

## INTRODUCTION

Would you rather have high hopes and have them routinely dashed, or have low expectations and rarely be disappointed? This was the question I pondered while listening to two Indian workers, Prashant and Anil, debate the merits of globalization. They are employees of Dynovate, an outsourcing company in northern Bombay that handles a number of basic financial processes for Western multinationals. As was their habit during breaks, the two had gathered in their building's sixth-floor stairwell for a smoke. Prashant is 24, dark-skinned, and stocky and has a Cheshire grin. He says he "likes to party" and is a deejay at nightclubs in his spare time. His favorite group is the Black Eyed Peas. Anil is two years his senior. His complexion is fair, his frame slender, and his attitude sullen. He does not party, does not drink, and favors Indian music. (Curiously, Prashant, the devotee of Western popular culture, smokes the domestic India Kings, while Anil, the self-professed skeptic of globalization, prefers Marlboros).

A dyed-in-the-wool PR man—he works in "media relations"—Prashant has an admirable capacity to see silver linings and half-full glasses where other might despair. While some have speculated that the Indian outsourcing industry faces a critical shortage of "employable talent," Prashant thinks that its future is bright and that it "isn't a bubble that's going to burst." His work, like much of that in the industry, is tedious, but he finds the "open" culture of the company exciting and he enjoys working with American clients. They are demanding but fair. What is more, he has learned how to be a professional. "Everyone likes professionals," he says genially. "They're the ones that get things done on time. They interact with various people in the right way, in the right manner. You give them something to do and they do it quickly." Prashant understands his work to be a performance, like his after-hours deejaying, and is anxious to please.

Anil, by contrast, is a grudging participant in the emerging drama.

He finds Western clients to be terse and unappreciative and grows tired of always having to put on a bright face. He also laments the long hours they have to put in at the office—at times, up to 12 to 14 hours. “They demand too much and they get too much,” Anil says with slight resignation. The industry, moreover, “caters to lower skilled labor” and training is “minimalistic.” He believes that management is not as transparent as it should be, especially in awarding bonuses and promotions. And while outsourcing has generated employment for some two million people in India, Anil doubts its long-term viability. “If our costs start increasing, what will happen?” he asks with knitted brow. “The jobs will move. The work will go.”

This book tells the stories of people like Prashant and Anil, the purported winners of globalization. The animating paradox of their condition is that they are reaping the benefits of the corporate search for cut-rate labor but also bearing the burdens. Last I checked, Anil is still with the company and draws a steady if unspectacular salary. Prashant restlessly jumped from one firm to the next in search of better pay and more stimulating work, only to find that the ladders of upward mobility often end in midair. So, would you prefer a life of false hopes or one of dull monotony? Starving artist or couch potato? Peripatetic Prashant or austere Anil?

Globalization enthusiasts would respond that this is a false dilemma, that the “new economy” is characterized by an upward spiral of effort, innovation, and reward. And if the news reports are to be trusted, this enterprising constellation now applies to the developing world. By dint of the spread of information and communication technologies, many white-collar service jobs that were previously regarded as the sole privilege of the richer nations can be performed from almost anywhere. And there is no question that outsourcing has provided opportunities for many young Indians and has boosted the country’s profile on the world stage. (Revenue from outsourcing is predicted to reach \$71 billion this year.) The preponderance of evidence, however, including the extensive field research I conducted for this book, suggests that the promise of outsourcing-led development has been wildly oversold.

The usual moral dilemma about globalization—whether, as Paul

Krugman provocatively put it, bad jobs are better than no jobs at all—obtains here as well, but with a few twists.<sup>1</sup> As surveys in India indicate, the outsourcing industry draws its workforce from the privileged castes and classes, not landless peasants scouring scrap heaps for recyclables. These young and college-educated workers (mostly under 30 years of age) would easily have work even without outsourcing. And the pay is good by national standards, much of which is dispensed of forthwith at exurban malls, cafes, and nightclubs (though some charmingly sober-minded workers do support their families). In short, this is a population whose gains are assumed to be unambiguous. Yet as I shall argue, these workers are also shouldering the weight of the global restructuring of work.

First, they do indeed receive relatively high wages (in India), but they are also subject to what Marx called the “dull compulsion of economic relations,” and the forms of discipline and surveillance issuing thereof. The room they presently have to bargain over the terms of their labor depends largely upon a contingency: the temporary condition of the labor market. If labor demand decreases or the supply increases, the situation of these workers may no longer look so enviable. And, still, the conditions of work can be strict: hours, by turns stress-filled and Chekhovian, monitored tightly.

Second, much attention has been paid to the broadening of workers’ insecurity in the advanced industrial economies since the 1970s.<sup>2</sup> Downsizing, privatization, deregulation, and union decline have all undermined the position of labor. Beck, for example, writes about a new “political economy of insecurity.”<sup>3</sup> This book builds on these observations by looking at how developing countries are integrated into this precarious environment. Globalization extends insecurity to workers in developing countries through a process of inclusion and marginalization. They are included through the “spatialization” of jobs and work.<sup>4</sup> Yet they are simultaneously excluded from core and creative activities, thereby ensuring their vulnerability, if not expendability.

Rhetoric about the “flat” and “borderless” world notwithstanding, then, globalization is not the great leveler it is often reputed to be. The Indian outsourcing sector, for example, is a niche and hugely dependent export-based industry. While offshore workplaces appear, at first

glance, to be beacons of high-tech innovation, they are very often sites of rote tasks, such as customer service, data transcription, and basic software coding. The worker, moreover, uses the digital tools of the information economy to perform its grunt work. And while long and busy hours are no strangers to Americans, their lengthening and deepened intensity in the offshore context raise concerns about labor conditions. Drawing on extensive fieldwork in India and the United States, I argue that this offshore workforce is something of a white-collar proletariat. (See the appendix for a discussion of research methods.)

This interstitial position is well reflected in a newspaper photograph I saw recently. Indian call center employees are pictured working under a banner that reads, “Life Means More.” The banner is part of the décor—a motivational device?—and I wish I could have asked the employees what they thought of it. Has outsourced work enabled them to make more of their lives? Or has it raised hopes without providing the means to realize them? I pose these questions to the reader. In so doing, I hope this book serves as a corrective for the many sensationalistic and polemical accounts of globalization now circulating. My goal was to move back and forth from corporate headquarters and trade fairs to offshore workplaces and the spheres of everyday life to paint a more accurate picture of its costs and benefits. And as the focus is on the supposed beneficiaries of globalization, I pay close attention to the cyclical humiliations *and* joys of life under transnational capitalism. “Outsourcing” has become a public spectacle, and I try to capture its many, often absurd, facets.

### **Truth in Outsourcing**

Things are not what they appear to be; nor are they otherwise.

—*Surangama Sutra*

Globalization is a polysemic term, a floating signifier.<sup>5</sup> Of its various attributes, none are perhaps thought to be as defining as transparency. Yet as corporate operations are increasingly globalized, truth becomes less immediately verifiable and trust becomes more a matter of faith. To mitigate these problems, companies have created international

standards for a wide variety of practices. This way, it matters little whether a practice is performed in-house, across the country, or overseas. Universal standards smoothen geocultural friction. They build confidence. And as confidence grows, not only is work outsourced, but so are intangibles like accounting and human resource practices, management styles, and even names and accents. But sometimes the confidence falters. As the following examples illustrate, globalization is defined as much by smoke and mirrors as by transparency.

The news came as a shock but was not altogether surprising. In January 2009, Ramalinga Raju, the founder and chairman of Satyam Computer Services—the first Indian technology company to feature on the Nasdaq—was arrested after admitting that he had cooked the company's books. If Satyam was not a world-class company, the thinking went, it would pretend to be by posting fictitious earnings and assets to lure investors. And the act was convincing. The company had gained the patronage of over a third of the Fortune 500, such as General Electric, General Motors, Cisco Systems, Coca-Cola, Sony, Nestlé, Nissan Motors, Caterpillar, and State Farm Insurance. Having revealed that he exaggerated the firm's cash reserves by about \$1.4 billion (around 94 percent of the cash on the company's books), chairman Raju—recipient of Ernst and Young's 2007 entrepreneur of the year of award—wrote in his resignation letter that the process “was like riding a tiger, not knowing how to get off without being eaten.” Raju as well as Satyam's former chief financial officer are being investigated on suspicion of conspiracy, forgery, criminal breach of trust, and falsifying documents. *Satyam*, I should add, is Sanskrit for “truth.”

According to C. B. Bhavé, India's chief markets regulator, the disclosure was of “horrifying magnitude.”<sup>6</sup> As one of the biggest corporate frauds in Indian history, questions were immediately raised about regulatory oversight, accounting standards, and corporate governance in the country. While the full repercussions of “India's Enron” have yet to be realized—and the Indian government has moved to stanch them by deposing the entire Satyam board—the revelations have already rattled investors' confidence in India and cast fresh doubt on the viability of the offshore outsourcing model.

But the outrage elicited by the confidence trick had only partly to do with the company's economic might. Satyam mattered because it,

like other homegrown tech giants Infosys and Wipro, embodied an idea: the idea that from acorns mighty oaks grow. From its small beginnings in 1997 in Hyderabad, where a handful of energetic workers wrote software code and processed data, Raju's company capitalized on concerns in the United States and United Kingdom about potential software bugs at the turn of the millennium by providing upgrades. Satyam now employs 53,000 workers and has operations in 67 countries, including eight offices in the United States. It provides a range of activities to some of the world's largest multinationals, from information technology to customer service and, ironically, has even managed some clients' accounting and finances. A model corporate citizen, Satyam sponsors a number of nonprofit organizations that focus on improving the life chances of the rural poor.

The fear is that Raju's fall from grace is not his alone, that he might take the "new India" with him on his tumble from corporate headquarters to Hyderabad prison cell. India's lucrative information technology and back-office industry, according to the *Wall Street Journal*, has become the "poster child for India's economic liberalization and rapid growth," the beaming face that modern India proudly shows to the world. Thus the scandal cannot be written off as a holdover from India's bad old days of corporate and bureaucratic corruption. Satyam is a new type of company. It is also a global company that has been audited for the past 10 years by the Indian affiliate of PricewaterhouseCoopers.

And Raju himself is a product of Western training. The son of a farmer, he earned his master's of business administration degree at Ohio University in the late 1970s. As Taube explains, upon his return to India he was determined to emulate Western best practices:

Having studied and learned business in an environment different from the Indian one, he brought back home not modern technology but rather western business culture. Many other engineers or managers working in American companies experience a different organization of work, usually much more flexible and open, especially high-tech companies in Silicon Valley. A major difference is the less hierarchical structure with more freedom and responsibility.

Eventually he established a very untypical modern organizational structure at his company modeled after what he had seen in the U.S.<sup>7</sup>

(Perhaps his scheme should be conceived neither as purely Indian nor purely Western but instead as hybrid, where the twain meet.) Instead of serving as an example of the universalization of transparent accounting standards, as in notions of a “rationalistic world culture,” Satyam made a hash of them, and PricewaterhouseCoopers failed to sound the alarm.<sup>8</sup> While there is certainly some truth to the claim that global integration has expanded the reach of rationality, transparency, and accountability, such arguments now require a quite lengthy list of qualifications, especially in light of the Enron and WorldCom debacles, Madoff’s Ponzi scheme, and the recent financial crisis.<sup>9</sup> The same holds for critics who tell a counternarrative of rationalization run amok, recalling Weber’s famous invocation of the “iron cage.”<sup>10</sup> The iron cage, even a digitized one, is not the appropriate metaphor for today’s realities. Rather, a central argument of this book is that the “rational” and “nonrational” are intermingled.<sup>11</sup> They coexist and sustain each other.<sup>12</sup> Close scrutiny of global processes in situ reveals a complex mixture of contrary elements, giving everyday life a surreal, *Through the Looking Glass* quality.

A most vivid example comes from the Indian call center industry, which frequently requires employees to don Western identities in providing inbound (customer service) and outbound (telemarketing) service. Workers also undergo training in Western accents and popular culture and are discouraged from disclosing their geographical location on the phone. (If pressed, many are simply told to lie.) This results in masked accents, masked names, and masked locations. Whole offices of workers act like Americans and Europeans and live as if they are in time zones a world apart. The rationale for these obfuscating practices is that they allow agents to serve customers better. But another reason, less discussed, is to mute the political backlash in the West over the morality of outsourcing.<sup>13</sup> To employers and executives, these are white lies. To Indian workers they are tainted gray. To Western workers they are soot black. They are lies that justify, complicate,

and deceive. But the paradox is that outsourcing is also a material truth, a series of concrete, mimetic practices. A forged truth. In a word, a masquerade.

### **The Fugue of Globalization**

How are we to conceptualize the foregoing? And what does it tell us about globalization more generally? Two different perspectives dominate discussions of the trend. The first tends to see it as a force that is homogenizing the globe, in fact, turning it into McGlobe, all rights reserved. Partisans of this approach include subscribers of updated versions of modernization theory, such as Thomas Friedman, who see globalization as challenging power asymmetries, as well as denouncers of the neoliberal imperium, who see it as consolidating them.<sup>14</sup> The main problem with this picture is that the brushstrokes are too broad and linear; it misses a whole range of diverse ideas, patterns, and forms that have emerged despite and in consequence of increased global interconnectivity.

The second view, which also crosses ideological lines to include proponents of globalization as well as academics who study things closely, sees not sameness but “hybridity.” While attention to syncretism is certainly welcome, this camp is guilty of missing the “prime mover”: were it not for the expansion of transnational capitalism, we would not be having this discussion.<sup>15</sup> (You may find a McAloo Tikka Burger with Cheese or a Chicken Maharajah Mac only in India, but it is still McDonald’s.) That is to say, the global interplay of culture, capital, and commodities is not purposeless; it is motivated by the impulses and desires of economic and political elites.<sup>16</sup>

The first perspective loses the trees for the forest, the second, the forest for the trees. What is needed is an approach that combines sensitivity to empirical detail with an awareness of the broad direction of change. That is, we must remain alive to the “local and determinate ways” in which globalization unfolds.<sup>17</sup> To this end, I argue that globalization produces similarity and difference simultaneously. On the one hand, offshore spaces of work are constructed in the Western cor-

porate image. On the other, existing values and organizational forms cannot be extended to new social groups without being transformed in the process. Workplace identities and relations are therefore composed of a variety of influences, not just corporate impositions on an amorphous Indian mass.

In the case at hand, globalization can be likened to a fugue, a technique of imitative counterpoint in musical composition. The first line announces the major subject or theme, which is followed by an “answer” in imitation, but in a different key and often distinct enough to form a counterpoint. Likewise, the mimicry of modes of work, consumption, and ways of being does not result in a one-to-one correspondence; it is a practice of emulation, which necessarily takes on distinctive characteristics.

This notion of difference-in-similarity is also suggested by this book’s title. The term *dead ringer* refers to one who strongly resembles another. In its original meaning, a ringer is a fast horse that is furtively entered into a competition in place of a slow or injured one. Here workers in the global south are substituted for their more expensive counterparts in developed countries. To all outward appearances, the names and neutered accents, the workplace cultures and structures, the identities and lifestyles resemble those of their country of origin. Upon closer inspection, however, you see how they diverge from the mold.

As the book’s organizing motif, the idea of imitative counterpoint allows us to capture a wide spectrum of responses to globalizing pressures that occur within a context of unequal political and economic relations. It is capacious enough to apply to instances of resistance (i.e., using the colonizer’s language and categories to undermine colonialism), ambivalence or pastiche (i.e., Bollywood movies), as well as acquiescence (i.e., out-and-out mimicry). The idea also provides purchase on the dialectic of freedom and constraint, or agency and social structure, as it is called in the academy. Mimicry is not a crude caricature of other ways of being, nor is it the unproblematic transplantation of foreign norms; it signifies their appropriation and transformation as they are anchored in different terrain.

So, by most accounts, India has done very well in integrating itself

into the global service market. I wrote *integrating*, but I might also have written *ingratiating*. The rules of the game are set by already dominant transnational corporations, and if India wants to play it has to adhere to them.<sup>18</sup> This is not, then, a story of a country's belated "modernization." Rather, it is a tale of the imperfect reproduction of (shifting) Western patterns abroad, which, I think, can tell us much about the dynamics of global capitalism and development. India reinvents itself, somewhat paradoxically, by modeling itself on the advanced consumer economies. The trick is to recast the necessity of adhering to the Western mold as an emphatic choice.

### Looking Ahead

As much as globalization is a political-economic reality, it is also a promise. A promise that hard work and the exploitation of comparative advantage are redemptive and that the old division of the world into center and periphery, into First and Third, is no longer relevant. By virtue of globalization, India would be built not by backbreaking labor but, even more heroically, by "mind work." The bureaucratic time servers that were the foundation of the state-directed economy (and the labyrinthine "license Raj") would be replaced by a new generation of urban, tech-savvy professionals. The fetters of caste and tradition would be washed away by the rising tide of modernity. In more fanciful prognostications, India would glide past industrialization to a "knowledge-based society," to the status of an "information superpower," with the ease of a film dissolve.

Promises sour, horizons dim. Allegations that workers are "cyber-coolies," that work sites are sweatshops, that outsourcing is a technologically updated version of colonial subjection, and that India is merely the "electronic housekeeper to the world," hold a particular sting. Critics are told that although the "long hours and erratic shifts invariably confuse people's biological clocks," that although workers "tend to put on weight" as they "eat and smoke more and down more coffees during night shifts," there "can be no possible argument against call centres." Outsourcing provides "employment, salaries and

facilities to youth who might otherwise be unemployed.” “It is a virtual godsend.” Trade unions for all their fussing about labor conditions are accused of “killing the golden goose.”<sup>19</sup> But the hard reality is that the eggs were never golden and the goose is quite ordinary.

My purpose in the pages that follow is to explore the cycle of hope and disappointment that has come to define the globalization story in India and elsewhere. In so doing, I consider noneconomic factors, such as managerial styles, workplace culture, and family and social relations, to be of more than secondary importance. They enable the economic; they are its condition of possibility.<sup>20</sup> To this end, I focus on the culture of the economy—the exuberant banality of economic life—as well as on the economy of culture: the strictures and structures by which social life and human creativity are hedged.

The book is structured as follows. First, I lay out the mottled backdrop against which this drama unfolds. When service outsourcing was first registered on the public radar, it set off something of a moral panic in the United States and Western Europe. Some believed it to be salubrious in the long term and consistent with broad trends of economic restructuring. To others, it betokened a new era of job loss and economic vulnerability. In both cases, as I discuss in chapter 1, the international trade in services became a synecdoche for the promise and peril of increasing global interdependence. Chapter 2 anchors the book theoretically. It explores how place-bound practices, policies, and identities are being reconfigured by cross-border processes. It also establishes the basic characteristics of global outsourcing and the historical and institutional context in which it takes place.

I invite readers of a less theoretical bent to begin with chapter 3, which explores how globalization affects the identities and aspirations of workers, managers, and employers. Briefly, workers find the adoption of foreign accents, identities, and timings both exciting and disorienting. They increasingly identify with lifestyles and customs that are global in reach. (For others, perceived maltreatment leads to disenchantment.) Executives and managers, too, use their close engagement with the West to define themselves as something other than the “traditional” Indian. It is a cultural distancing act predicated on unacknowledged class privilege.

Chapter 4 focuses on what I call *time arbitrage*. The extension of work hours through global outsourcing means that a 24-hour work cycle is a near possibility. This means long hours for offshore workers, as they often stay past dusk to work with Western clients. The other option is the direct adoption of Western timings in offshore offices. This translates into the permanent night shift for workers as spatial and temporal disorientation are neatly combined. In both cases, companies exploit both Western and Indian work norms to increase the length and density of work time. Unsurprisingly, these long, busy, and odd hours estrange workers from family and friends and the “ordinary” rhythms of the society. What is more, the inversion upsets circadian rhythms and adversely impacts health.

Chapter 5 traces the offshoring of work from the United States to India as it occurred at one company. It looks at the types of work being moved, the labor conditions under which they are performed, and adumbrates my argument about white-collar proletarians. While the complexity of services offered from India is increasing, there are presently limits to how high subsidiaries and subcontractors will move up the so-called value ladder. That is, they depend on standardized work for the bulk of their revenues. This translates into extreme levels of work rationalization, or the Taylorization of information work, and consequently, high turnover.

The next two chapters address the globalization of corporate culture. I find that outsourced practices and norms mirror those in the West in a double sense. Strictly, they are attempted copies. But they are also a mirror held up to the desires and disappointments of managers and executives. Frustrated by what they perceive to be the submissiveness and excessive “Indianness” of their employees, management attempts to instill nominally Western professional values in the workforce (chapter 6). This project of moral reform ultimately misfires as workers are counseled to take ownership of work that is fragmented. The worker is thus torn between the poles of obedience to rules (an attitude befitting routinized work) and self-direction (one that requires greater control over projects). But the problem is not just the ends but also the means. Workers tell of managerial overreach, favoritism, and other unethical practices in this effort to shape employees’ character.

Chapter 7 considers the cultural dynamics of the offshore workplace from the perspective of an American executive in Bombay. It traces his journey from intense optimism about globalization, when he cofounded an outsourcing company, to the melancholic uncertainty that causes him to leave India. The “juggernaut of job creation” he helped create no longer looked so impressive when weighed against the inherent limitations of the industry and the poverty of workers’ culture. Chapter 8 considers the normative visions that animate globalization: namely, the cosmopolitan ideologies of global capitalism and labor’s internationalist challenges to them. I use the idea of an *economy of utopia* to illustrate how these universalizing ideals are transformed through their application in particular contexts. The conclusion revisits the central themes of the book and explores their relevance for development strategies. The appendix is a detailed discussion of the research methodology.