

## HIGH TECH HYPE

### *Promised Job Paradise Evaporates*

Brawny was over, brainy in, the experts said. In the new global division of labor the grimy grunt work would be done in the Third World. Leave the stitching, milling, assembling and other mindless handiwork to developing nations where labor was cheaper, pliable and abundant. The new high-tech world of the 21st century would be dominated by, computer and information technology.

In this heady paradise Americans would be the "symbolic analysts," the "knowledge workers" who would do the "high-value jobs" of thinking, creating, designing and innovating.

For sure, the competition would be fierce. Up against the likes of Germany and Japan, with their "world class" schools, the U.S. had a lot of catching up to do. But the opportunity was there. American businesses would need all the tech-savvy workers they could find. For those willing to study, retrain and work hard the future was theirs for the taking.

Or so it seemed.

Just try telling that to John Bauman, 61, a veteran computer programmer from Meriden, Conn., who's been out of work for the last 16 months. He's not alone.

"I have dozens of friends who are all in the same boat, some of them, with Ph.D.s in computer science used to making six figure salaries who can't get a consulting job for \$30 an hour. We have a 27 percent unemployment rate in information technology here in Connecticut. For every opening there are 240 resumes."

Why the glut?

"These jobs are gone," declares Bauman, the result, he says, of American based multi-nationals hiring cheap foreign labor to undercut U.S. workers. Information tech workers, he explains, have been dealt a crushing one-two punch: The first blow was the H-1B and L-1 visa programs which allow companies to import hundreds of thousands of lower-paid foreign professionals every year, under the guise of there not being enough skilled Americans to do the work.

Still not satisfied, companies in recent years are, relocating more and more of their IT operations overseas, altogether. This second - and what Bauman sees as fatal - hit has sent domestic information technology into the tank. "How are we to compete with people making one-tenth of what we're making?"

The father of six grown children, two of whom are hi-tech casualties themselves, Bauman is through selling them - or anyone else - dreams of a high-paying future in information technology. "I'm telling my kids to go into car repair so they can't be offshored."

Offshored, outsourced or just plain out, no matter how you slice it, Bauman is among the hundreds of thousands of Americans losing white-collar professional jobs that were supposed to be a lock on the future. The exact number is unclear. The Communications Workers of America, which has been gamely fighting the white-collar job exodus, puts the number at 400,000. Still, that represents only a fraction of what is expected to be a huge overseas rush over the next decade, with predictions going as high as 3.3 million by 2015 - 450,000 from the computer industry alone.

To be sure, for now, many of these jobs are strictly of a "back office" variety, the usual number crunching and simple data processing as well as customer service. According to a Sept. 29 story in Forbes, the Plano, Texas-based Electronic DataSystems (EDS), for example, opened a call center in Mumbai (formerly Bombay) where young, college-educated Indians, complete with American "stage" names and classroom-coached accents, answer phone calls and e-mails from unsuspecting American consumers. They're paid \$1.25 an hour for a job that would command at least \$10 in the U.S.

Higher up the job ladder, EDS has also hired a large complement of Indian tech workers who handle everything from maintaining its computer network and Web sites to preparing PowerPoint presentations back in the states or Europe. Similar jobs in the U.S. would pay \$45,000. In India? Figure on about one-tenth the cost. About \$6-500 is all that will be needed to replace 51-year-old Richard Randall Mahler's \$68,640 programming job at EDS. He was let go last year, while at least another 2,750 higher-paid EDS workers in the U.S. and Europe await their pink slips. The list of companies going offshore amounts to Who's Who of global capitalism. General Electric, AT&T, American Express, Citigroup, Morgan-Stanley, Microsoft, Oracle, Aetna, Circuit City, Exxon, Boeing, Coca Cola, DuPont, Dow Chemical, Maytag, Ford Motor, Verizon and Yahoo! are just a handful of the hundreds of companies taking part in the great global getaway. Pressed to defend their overseas operations, companies like to emphasize that lower labor costs help keep the cost of U.S. consumer products down while helping developing countries, which, over time will lead to new markets for American businesses and workers.

Critics like John Bauman, however, see it as yet another example of what some have called a "race to the bottom." He points to the fact that the bargaining power of workers who, still have their jobs have been radically undermined. 'I have friends,

highly skilled veterans in the field, who have been told they have to take a \$20,000 to \$30,000 cut in order to keep their jobs. The companies have us coming and going."

IBM is going, though it prefers the term "global sourcing!" According to *The Wall Street Journal*, [Dec. 15] the global giant is said to have told its managers - though not the targeted workers - to get ready to move almost 5,000 high-paying software programming jobs to India and China. The *Journal* reported that the company had already hired 500 engineers in India. IBM's plan represents yet another crushing blow to smaller communities, like upstate New York's Poughkeepsie - long an IBM stronghold - which is already reeling from decades of manufacturing and blue-collar job losses. There the \$75,000 to \$100,000 a year that a typical programmer makes is simply irreplaceable. Adding further insult to injury, it's been reported that the workers slated for the first round of layoffs will be given one last assignment. If they hope to see any severance, they'll have to train their replacements.

"Increased global trade was supposed to lead to better jobs and higher standards of living," said Republican Congressman Donald Manzullo while chairing a committee hearing dealing with the effects of outsourcing. "The assumption was that while lower skilled jobs would be done elsewhere, it would allow Americans to focus on higher skilled, higher paid opportunities. But what do you tell a Ph.D. or professional engineer, or computer scientist to do next? Where indeed?"