The Global Economy — It's Wonderful!

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The Boston Globe revealed the reason why tens of thousands of information technology (IT) jobs have been outsourced overseas in the last couple of years, and why major American banks, brokerage houses, and insurance companies plan to shift 500,000 more jobs overseas in the next five years. MBA graduates of the Indian Institutes of Technology can be hired for $12,000, compared to the average starting salary of Harvard Business School graduates of $102,338.
The half-million jobs figure was reported by business consulting firm A.T. Kearney Inc., which surveyed 100 major companies. It's all a matter of money; the big banks are following the trail to Asia blazed by Microsoft and IBM.

A study by Forrester Research of Cambridge, MA, estimates that the rush to export U.S. jobs will accelerate and corporations will send 3.3 million American jobs overseas by 2015. India is expected to get 70 percent because many Indians speak English.

The future is now. U.S. companies are already using Indian employees to do research and development, prepare tax returns, evaluate health insurance claims, transcribe doctor's medical notes, analyze financial data, dun for overdue bills, read CAT scans, create presentations for investment banks, and more.

J.P. Morgan Chase & Co is planning to set up an equity research department in Bombay and build up its Technopolis office to 1,100 Indian employees by the end of this year. Delta Air Lines has contracted with two Indian companies to handle some of its customer reservations.

Morgan Stanley plans to experiment with hiring stock analysts in India, and Goldman Sachs Group and Citigroup are studying the benefits of shipping research jobs to India. Industry observers say that every bank on Wall Street will soon reap the cost benefits of the inexhaustible supply of business graduates in India eager to work for as little as ten percent of the market rate in New York or London.

General Electric Co. shifted software development and back-office jobs to India under CEO Jack Welch. Today, GE's Indian engineers are contracted for tasks as sophisticated as analyzing the materials and design of new jet engines.

So, it's not just the steelworkers and the blue-collar manufacturing workers who are getting shafted by the global economy; it's smart college graduates, too. As one executive, who has no shame about replacing Americans with foreigners, said, "If it can be done by sitting at a desk in front of a computer, then it can be done abroad."

Some U.S. companies such as American Express are using Indians to service American customers by telephone. The Indians adopt American names (Sanjeep becomes Sam, Radhika turns into Ruth), learn how to avoid British colloquialisms, and take speech therapy to sound American.

Many American companies subcontract with Indian software-serving companies, especially with the three largest: Tata, Infosys Technologies, and Wipro Technologies. These Indian companies then transfer their employees to the United States on L-1 visas (which are supposed to be issued only to key employees).

Business Week reported that L-1 visas were the ticket of entry to take a U.S. job for half of Tata's 5,000 workers, for one-third of Infosys's 3,000 U.S.-based workers, and for 32 percent of Wipro's U.S. employees. L- 1 visas enable Indian workers to replace U.S. workers, and they bring in their spouses and children on L-2 visas.

New Jersey residents were shocked to learn that state officials had hired contractors who in turn arranged for operators working in Bombay, India, to handle calls from the state's welfare recipients. New Mexico residents were shocked when KOAT-TV reported that the state hired aliens as computer programmers in the Taxation and Revenue Department, and then paid private attorneys to process their green cards.

The large amount of taxpayer-paid computer work performed by non- citizens for at least 12 state governments and 9 federal agencies is a scandal crying out for investigation.

Age discrimination is a significant factor in the layoffs of Americans. The termination rate for those over age 40 is generally 10 times higher than for those under 40, and even those as young as 35 are at risk.

Sun Microsystems is now defending itself against a lawsuit alleging that it laid off 2,500 older U.S. workers and replaced them with young, lower-paid workers from India. The lawsuit alleges that Sun discriminated on race, national origin and age, and that Sun manifested an "institutional bias" in favor of Indian workers because they are "more compliant" and "less willing to make waves."

Not only is the corporations' claim that we suffer a shortage of computer programmers and engineers a fraud, but so is their claim that the aliens they import have very specialized knowledge that is needed to retain the industry's technological edge. In fact, most foreigners coming in on H-1B or L-1 visas are very ordinary workers making very ordinary salaries.