

New Year 2006 Greetings from ASK-Verité!

Introducing the first issue of the e-newsletter **“CSR Bulletin for the ICT Sector”**

This is a media for creating awareness, raising questions and reflecting on CSR issues and their possible solutions in the ICT sector locally and globally.

The newsletter will be circulated on a quarterly basis.

Enjoy reading and send us your feedback.



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CSR Bulletin for the ICT Sector



Progress report from India: News Summary

This section of the bulletin provides a summary of developments taking place in the Information & Communications Technology (ICT) sector in India, especially in the fields of Information Technology Enabled Services (ITES) and E-waste. This section also offers insights into events that are shaping the direction of the sector.

...On ITES

SHINING A LIGHT ON INDIA'S WANKY NEW SWEATSHOPS

<http://www.hindustantimes.com/news/>

[181_1527814,0008.htm?headline=Call-](http://www.hindustantimes.com/news/181_1527814,0008.htm?headline=Call-centres~are~like~slave~ships:~Study)

[centres~are~like~slave~ships:](http://www.hindustantimes.com/news/181_1527814,0008.htm?headline=Call-centres~are~like~slave~ships:~Study)

[~Study](http://www.hindustantimes.com/news/181_1527814,0008.htm?headline=Call-centres~are~like~slave~ships:~Study)

Adding to the woes of the ICT sector has come a report by VV Giri National Institute of Labor, an autonomous body affiliated with India's Labor Ministry. The report created a great deal of controversy in ICT circles and beyond. The institute in its report draws parallels between ancient "Roman Slave ships" and "19th century Prisons" and Call centres and BPOs concerning the human resources engaged in the sector. Further, in the study the institute highlights that the organizational structure of the call centers is

BPO BLUES: ATTRITION GOES DOWN AS HIRING SLOWS

<http://in.rediff.com/money/bpo.htm>

Recently, foreign clients have increasingly demanded more information on HR practices. Many Indian companies face charges of bad HR practices. On their part, the BPO companies claim that they are both acknowledged and complemented, by foreign customers, for creating a better work environment than other places. Also, the attrition rate in BPO industry has considerably decreased and critics attribute it to slowdown in the hiring process rather than improved work conditions.

Also visit:

http://www.business-standard.com/search/storypage_new.php?leftnm=lmnu9&leftindx=9&lselect=&autono=204045

About ASK-Verité

Founded in 1992, the Association for Stimulating Know-How (ASK) is one of the few non-profit organizations in India working extensively in the field of corporate social responsibility. ASK functions as the South Asia Regional Program Office for Verité, undertaking social audits and research on CSR issues and facilitating factory-level remediation and trainings. ASK also supports programs as diverse as finding alternatives for child laborers in the brass industry in India, and working with indigenous communities in rural South Asia. www.askindia.org

Verité is an independent, not-for-profit social auditing, research, and training organization based in Amherst, Massachusetts, USA. Founded in 1995, the organization helps to improve the lives of workers and assists the corporations that employ these workers to better balance profitability with social responsibility. Verité provides social audits, factory remediation, corporate training, labor research, and worker education in over 60 countries worldwide. www.verite.org

The Verité-ASK partnership undertakes

'dualistic' in terms having 'core' and 'peripheral' workforce that can be easily regulated and which does not promote collectivism.

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research and capacity building programs focused on India to improve working conditions. We also collaborate to build capacity among corporations globally to assess and remediate factory-level labor problems.

NASSCOM DISCOUNTS REPORT ON CALL CENTERS

<http://www.ciol.com/content/news/1899/105102505.asp>

Describing a newspaper report that termed call centers as '19th century prisons' or 'Roman slave ships' as appalling, Nasscom chairman Kiran Karnik said no effort had been made by the reporter to get the other side of the story. "Normal media ethics require a quote from the other side also, but no attempt was made to contact Nasscom to get the other side of the story. Some of the facts are right, like workers having to inform if they are coming late, etc., but comparing call centers to 'prison camps' and 'Roman slave houses' is very surprising and I am pained by this terminology," Karnik told media at a press conference here. Putting the report in a broader concept, Karnik said that India is doing well in every field and we take pride that the ICT industry is being recognized for the role it is playing in India's growth.

Defense against the HR practices in BPOs is that the call center job market is highly competitive and any bad practice can lead to employees leaving the organization. And for most of the young people it is just a 'stop-gap' job rather than full time career. Rate hikes in salaries and other services such as free pick-&-drop, free food etc are practices that make call center jobs in India stand out compared to other industries.

...CYBER COOLIES...

<http://observer.guardian.co.uk/international/story/0,6903,1604664,00.html>

One British newspaper (The Observer) describes some youth as " 'cyber coolie' - an expensively educated, highly intelligent graduate, who is wasting her talents performing exhausting, mindlessly repetitive tasks for the call centre industry, a sector which it claims offers no career prospects for the majority of its workers ". A report by VV Giri Institute states that the nature of work at call centers demands the staff 'to live as Indians by day and westerners after Sundown' and takes 'heavy toll' on their mental and physical health.

CAN HE STRIP SOME BANDAGES OFF BPOS?

<http://economictimes.indiatimes.com/articleshow/msid-1283887,prtpage-1.cms>

Now that the call centers are being discussed outside the realm of BPOs and the ICT sector, a book titled, 'One night @ the call centre' by Chetan Bhagat has focused a lot of interest in call centers. The author claims to "strip some bandages off the BPO industry" in his fiction. The book has apparently been enthusiastically read by many.

TRANSPARENT HR PRACTICES CAN REDUCE ATTRITION

<http://www.expressitpeople.com/20040621/>

in terms of balancing work and the life outside. One HR representative analyzes "An individual who has compromised his personal development is bound to develop psychosomatic symptoms such as digestive disorders, bronchial disorders or erratic behavior on account of lack of rest." "The BPO sector, which is heavily dependent on people, is still a young and immature industry, both in terms of the people it recruits and the problems it faces," she adds further. This relative immaturity may have serious consequences impact on the healthy growth of the industry.

Also visit:

<http://www.thehindubusinessline.com/2005/10/28/stories/2005102801011100.htm>

<http://digitalcommons.ilr.cornell.edu/cahrswp/7>

BPO FIRMS WAKE TO RED DAWN

<http://www.rediff.com/getahead/2005/nov/04bpo.htm>
<http://www.rediff.com/getahead/2005/nov/02bpo.htm>

Trade Unions in India are gearing themselves up to work the relatively untouched ICT sector. There has been increasing talk of employee unionization in ITes industries, for example BPOs and call centres. Media reports, on the controversial study published by a government affiliated national institute, highlights some unpalatable working conditions focusing on the demanding nature of the work and giving rise to various issues such as working hours. In health issues etc pertaining to this sector. Very sharp reactions from various

Also visit:

<http://www.rediff.com/money/2005/oct/26bpo.htm>
http://www.financialexpress.com/fe_full_story.php?content_id=107274
http://www.indianexpress.com/full_story.php?content_id=80694

industry is not particularly happy with this double assault of trade unions and the study report on call centers, which has left a bad impression. At the centre of the debate on the entry of unions in the BPO sector is CITU, affiliated to the Communist Party of India (Marxist). "The fact is that the ICT sector is not an essential sector, and no industrial sector can be union-free in the era of globalization. In Australia, the sector is heavily unionized, and the reluctance of employees here to having unions is inexplicable," says CITU secretary W R Varadarajan. M.K. Pandhe, CITU President, alleged that BPO workers were being asked to work 12-hour shifts and do continuous night shifts in direct contravention of the country's labor laws. He added that remuneration is arbitrarily fixed with consolidated wages and that there is no social security for the employees. "How can the ICT sector be treated differently from other sectors?" Pandhe says.

INDUSTRY JITTERY ON BPO UNION ISSUE

<http://economictimes.indiatimes.com/articleshow/1267229.cms>

The biggest fear at the prospect of any kind of union activities vis-à-vis BPOs is that of losing foreign companies, who are not in favor of this and maintain that they will not award or renew contracts if unions fiddle with the call centers and their employees. "If we have unions then we

[management2.shtml](#)

Many HR experts feel that due to global competition in the industry and the market and changing models of delivery systems there is a huge challenge

should expect a lot of work going to some low-cost destinations", says CEO of a BPO Company. Other countries such as China do not encourage union activities and therefore India might suffer from the results of union activity. The ITeS sector has always been seen as performance-based, incentive oriented sector, which rewards performers. The greatest worry for most of the employers of BPOs is the disruptions which would be seen as 'natural corollary' due to the presence of unions in their facilities. The idea of unionization in the information communications technology sector has apparently not been liked in some government circles either. "Everyone is waiting to see that India does not get a lead in BPO," Union Communications and IT Minister Dayanidhi Maran said. However, left parties being very important allies in the coalition government, it remains to be seen what stand government takes as the things unfold, especially in the face of a CPI (M) decision to refer the issue of workers' rights in the BPO industry to a committee that would submit a report to the party's central committee.

Also visit:

<http://infotech.indiatimes.com/articleshow/%201133609.cms>
<http://infotech.indiatimes.com/articleshow/%201273375.cms>

quarters of the ICT industry are coming on the alleged comparisons drawn of call centers with "Roman Slave ships" and "Prison camps". The

HR PRACTICES IN INDIAN BPOS ARE SETTING GLOBAL STANDARDS: NASSCOM

<http://www.thehindubusinessline.com/2005/10/25/stories/2005102502181100.htm>

Delving into the historical reasons for which the unions came into being Kiran Karnik, President of Nasscom, told a newspaper that issues of inaccessibility of the workers to top management level, fear of victimization in the case of registering complaints or grievances, and workers' exploitation at the individual as well as collective level were a few reasons why there was a pressing need for formation of unions. But in the case of the call centers and BPOs no such scenario exists. Some ideas suggested are that if trade unions want to step in at all, they focus on lowering the attrition rate and supporting best practices. Nasscom has expressed its desire to bring the ITeS sector under the essential services category given the demanding nature of the services. Mr. Karnik, however, talks about the need to set up a self-regulatory organization for the BPO industry to lay down standards, best practices for data protection, work conditions etc. But he adds, it will not be mandatory for the BPOs to join the organization.

Also visit:

http://www.nasscom.org/artdisplay.asp?Art_id=4667
<http://www.thehindubusinessline.com/2005/11/07/stories/2005110702600100.htm>
http://www.telegraphindia.com/1051016/asp/nation/story_5360513.asp

...On E-waste

INDIA'S POOR TACKLE TOXIC E-WASTE

http://news.bbc.co.uk/1/hi/world/south_asia



The technology boom in India, and the aspiration for India to become a global ICT

leader, is much vaunted and hyped but beneath the surface there is another glaring reality that stares in the face – e-waste. E-waste generally refers to all those products that have become obsolete due to onslaught of the advance technologies or whose utility is depreciating. India is slowly becoming the world's dumping ground for old computers along with the huge influx of new computers and other electronic goods. The e-waste issue throws up many concerns such as environmental issues, health hazards, effects on the community, work conditions of the labor involved, and so on. The most troubling part of the e-waste situation is that in the large cities of India, amongst the poorest, are those working directly with the waste thus exposing them to all the inherent vulnerabilities. Gender ratio in the work and so on. Further research needs to be done.

BANGALORE FACES E-WASTE HAZARDS

http://news.bbc.co.uk/1/hi/world/south_asia/4222521.stm

Bangalore, the 'Silicon Valley' of India is confronted with a growing problem of e-waste. The recycling process of e-waste is a booming business. Thousands are involved in the disposal and recycling process, but they are exposed to all kinds of health hazards. Domestic e-waste including computers, refrigerators, televisions, and mobiles contain more than 1000 different toxic materials. Working with the toxic chemicals and substances in various ways is the general scenario. Environment poisoning and handling e-waste materials poses tremendous risks to the health of the person/s involved. Dr Thuppil Venkatesh, director of the National Centre for Lead Poisoning and country's leading expert, says the dumping and unsupervised recycling of e-waste is "literally leading to a brain drain". In India the Environment (protection) Act 1986 is an umbrella act, which provides broad guidelines to address the issue of Hazardous Waste. The Ministry of Environment and Forests have also promulgated quite a few regulatory measures related to hazardous waste. But the issue is that the mechanisms for effective handling and adequate numbers of law enforcers are not in place. India's soft approach in handling

Also visit:

<http://www.thehindubusinessline.com/bline/ew/2005/07/04/stories/2005070400090100.htm>

e-waste issues and its generous import policies on import of computers and electronic goods compounds the problem.

WIPRO, APPLY THOUGHTS!

<http://www.greenpeace.org/india/news/wipro-apply-thought>

The authorities in Bangalore, India's ICT capital, have opened dialogues with big ICT firms including Satyam, Wipro, and IBM. Non-



governmental organizations such as Greenpeace and Toxics Link are particularly working on the issue. Toxics Link, a Delhi-based non-governmental organization, says India generates \$1.5bn worth of e-waste annually, with 1,050 tons of electronic scrap dumped by manufacturers and assemblers. As far as initiatives regarding managing e-waste are concerned, the companies have been asked not to dispose of the waste to Kabadiwallahs (those who are involved in disposing of and recycling activities). There are also talks of establishing an e-waste management unit which can take care of the waste materials. Much has been talked about the hazardous impact of toxic substances on the health of the workers who are directly exposed to it. This includes their health & safety aspects, wages, involvement of child labor,

...On Manufacturing & Hardware

As part of exploring the Information and Communications Technology sector in its various dimensions it is important to highlight what the hardware and manufacturing sector has to offer in terms of their Corporate Social Responsibility (CSR). There are a considerable number of companies which include CSR in their planning and business strategy. This section acknowledges and highlights the CSR practices being carried out by the manufacturing sector of ICT. Provided below is a detailed interview of Mr. Sudhir Sinha, Head-CSR, Moser Baer India Ltd, one of the leading Indian companies in the field of ICT manufacturing. His enlightening comments discuss issues pertaining to CSR, and issues confronting the corporate sector as a whole. CSR has traditionally been found in Indian corporate world, though how it has been manifested is debatable. The role of ICT sector companies is seen as being very important in terms of dealing with CSR issues. Moser Baer, one of the biggest IT manufacturing companies of India, is seriously involved in corporate governance and corporate citizenship, which is a very healthy sign.

Moser Baer is a world leader in the development and manufacture of removable data storage media. Incorporated in 1983, the company is today one of India's leading technology companies and ranks among the top three optical storage media manufacturers in the world. Headquartered in New Delhi, India, it has a product range of floppy disks, compact discs (CDs) and digital versatile discs (DVDs). A pioneer among globalizing Indian firms, Moser Baer has a presence in over 82 countries, serviced through six marketing offices in India, the US and Europe, and enjoys strong ties with all major global technology brands. Moser Baer adheres to a code of corporate governance and encourages adoption of best business practices, all aimed at the growth of the company, coupled with bringing benefits to investors, customers, creditors, employees and the society at large. The company sees corporate governance as a critical issue for modern companies and one that is to be taken very seriously. It defines the rights and responsibilities of the different participants in a company such as the board, auditors, institutional investors, private shareholders and other stakeholders. It also explains the principles and procedures underlying corporate life. By doing this, corporate governance aims to provide a structure for company decisions and objectives, and spells out how those involved should explain to other participants what they have done and why.



Sudhir K. Sinha is a Corporate Social Responsibility (CSR) expert and has a wide and varied experience of working with corporate and NGOs both on CSR issues. A social activist who did his post graduation in Rural Development, worked for almost 18 years as Hon. Assistant Secretary of Tata Steel Rural Development Society. He worked with Partners in Change (PiC) – an NGO promoting CSR in India – before joining Moser Baer India Limited as Head of CSR. Pushing stakeholders' model of CSR and aligning corporate philanthropic initiatives with MDGs in India are his two personal agendas.

Q1. Corporate Social Responsibility or CSR as it is popularly known has nowadays become a buzzword in both corporate and social sector. A number of initiatives have been taken up by various private firms to invest some their resources for social cause. What is the driving factor for corporations to take up CSR so seriously ?

Ans. Various CSR studies and surveys indicate that the most important reason to undertake CSR initiatives is to be a good corporate citizen. This, they believe, can be achieved by discharging their responsibilities through carrying out philanthropic activities around their operational sites. Such initiatives essentially help companies improve relationships with local communities, build a good image and thus improve the brand value of companies over their competitors.

For some companies the compliance with the legislation is the driving factor, whereas some old and large companies do maintain that the philosophy of the founders is the guiding factors for companies to undertake CSR initiatives. Though a large range of factors drive the CSR initiatives of companies, I would put all of them into following three major categories and term them as underlying 'drivers' for corporate to take up CSR:

- a. To have Social License to operate business
- b. To mitigate reputational and operational risks
- c. To ensure the sales volume keep moving upward.

Q2. What is the underlying principle that companies follow for addressing CSR? When and where did the CSR movement start and at what level?

Ans. Sustainable business is the only underlying principle for companies as to why they should be integrating CSR. However different companies have different principles. The history of CSR is as old as the business is. With times, the scope and magnitude of it have changed. Therefore no particular place or region can be said as the birth place of CSR. However, the recent history goes back to the

resulted in to several ethical, social and environmental practices that got well integrated into business culture in Tatas – a brand name known for its social responsibility.

Q3. What are the most common agendas and programs covered under CSR initiatives? Is it essentially done in collaboration with voluntary organizations/NGOs or is it handled internally from within companies themselves?

Ans.: The program under CSR flows from the 'factor' that drives company into CSR. However, the philanthropic mode of CSR dominates and therefore companies prefer to contribute to welfare programs under health, education and relief mostly. I would rather be critical saying that the philanthropic activities are even non-strategic as companies have failed to achieve human development goals even in their spheres of influence. The multi-stakeholders model of CSR,

to make cash donations mostly. But, there are companies have their own institutions – foundations/ trusts. Alternatively, Companies get their CSR program implemented through their internal functions like HR and Corp Communication, which I would like to suggest corporations that they should hire CSR experts by creating separate division of CSR. I don't mean to do marketing of social experts but it is essential for corporations to understand that CSR is a different and very specialized function and can not be treated as sub function. Most companies fail to produce impacts of CSR just because the approaches undertaken by HR/Corp Comm. are always different from what a CSR expert would have initiated. Partnership is the key to the success and sustainability of CSR and therefore "public-private people partnership" should be given more stress.

seventeenth century when excesses of the East India Company were commonly expressed. The tradition of benevolent capitalism is as old as over 150 years. Some Quakers, such as Barclays and Cadbury; socialists such as Engels and Morris practiced value based and socially responsible business. In 1790s, England witnessed the first large scale consumer boycott over the issue of slave harvested sugar which finally forced importer to have free-labor sourcing. In India, JN Tata in the beginning of 1900 wrote to his sons “to pay back to society....”, the values which

which overarches workplace issues, Human rights issues, customers’ expectations and aspirations, suppliers’ issues, environment and etc, has still far way to go in India. The meaning and scope of CSR initiatives in the country is limited to engagement with community, which is of course a voluntary action but driven mostly by business needs. Otherwise, programs dealing with other stakeholders are limited to compliance and hardly have companies been seen taking voluntary and proactive actions on those counts. As regards corporate partnering with NGOs, Partners in Change (PiC)’s survey indicates that 16% companies had worked in partnership with NGOs. Companies like

Q4. What is the most common funding mechanism for CSR initiatives? Is it the pre-defined percentage allocation of overall corporate budget or is it the ‘payroll contribution model’? Which among these is more sustainable and why?

Ans.: There is no established mechanism for committing resources. It again depends on how well CSR is integrated as a part of business processes. Since the philanthropic activity predominantly acts under CSR, companies allocate some budget for the community development programs. It is not the ‘strategic giving’, rather, is more of a

‘fair weather approach’ to even philanthropy – depending mostly on the financial performance of the company or you can call it ‘profit’. What I wish to emphasize on is that companies first have to institutionalize CSR as a core business practice. If it is done so, then resources for CSR are committed as a part of the revenues and not a part of the profit. This mechanism is more sustainable as it goes with the business. Resources for CSR as part of the profit are always a risky proportion. Payroll contribution is related to employee voluntarism. Charity Aid Foundation has been promoting this as “Give As You Earn” and as a result companies such as Price Waterhouse Coopers and Glaxo SmithKline in India have provided opportunities to their employees to support their chosen charitable causes.

Q5. How effective is CSR in building a socially sensitive brand for an enterprise? What is the response of general community, stakeholders and consumers to CSR policies?

Ans.: To answer this question, I present to you few examples. Nike suffered the consumer boycott of its products in the mid -90s. It learnt from their mistakes and attacks of NGOs, and today it has emerged as one of the most progressive global corporations since it has improved its CSR practices and integrated it

severe criticism, consumer boycotts just because it failed to recognize the wider importance and thereby ignored to integrate CSR as a corporate strategy. There are several examples as to how CSR has helped companies improve their brand image over its competitors. The best example in India is Tatas – a brand known for its values / principles and practices that have made this group sustain in the business for almost over a century.

Q6. A lot of debate is going around in public and private domains, entailing arguments both in favor and in opposition to CSR. Allegations of CSR being a face saving mechanism for corporate misdeeds, along with injustice on part of companies in putting shareholder’s money into financially unyielding purposes are making their rounds. What is your viewpoint in relation to such concomitant controversies with CSR?

Ans.: There can not be a second argument that CSR, over a period of time, has been an instrumental presenting model of sustainable business. CSR is a dynamic business process which mitigates the concerns and aspirations of stakeholders. This ‘form’ of CSR certainly does not leave any scope for any controversies or challenges for business. However, CSR in its limited ‘form’, using this as instrument only towards mitigating business challenges in short term, does not long last and should therefore be dissuaded. Such an approach can not help companies in saving face. There are extractive companies active in India and Africa, who despite having their well laid out CSR

initiatives will save their misdeeds, especially Human rights abuse, poor work-place practices, environmental violations and corruption/ bribery. No, it is their mis-belief. Therefore, it is these companies which have continuously been facing threats from different stakeholders.

Q7. What is the future of CSR initiatives? Can we expect to witness a corporate led social development movement in the coming days?

Ans.: In a globalizing world where companies are increasingly relying on brand strength to add value and product differentiation, and where NGO-driven consumer activism is increasing, the role of CSR will be inevitable as it makes good business sense. Malcom-Baldrige and EFQM models of Business Excellence have already positioned CSR as one of the core business processes. Companies following these models have to integrate CSR in to their business culture. Still, CSR is in evolving process and therefore there is no uniformity in understanding and approach. CSR has been understood and articulated differently – continent to continent; country to country; companies to companies and even individually. I foresee a huge scope of CSR in future.

Q.8 How do you think evolving CSR strategies can help to integrate UN Millennium Development Goals?

as one of their core business practices. Nike is a brand today. Another example, Exxon Mobil, decided to fight the environmental movement, faces on going NGOs'

policies at the group level failed to deliver the same intent locally. They are working with conviction that doing CSR in form of charity/philanthropic

Ans.: Corporations can link up their philanthropic or community development initiatives with MDGs towards achieving their global goals locally.

Secondly they can reduce the impacts of their operation at the work place linking those with MDGs. Finally, corporations can

use their influence or economic power on improving the policies which would help country achieve MDGs.

Global Bytes

This section brings news and views from around the world in order to see the emerging trends, and enhance the global perspective regarding ICT.

HP TO ELIMINATE BROMINATED FLAME RETARDANTS FROM PRODUCTS' EXTERNAL CASE PARTS

http://www.greenbiz.com/news/news_third.cfm?NewsID=29078

Hewlett Packard announced they will eliminate mercury in most of HP's all-in-one products by replacing mercury-containing scanner lamps with a new contact imaging technology lamp, also making the products easier to recycle. HP points out that by integrating environmental considerations into the design process, the company is able to reduce materials costs, decrease a product's negative environmental impact, meet customer demands for smaller and more efficient products, and reduce recycling and disposal costs -- ultimately reducing the amount of waste sent to landfills. Such features include: modular designs, snap-in features that eliminate the need for glues and adhesives, fewer materials, and molded-in colors and finishes instead of paint, coatings or plating. They also plan to eliminate lead, mercury, cadmium and

hexavalent chromium, as defined in the EU's RoHS directive, in 50% of HP electronic products sold worldwide six months ahead of the July 2006 deadline of the EU RoHS directive.

"DON'T TELL ANYBODY IT'S AFRICA CALLING"

<http://yaleglobal.yale.edu/display.article?id=6333>

More and more French call center companies now outsource to Senegal where they conduct business at a fraction of European operating costs. Senegalese call centers which pay five times the national average, offer lucrative jobs for the country's best and brightest. In Europe, where unemployment rates are on the rise, off shoring is a politically sensitive issue. After EU policies effectively devastated Senegal's fishing and poultry industries, the country may have finally found a way to tap into the European market, in spite of French indignation.

EXPORT PROCESSING ZONES IN THE PHILIPPINES - SMS-ING AGAINST EXPLOITATION

<http://www.icftu.org/displaydocument.asp?>

[Index=991223089&Language=EN](http://www.icftu.org/displaydocument.asp?Index=991223089&Language=EN)

Export processing zones in the Philippines, where electronics and clothing are manufactured, are characterized by worsening working conditions including forced overtime, non-payment of social security contributions, sexual harassment and union bashing according to the latest Trade Union World Briefing.

TECHNOLOGY INDUSTRY REPORTS CONTINUED PROGRESS IN RESPONSIBLE SUPPLY CHAIN MANAGEMENT EFFORTS THROUGH NEW WEB SITE

<http://www.eicc.info/>

The coalition of technology companies implementing the Electronic Industry Code of Conduct (EICC) today reported on its efforts to develop industry-wide approaches and tools designed to improve workplace conditions in the industry's global supply chain, through the launch of their new website <http://www.eicc.info/>.

The EICC was launched in 2004 to collaboratively implement a common supplier code of conduct for the technology industry. Organizers share a common vision of enhanced social, economic and environmental conditions for all workers in the technology industry's supply chain, and making it more efficient for common suppliers to comply with a single set of agreed high standards. Current Member companies include: Celestica, Cisco, Dell, Flextronics, Foxconn, HP, IBM, Intel, Jabil, Lucent, Microsoft, Sanmina SCI, Seagate, Solectron and Sony. The EICC Implementation Group is facilitated by Business for Social Responsibility. EICC implementation tools and progress reports can be found on their web site.

HEWLETT PACKARD: 2005 GLOBAL CITIZENSHIP REPORT

<http://www.hp.com/hpinfo/globalcitizenship/gcreport/supplychain/performance.html>

Hewlett Packard released their 2005 Global Citizenship Report and reported on the following case studies in depth and described their initiatives undertaken in response to the following problems. They disclosed in Eastern Europe "It was rare for workers to question authority, proactively insist on their rights or raise concerns about labor conditions and health and safety.

electric appliances will debut in an economic and technological development zone in Beijing before the end of 2005. Beijing is one of the country's biggest consumer electronic markets and is also a major producer of e-waste. Experts predict Beijing will produce 115,200 tons of e-waste in 2006 alone, including 3.576 million units of waste TVs, refrigerators, washing machines, air-conditioners and personal computers and 2.345 million units of cell phones. China

They found that many workers spend only four to six months per year in a given factory, and few find value in raising issues or concerns." In Mexico "Driven by back-to-school and holiday purchasing cycles, consumer electronics is a highly seasonal business. HP learned that some recruitment agencies used by suppliers to adjust staffing quickly and efficiently fail to uphold the HP standards regarding worker rights and that supplier's neglect to using contractual conditions and oversight mechanisms that identify code violations such as discrimination against married and pregnant women. In China, HP audits uncovered unacceptable and inadequate basic EHS procedures. In Malaysia HP found that some workers from Indonesia and Vietnam, recruited by labor brokers, had their personal freedoms restricted by limits on their travel and withholding of passports which is prohibited under HP's Supplier Code of Conduct.

GARTNER SAYS OUTSOURCING "INFECTED"

<http://www.offshoring-digest.com/sourcing/196.html>

Gartner predicts that 80% of all off shoring will fail at the recent Gartner IT Services Summit in London. It was said that some 70% of all outsourcing deals have become "infected" while 10% are "terminal". One way clients look to mitigate their risk is to sign contracts with a number of the best-of-breed suppliers, rather than hand over their whole infrastructure to a single vendor.

LAW SHIELDS NEW JERSEY JOBS FROM OUTSOURCING

http://www.offshoringforum.com/article_read.asp?id=78

New Jersey enacted legislation designed to protect New Jersey jobs from being outsourced to foreign countries by requiring all work done under state contract be performed within the United States. Under the new law, only American citizens and people authorized to work in the United States can provide services under a state contract or subcontract. Exceptions will be made only when a service cannot be performed within the United States. This new law applies only to New Jersey State, county and municipal governments, school districts and authorities. Opponents say the "new law will discourage multinational companies from setting up shop in New Jersey, will not create one single New Jersey job, and will have foreign corporations thinking twice before they locate in the Garden State." Studies show New Jersey has the potential to lose 492,420 jobs to outsourcing, including 282,840 in office support, 115,990 in computer and math skills and 80,640 in business and finance. New Jersey is the fifth state in the US to enact legislation on outsourcing.

ELECTRONIC WASTE TREATMENT PLANT TO DEBUT IN BEIJING

<http://www.chinaview.cn/>

A plant capable of treating 1.2 million units of waste household

suppliers will have to change or will no longer be suppliers.

SUN MICROSYSTEMS DECLARES WHAT IS GOOD FOR BUSINESS IS GREAT FOR OUR PLANET WITH ROLLOUT OF ECO-RESPONSIBILITY INITIATIVE

www.sun.com/aboutsun/media/presskits/ecoresponsibility

Sun Microsystems announced their new UltraSPAR C (R) processor saying "This is the first processor

is expected to enforce regulations stipulating that producers will be responsible for the collection, recycling and reuse of their products at the end of their life cycle or face fines.

GREEN ELECTRONICS TAKE ROOT

<http://www.taipeitimes.com/News/biz/archives/2005/06/20/2003260039>

Two new environmental rules that will soon be implemented by the European Union are aimed at reducing the number of electronic items such as computers, fridges and cell phones that end up in European landfills, as well as eliminating some of the toxic substances they contain. With the first of the two rules set to come into effect in August, and with similar regulations to roll out in other countries in the near future, there are many challenges companies face in adapting to the changes, as well as opportunities.

TRAIN WRECK NOW FACING ELECTRONIC INDUSTRY

companies that have not registered, cannot be put on the market in Europe, which represents about one-third of global electronics industry revenues. Many companies reported being ill-prepared for compliance or ‘completely confused’ less than 8 weeks before the start date. Also, 60% of companies studied, having no information about Europe’s next key electronic equipment directive – the “Restriction of Hazardous Substances” (RoHS) – with a trigger date of July 1, 2006, risk being barred from the European market. The challenge doesn’t end with WEEE and RoHS. Soon Europe will require electronic and electrical companies to reduce their use of energy – in the components/materials they buy, in their manufacturing processes, the products in their intended use, and in their “end of life” recovery. Elsewhere, Sony issued its own list of restricted hazardous substances and disqualified hundreds of suppliers who didn’t meet their requirements. Hitachi, NEC, Toshiba and others have followed suit. HP is banning 100 substances and Nokia 200. Their

designed for eco –responsibility” which demonstrates that “faster can be cooler, better can be cleaner and cheaper can be greener.” Sun is launching a series of high-level conferences to engage industry and government leaders in support of Eco-Responsibility. The first of these sessions will be held on January 31, 2006 in partnership with the EPA and will focus on innovative ways to reduce energy use in the enterprise servers that power the world’s computers.

NON-COMPLIANCE WITH NOKIA CODE OF CONDUCT SHOWN IN CHINESE CASE STUDY

<http://www.artto.kaapeli.fi/unions/%20T2005/i15>

Certain companies in Southern China do not comply with Nokia Code of Conduct, especially not for contract labor, according to a recently published study. 61 workers were interviewed for this study which describes the working conditions and life situation in Nokia's Chinese-led joint venture. In the press conference the authors voiced hopes that the results would help improve the position and conditions of Chinese internal migrant labor in Finnish as well as other foreign and local

factories. The report is the first in its kind in Finland.

CRITICISM LEVELED AT YAHOO

<http://www.business-humanrights.org/Links/Repository/411456>

Yahoo has been criticized for providing Chinese state security authorities with details that helped identify, convict and imprison journalist Shi Tao, according to Mary Robinson, President of Realizing Rights: The Ethical Globalization Initiative; Chair of Business & Human Rights Resource

Center’s International Advisory Network; former United Nations High Commissioner for Human Rights and former President of Ireland. “It appears Yahoo is unaware of growing public expectations that businesses must assume their appropriate responsibilities for the promotion and protection of international human rights standards wherever they operate. In the time ahead, Yahoo needs to give careful consideration to its role in fostering greater respect for

human rights around the world, not only because it is the right thing to do, but because of the legal and reputational risks it faces if it doesn’t take appropriate action. Before the company’s public image is further damaged, Yahoo executives should learn from and act on the growing body of good corporate practice which recognizes that business can be a positive force for human rights in the world today.

Viewpoint... BPO Employees

This section attempts to capture the views of the employees by giving accounts of what they have to say on their brush with the BPO industry. They apparently mince no words on all the issues pertaining to their job life.

Viplav is a young professional working in the call center for the last three years. Interestingly he, like many others in this business doesn't belong to this field but is a mechanical engineer in qualification. However, undergoing the stagnancy in his earlier vocation, he consciously decided to opt for a vocation in this sector. Viplav has been working for the last one- and- a half years with Convergys, while prior to that he was with Wipro. He personally feels that the reason for his sticking with this job is purely the pay package factor. He feels that apart for the odd working hours, call centre work is fun, and the salary package is also decent. Moreover working at a call centre also enhances the communication skills of any one, which helps you to handle any jobs in future. When asked as to why he has left his field of engineering, his prompt reply was that he wasn't interested in a monotonous 9 to 5 job, where he would have been treated as a mere laborer. Rather he feels that this job is more interesting and holds greater challenges. However when he was asked if the work experience in call centers isn't considered viable in other vocations, Viplav denied that claim. He said that he has heard for sure that now certain financial institutions and other organizations are considering the work experience of the Team Leaders while recruiting them. So the job market isn't so bleak after working in this sector. However it's only after a good many years that one is promoted to be a Team Leader. Viplav is in two minds when he talks about the future of this industry. In spite of the fact that there is a boom in this sector, he feels that this will not sustain for long. Soon enough call centers are going to die out in India. That's simply because of the fact that call centre people aren't taken seriously by the society. The general perception of the people is that all those who are unable to secure a good job, naturally steer towards this profession. On the question of Trade Unions, Viplav seemed to be interested in this prospect, because he felt at times one needs a functional body to deal with the management. Many a times he felt that the call centre people are denied offs on major festivals like Diwali, which should be taken up in front of the management, so that the welfare of the employees should also be kept in mind. Finally when Viplav was asked as how he personally would go about in initiating certain changes in the call centers, he felt that there is need to bring about certain improvisation in the pay package. The working hours should be considered while fixing up the salary of the people. For instance, since he was going through the rigors of 2 a. m. to 11. 30 a. m. shifts, he should be paid higher than the other people who are enjoying better shifts.

- Viplav, Convergys

Suneha is yet another young blood of this sector, as she has purposefully chosen this profession as a stopgap arrangement till she goes abroad for her job. Suneha is a professional social worker, who had secured a job at United Kingdom during her campus recruitment. However the legalities involved in working abroad are taking quite some time for her. Hence she felt that she shouldn't be wasting her time during this long wait. The two options which were available to her were either to join a non- profit organization and work till her work and visa permit from UK would have come, or join a call centre for the time being. She chose the latter option because she already had an earlier stint with the call centre. She felt that none of the organizations would be hiring her for this interim period. Hence she decided to join yet another call centre for the time being. Suneha is one person who feels very comfortable in being part of this sector. When asked about the horrendous working hours, she replied that if one gets used to them then the working hours shouldn't be a problem. She strongly feels that it's a question of one's mentality. If a person chooses to work in the call centre, then the person should also make up the mind to face these ungodly hours. However she feels that a person should always have her own space, because once you are back from work, one would like to relax and be alone. She is quite happy with the nature of job that has been assigned to her, since it's not the usual attending to the calls. It involves data analysis of certain reports, which she feels is an easy job and the pay package is also good. Moreover working in this sector has also helped her to improve her communication skills and has enhanced her professional attitude. She feels that the rigid timings had led to her being more disciplined in life. However she is quite sure about the fact that call centre is just a short halt for her in her professional career. She wants to work in the field of social work in the near future. When she is asked as to what she thinks is the need of trade unions, she said that one doesn't require Trade Unions in her organization, because the management takes excellent care of its employees. Whether one needs to travel or needs relaxation, her organization takes care of these issues. Maybe in other organizations where the management isn't sensitive towards the needs of its employees should incorporate TUs. She also expressed the same dilemma as the others that she is never taken as a professional as she works in a call centre. In spite of the spurt of this sector, a lot of stigma is associated with this profession. Hence unless the people change their attitude, the call centre will never be taken seriously.

- Suneha, Daksha

Suhail has been working as a call centre professional for the last three years. Since his Team Leaders and managers have been good, it has been a pleasure for him to stick to the same job for the last three years. However he feels that life isn't so easy in a call centre. The utmost problem is the working hours, which means one has to keep working against the clock. So, one really can't enjoy a social life. He too feels the same way as the others, that since he isn't highly qualified professionally, he can't secure a well-paid job. Hence for him working in the call centre is the only means of earning a decent salary and sustaining in Delhi. However He feels that the call centre doesn't have a bright future in India. These call centers are basically on the look out for cheap labor which is now available in India, but the moment this labor force gets exhausted, this industry is going to seek fresher grounds in other countries. When asked about his comments on TUs, He felt that they do not need TUs since the management is open to suggestions from the side of the employees. However as for their status in the society, he feels that they aren't taken seriously by the others. The things that he feel should be incorporated to make working in call centre a pleasure, is providing a better salary and accommodating about as many day shifts as possible.

- Suhail, Vertex

Ravi is one of those guys who had tasted his life in the call centre and has just moved out of it. After having worked in this sector for the last one- and- a- half years, he felt that it was high time that he should quit the job. While pursuing his Bachelors Degree, he had entered this job, since his final exams had been postponed. Later when he realized that there was a lot of quick money that could be made in this sector, he had stuck on to his job. Moreover he felt that being a fresher this was an easy way of earning money for himself till he decided what he would like to pursue in future. When asked as to why he left his job, He said that although initially he was satisfied with his work, he never lost his dream of studying further. Now he is ready to pursue his studies further in the field of software testing. As for night shifts he personally liked them since he was always a night person, however on a long-term basis it was definitely a cause of concern for his family. Ravi when asked about the future of this sector, felt that India was a fertile ground because of the cheap labor force and also that the Indians are able to pick up an American accent, whereas China, which also has a huge labor force and can be exploited by the call centers, aren't approached due to the fact that Chinese are unable to speak good English. As for TUs, he felt that at times some of the employees needed a representative body who could speak on their behalf. Like the issue of job security is a major concern for all the employees. So these pertinent issues should be discussed with the management. When he was asked that why in India call centre professionals aren't taken seriously, he said that usually all the young people join this sector just to pass away the time. Since no one sticks on to this sector as the job demands 100% commitment towards it, they aren't taken seriously. Lastly he felt that if time flexibility is introduced in the call centers, then it shall be a better place to work.

- Ravi, AMEX

Special Feature

Verité and the Association For Stimulating Know-How (ASK) decided to undertake a research study in the IT sector to understand the sector from the perspective of triple bottom line, i.e. to understand the impact of this sector on the social, including labor & community relations and environmental issues. This research was aimed at not only identifying and understanding the key issues in the sector but also learning about the causal dynamics for the issues. The end goal was to identify pragmatic solutions towards addressing the key issues. The study extensively involved various multi-stakeholders in the process. For the research purposes the Information Communication & Technology sector was classified into IT software services, IT enabled Services, and computer electronics and E-waste. The bulletin will attempt to bring focus on different sub-sectors within IT in order to bring more understanding of the issues to us.

The first in the series is a brief account of the general scenario of the Information Technology enabled Services in India.

IT Enabled Service Sector (ITES) Business process outsourcing has emerged as India's new sunshine sector, contributing to about 30-35% growth to the employment scene in 2005. In a recent publication Nasscom unanimously agreed that the Indian market has reached the next level of maturity and is set to grow. By 2008, forecasts McKinsey, IT services and back-office work in India will swell fivefold, to a \$57 billion annual export industry employing 4 million people and accounting for 7% of India's gross domestic product. More than half of the Fortune 500 companies are already outsourcing work to India. Research firm Gartner on the other hand claims 1 in 10 US technology jobs will go overseas by the end of 2004. According to Forrester Research, in the next 15 years, more than 3 million US white-collar jobs, representing \$136 billion in wages, will depart to places like India, with the IT industry leading the migration. Outsourcing is big business, generating global revenues of \$298.5 billion in 2003, according to Gartner Inc. The first company that started offshore call center operations in the Delhi region was the US owned multinational finance company (GE Capitals). It established a large unit in Gurgaon in 1996, to cater to various back office services for its own operations across the world. This marked the beginning of the call center industry in and around Delhi region. Today outsourcing is booming industry." We didn't create the market, we are following the market," says Michael Parks, CEO of Deerfield-based Revere Group Ltd., a mid-sized consultancy firm. Outsourcers reap gross margins of 25% to 50% on projects sent overseas, says Jai Shekhawat, CEO and co-founder of Fieldglass Inc., a Chicago-based firm that advises companies on outsourcing. A Contractor typically pays between \$11.70 and \$16.25 per hour, including benefits, to a computer programmer in Mumbai, India, and charges its American client between \$18 and \$25 hourly for that worker, says he. With the industry growing, there have being various concerns that have emerged through these years. There has been a backlash in public attitudes in the United States to an increasing degree in Europe against outsourcing ITeS functions to low wage countries like India. It is not uncommon for call centre employees in India to suffer verbal abuse from US callers. In terms of working conditions, this sector is characterized by a night shift culture that leads to sleeping disorders and chronic fatigue, with high stress and restricted break times. There is poor career mobility and a high attrition rate. As a result of the high attrition rate, most employers use short term contracts so that workers can be let go when demand is low. This leaves workers reluctant to speak out regarding labor issues. Women are well represented in the BPO sector at all call centers, which is considered the low end of IT sector. There is evidence of sexual harassment that occurs due to oversight during night shift hours. A fundamental labor issue in this field is the lack of unionization due to individual salary negotiations. Since the ITeS is considered a privileged sector, it receives little scrutiny from the public, and problems are glossed over in the Indian media. Most ITeS employees in India are not permanent and can be asked to leave at the discretion of the employer. With such high attrition rates, there is no sense of the ownership needed for workers to raise the issue of their collective bargaining rights. High performance standards in this sector and the lack of clear grievance procedures exacerbate the issue. There is concern that the dismantling of the tariff

system and the increased competition with other low wage countries such as China and Malaysia are the triggering a race to the bottom in terms of wages and treatment of the workers. The current flurry of mergers and consolidations could create greater instability for workers and a further disincentive to speak out about poor working conditions.

Acronyms

ASK : Association for Stimulating Know-how

Verite : Verification in ethical trade

IT : Information Technology

ICT: Information and Communications Technology

ITeS : Information Technology enabled Services

E-waste : Electronic Waste

CSR : Corporate Social Responsibility

HR : Human Resources

BPO : Business Process Outsourcing

CEO : Chief Executive Officer

TU : Trade Union

NGO : Non-governmental Organisation

EICC : Electronic Industry Code of Conduct

WEEE : Waste from Electrical and Electronic Equipment