertation’s critique together is the operationalization of political economy as a tool for grounding an investigation of labour and global knowledge production. The new international division of labour (NIDL), building on Fröbel et al (1980), is also a product of technological advances, which sheds light on why the technical aspects of call centres are understood in tandem with the organization of work and possibilities for unionization. Political economy proved successful in this endeavour because of the tradition’s capacity to bridge the social, political, and economic worlds that might seem at first to be mutually exclusive spaces. As the introductory chapter described, the critical dimension to political economy is the discipline’s ability to unveil how intellectual and practical resistance informs a commitment to understanding and transforming the prevailing social order. Machlup’s (1962; 1980) identification of the knowledge industries, and their growing importance in advanced economies, assisted this study’s claim that by probing structural features of economic formations it is feasible to account for what possibilities for unionization are presented to workers across the knowledge production spectrum. Combined with the NIDL hypothesis, Machlup’s definition of knowledge work opened up the question of a division of knowledge labour and how the technical separation of tasks could allow for an internationalization of knowledge production to remote locations. In turn, a political economy of call centre work was established that showed how social, political, and economic forces mutually constituted the development of this global industry.
Critical realism’s intervention in the dissertation at the outset helped to make sense of individual accounts of resistance and industry formation *vis-à-vis* interview participation, shedding light on the significance of social agents and their contribution and subordination to a structural political economy. Critical realism maintains that the social world is transitory and subject to change through the intervention of actors and structural forces. Industry leaders, managers, call centre workers, union officials, stewards, etc., all play an active role in this process. But, the conditions under which transformations unfold are undetermined and not spontaneously malleable. For example, both Karthik Shekhar and Vinod Shetty provided a stunning analysis of how liberalization changed the business practices of leading IT-ITES firms operating in India and what this meant for a younger generation of IT and ITES “professionals”. UNITES and its supporters, however, remain at an impasse when it comes to recruiting a critical mass of employees at major companies despite the knowledge of exploitation and possible pitfalls for the industry in light of recent economic conditions. The insights of union activists and policy makers, however, do lead to the development of political positions that are in turn used to develop strategies and methods of changing the social world. Primary accounts enriched the study as a result. In this sense critical realism added to political economy’s capacity to construct a complex structural understanding of social and economic processes by laying out a framework for participant contributions.
Overall, political economy is shown to be a useful framework for sociological reasons, notably because of the theoretical capabilities of this interdisciplinary approach to make sense of structural questions and the position of social actors in the process of social transformation. Political economy’s central value is to provide a coherent account of how technical and political developments in the world economy have shaped the nature of labour organizing at national and international levels. By including the perspectives and ambition of union officials, businesses, and governments, the call centre industry was rendered as a totality of technical and economic processes irreducible to one or another independent innovation or policy. Indeed, it was precisely the political economic dimension of this study that set the project apart from much of the existing research on call centres. Trade unions and global union federations, for example, were included as part of the greater political economy of the call centre industry, and not a separate social or institutional force. What is lacking from political economy approaches in sociological research, however, is a coherent methodology regarding the inclusion of human subjects – this is why a grounded theory method and critical realist epistemology were included as a complementary feature of the research design.

Tilly (1978) and Kelly’s (1998) formulation of theories of mobilization helped to illuminate the connection between collective action and individual actors. What the authors maintain is that there it is not necessarily the case that these interests, as either individual professionals or collectively as employees, are mutually exclusive. Power
relations in the workplace and throughout economic structures are interpreted through a political economy of work, opening up ways of understanding how the possibilities for resistance can unfold and engage with flexible employment regimes and a new international division of labour. Labour relations theories about mobilization add to this political economic account. Unions and labour associations, in the case of the ITPF, have been successful in recruiting members based on a purposefully constructed identity as a professional organization. UNITES was clearly more successful in this project. In some cases structural problems within the industry, spurred in part by the global financial crisis, led IT and ITES workers to turn to unions as a means of resolving problems or to gaining collective representation, or both. Mobilization was made possible because, as in the case of UNITES, problems experienced by professional employees such as harassment, breach of basic labor rights, arbitrary management decisions, were structural and not isolated instances. As Kelly (1997) suggests, it is not effective to make hardened distinctions between people as individualists or collectivists. The capacity of professional organizations like UNITES and the ITPF to mobilize has depended on embracing the individualistic demands of IT-ITES workers and empowering them through collective action. This is certainly true for workers in the ITES-BPO and call centre sectors. Following the global financial crisis even the mainstream press and business publications identified the possibility of widespread layoffs that were unimaginable only a year earlier. UNITES’ recruitment efforts were assisted by the case that union representation could help mitigate the consequences of retrenchment by educating members on rights and
encouraging firms to offer training programs and expand internal promotions and recruitment – professionalism was part of the union’s program. Workers in Canadian call centres have shared this position, and the shop stewards and presidents who participated in this study confirmed that unions can serve the dual purpose of supporting individual and collective needs, however they are defined.

Talk of a new upsurge or union revitalization amongst scholars and labour activists calls into question the ambition of trade unions in post-industrial capitalism – specifically, the ways in which organized labour mobilizes support amongst workers across knowledge industries. At the international level UNI is at the forefront of this debate for service sector unions. UNITES, and earlier the ITPF, are some examples of union revitalization and the new upsurge. For academics, there is much work to be done in the field. Since UNI has made organizing a priority and intends on financing local union initiatives through a centrally administered fund, it will be important in the years ahead to investigate the nature of these coordinated initiatives. In India, one such project involves considering global union federation efforts at organizing workers in the country’s private sector banks and financial institutions as part of UNI’s “New Generation Network” (NGN) project.

UNI has focused its attention on sectors where traditional union organizing efforts have been met with limited success. The Union for Commerce Employees in India
(UNICOME), the Union for Logistics Employees (UNILOGE), the Union for Finance Employees (UNIFINE), and the Union for Mobile Employees (UNIMODE) are all part of UNI’s NGN initiative, and all of these start-up organizations have targeted private sector service industries that have grown since liberalization. For UNITES, it will be important to focus on the union’s ability to become financially self-sufficient and organize workers in the coveted multinational firms that dot India’s IT and ITES landscape. And, because union officials have taken aim at spreading the UNITES model throughout South East Asia, there is value in charting the export of this success to other IT hubs, the Philippines especially. UNITES and other IT-ITES unions will ultimately be on the front lines of the changing international division of labour as business and IT-ITES processes spread across Asia. A project such as this would find value in drawing from political economy to dissect the power relations within international union structures as proposals are formulated and enacted. The engagement between local union organizers and global federation headquarters requires a critical investigation of potential inequalities and power imbalances between the social actors on the ground, and how, if at all, GUFs have worked to resolve the reproduction of relations that characterize the political dynamics that exist between Global North and Global South in the process.

Second, in the Canadian context, there is value in pursuing the question of how unions like the USW, traditionally embedded in the primary commodity and manufacturing sectors, have organized workplaces that employ information technology workers and at
the same time are using international affiliations to confront multinational employers. As unions turn increasingly to new sectors, such a project must confront debates within organized labour and the challenges, logistical and political, facing labour organizations in their venture into post-industrial workplaces. Questioning the USW example, is the merger with Unite and the formation of Workers Uniting an inspiration or a survival mechanism at a time of growing assaults on trade unionism in the United States and the UK? This also begs the question about the possibility of a global post-industrial relations regime and international bargaining. Will GUFs and transnational unions be able to negotiate these challenges in the years ahead?

For unions, revitalization means not only an increase in membership but also the capacity to bargaining and make real gains for members. The notion of “real gains” is relative, but as the 2011 case in Wisconsin reveals, basic human rights associated with the right to bargain and negotiate in good faith are being eroded. Without these hard-fought gains, how does the trade union movement hope to achieve economic and political victories for workers? This dissertation has admittedly covered several topics that are “in progress”, meaning that they are transitory initiatives and without a definitive resolution to immediate problems. Other challenges, like addressing the offshoring and subcontracting of work, are currently unresolved by unions such as the USW. But there is cause for optimism. Trade union activists and their allies spoke of the dignity and empowerment
that accompanies collective mobilization and union representation. This is a research
topic and a cause worth pursuing.
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418


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Shekhar, Karthik (2008a) Interview by Andrew Stevens, October 14 and November 3.
Shekhar, Karthik (2008b) Interview by Live Mint reporter, October 31.
Skyte, Peter (2009) Interview by Andrew Stevens, October 2.
Tapiola, Kari (2009) Interview by Andrew Stevens, October 8.
Tinoco, Elizabeth (2009) Interview by Andrew Stevens, October 13.
Appendix A UNITES Membership

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Gender

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Source: UNITES 2009c
## Appendix B Interview Participants

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<tr>
<td>Philip Bowyer</td>
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<td>Deputy Secretary</td>
<td>M</td>
<td>Switzerland</td>
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<tr>
<td>Marcus Courtney</td>
<td>UNI</td>
<td>Head, UNI Telecom</td>
<td>M</td>
<td>Switzerland</td>
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<tr>
<td>Gerhard Rohde</td>
<td>UNI</td>
<td>Head, UNI IBITS</td>
<td>M</td>
<td>Switzerland</td>
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<tr>
<td>Birte Dedden</td>
<td>UNI</td>
<td>UNI Europa Policy Officer</td>
<td>F</td>
<td>Belgium</td>
</tr>
<tr>
<td>Elizabeth Tinoco</td>
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<td>ILO Standards Director</td>
<td>F</td>
<td>Switzerland</td>
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<tr>
<td>Kari Tapiola</td>
<td>ILO</td>
<td>ILO Executive Director</td>
<td>M</td>
<td>Switzerland</td>
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<tr>
<td>John</td>
<td>ILO</td>
<td>Media, culture, graphics sector</td>
<td>M</td>
<td>Switzerland</td>
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<tr>
<td>Simon Dubbins</td>
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<td>Director of International</td>
<td>M</td>
<td>UK</td>
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<td>Peter Skyte</td>
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<td>M</td>
<td>UK</td>
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<td>Nishi Kapahi</td>
<td>ITF</td>
<td>Women’s Coordinator</td>
<td>F</td>
<td>India</td>
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<tr>
<td>Mehendra Sharma</td>
<td>ITF</td>
<td>ITF Deputy Regional Coordinator</td>
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<tr>
<td>Raju Bhatnagar</td>
<td>Nasscom</td>
<td>Vice President</td>
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<tr>
<td>Pooja Sharma</td>
<td>NA</td>
<td>Software engineer</td>
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<tr>
<td>Elvee Subramaniam</td>
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<td>Babu Remesh</td>
<td>V.V. Giri Institute</td>
<td>Faculty</td>
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<td>S. Sathyamurthy</td>
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<td>Jayaram K.R.</td>
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<td>Geeta Sajjanshetty</td>
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<td>Sreeram</td>
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<td>Karthik Shekhar</td>
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<td>Anjali Sinha</td>
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<td>Randy Gadika</td>
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<td>Carolyn</td>
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<td>Susan</td>
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Appendix C Reflections on Methods

The collection of information for research aimed at understanding the structural features of an international knowledge industry, and the attempts at unionizing workers in this sector, took several forms. In this section I discuss the methods used in the dissertation. Both political economy and critical realism offer an effective channel through which a range of literatures, primary sources, and interviews could be compiled to establish a research design appropriate to a multinational comparative study. A discussion of the methods guiding the collection of primary resources, namely industry publications, union documents, website information, statistics, and media documents is addressed here as well. The methodological considerations described in chapter one, which include epistemological and political groundings, helped to centre the use of particular methods in the data collection process.

Critical realism has been used in a more nuanced manner when compared to political economy, which is discussed at length throughout chapter two and three and subsequently deployed in chapter four. What critical realism offers to the actual method of investigation is recognition that interviews open up new understandings of social structures, institutions, and the capacity for social agents to make decisions in the world and affect change. It is precisely critical realism’s attentiveness to the nature of social relations, and how individuals and collectivities impress upon these relations, that make this methodological resource useful for the development of an interview design. Indeed,
questions were specifically oriented around the positionality of individuals in complex organizations, be they workplaces, national union offices, union locals, or global union federations, and their capacity to act within the confines of existing structures.

While grounded theory is at odds with the epistemological roots of critical realism, as discussed in chapter one, as a practice for rendering meaningful interview notes and transcriptions, grounded theory provides a useful practical method for a critical realist and political economic analysis. It could be argued that critical realism appears very little in the body of the dissertation, in that reference to realist literature is absent from much of the discussion beyond the introduction. To some extent this is true. However, critical realism helps inform, along with Marxist political economy, the terrain of social scientific inquiry and process of discovery most evident in chapters five and six.

Both political economy and critical realist methods acknowledge the usefulness of using extant texts like news publications and industry reports. Media publications are often the most valuable sources as they can lead the researcher to uncover important individuals and organizations that define industries and national economic landscapes. Journalists and media sources also shed light on (and publish) facts about current events far quicker than peer reviewed academic sources, making them significant and timely resources. The mining of media documentation took several paths. First, search engines like Google make available email notifications about a variety of on-line sources, especially those
related to the press, using key word searches. Second, ProQuest and other databases available through the university library system provide a valuable source of news also based on key word searches. The account of the union drive in Sudbury, as documented in the press, was partially constructed using these databases. Third, relevant media articles were uncovered through happenstance encounters during the fieldwork. In India this accounted for an important source of general information related to the dissertation, but also in building an understanding of public sentiments towards the growing IT and ITES sectors, of which call centres are a part. Debates between unions and industry representatives sometimes unfold in the press, as do public statements by politicians and industry leaders.

Industry and union publications provide vital information loaded with statistics, growth projections, strategies, and insights to the political and ideological aspirations of the organizations they represent. These are also significant sources for details on individual policy makers and power brokers in respective institutions – this method was used to establish who should be interviewed and why. Statistical documentation produced by nationally recognized sources shed light on data that provide a basis to make claims and projections about developments within labour markets, union density rates, industry growth, the flow of investment, expansion of service offshoring, etc.
Interviews for the dissertation were conducted between May of 2008 and October of 2009, with field research in India taking place over a three-month period between October and January of 2008-2009. Contact with interview participants commenced several years earlier as I worked to establish links with the organizations examined in this study. The USW was used for the Canadian dimension of the project when the first organization I consulted did not agree to participate. After corresponding with senior officials at the USW, preliminary research indicated that the Steelworkers had a decade’s worth of experience in the call centre industry, starting with the CIBC Visa centre in Toronto. The growing percentage of service workers represented by the USW opened up new avenues of interest, particularly the changing internal dynamics of a union rooted in the manufacturing and commodity sector. When the USW merged with Unite the Union in 2007 and formed Workers Uniting, a third trajectory was revealed – international unionism – that accompanied the inclusion of the USW (and its partners in Europe) into the study. USW researchers subsequently helped facilitate the recruitment of interview participants. After initial contacts were made interviewees provided further contacts. With the exception of the one manager from Strategic Communications, none of the managers from the other unionized call centres agreed to participate in interviews. This is an acknowledged weakness of the study.

UNITES had received press coverage in India with its formation in 2005 and academic attention to the first IT and ITES trade union was starting to form around that time. Upon
further study, another UNI project, the ITPF, was discovered. When my research began in 2006, the IT Professional Forum was still in operation and offered an important subject for further analysis – the IT-ITES labour association. Additional contacts were made through UNIDOC, UNITES, and ITPF officials. Interviews sometimes began after informal conversations progressed to a point of significance for the dissertation. Most of the contacts with UNI and Unite the Union were first established while I conducted fieldwork in India in 2008 with UNITES. The YPC was recognized in the media at a time when IT-ITES unions and associations were first beginning, and when U.S. and UK unions were building connections with labour organizations in India. My first contact with the YPC, specifically with Vinod Shetty, was established through email correspondence; additional participants were recruited upon my arrival in India.

All of the interviews were semi-structured, meaning that in addition to a set list of questions, conversations would illicit additional queries after the interview began. Interviews were generally one hour in length. With the exception of two participants all of the interviews were recorded and subsequently transcribed. Coding consisted of drawing from the transcriptions questions and themes related to the broader research, which included: the origins of unionism in the call centre sector; the challenges faced by the respective individuals and organizations in their attempts at recruiting new and existing members; the nature of employment in the relevant workplace and organization; the participants’ perspective on the globalization of call centre employment; the possible
gains or pitfalls of unionization in the sector; why the participants turned to unionization or professional associations; the regional significance of IT and ITES, etc. Participants would often elicit new ideas that I, as the researcher, followed up with additional research.

Most of the interviews conducted for the research took place face-to-face, but telephone interviews were used for participants involved in the OMDR case study. Face-to-face contact is the preferred method of interviewing, as the personal interface invokes other, non-verbal cues that could lead to further lines of questioning. However, phone interviews with participants still resulted in conversation-like dialogue, which prompted responses and questions that deviated from the initial script. Because many of the encounters in India and Europe were the result of coincidental meetings, or participant involvement in seminars and press conferences, casual conversation often preempted a formal interview. There were also occasions when social engagements with participants resulted in broader conversations that were not initially covered in recorded interviews. Such encounters factored into my general analysis about organizations, unionization, and the nature of IT and ITES development, rather than specific details or quotes that appeared in the course of writing the dissertation.

Interviews, and the subsequent transcriptions, were analyzed through a qualitative lens. It could be said that the social engagement with participants produced unreliable
information, or worse, jeopardized my role as an “objective” researcher. This is not the case. In some instances off-the-record remarks and informal discourse produced new understandings that assisted in drawing meaning from the coded “official” transcripts. I recognized the importance of generating narrative accounts from interviews, as well as the wealth of information coming from statements made by union officials and members regarding strategies and their perspectives on the growth of global federations, for example. The personal and social interactions that accompanied interviews helped to build a stronger account of how individual social agents impact larger structures and, reciprocally, how social structures constrain the actions of individuals. Critical realism was instrumental in framing the methodological significance of this approach. The weakness in such qualitative social scientific methods is that the sample size, and lack of systematized quantitative data that could have been produced through surveys and related forms of data collection, restricts the scope and type of claims available to the researcher. This is not to say that qualitative methods produce unreliable information, only that it is different than the data generated through quantitative methods of collection and analysis.

Finally, it is worth making note of my position as a researcher interested in unionization and labour. Personal encounters with union campaigns, and broadly the unionization of knowledge workers at the university level helped prefigure a research design that took as a point of departure the views of union organizers, activists, and officials. The result of my study was not one that confirmed pre-existing notions, but instead took to task and
questioned original hypotheses about the challenges facing trade unions and why these problems exist. This personal and academic history helped to open doors for the research by, first, getting the support from trade unions for the study, and, second, in conducting interviews and soliciting responses from participants who were not fearful of how I, the researcher, would represent them. What resulted from this method of investigation were countless pages of in-depth interviews that allowed me to build a solid account of the organizations and social processes being examined. Indeed, as both critical realism and political economy espouse, the synthesis of a multitude of resources used to respond to central research questions established an account that effectively looks at the interlocking relationship of social actors and structures that define the global call centre industry from the vantage point of organized labour and the industry itself.