

# NEWS WRAP

AGD

Using English as communication medium, India's information technology outsourcing companies have established global networks that extend from Saudi Arabia to San Diego (USA). But outsourcing markets in China and Japan are yet to be cracked owing to resistance to change, cultural differences and linguistic challenges. While there are strong possibilities working with multi-nationals in China and large domestic companies, difficulties arise in coming to terms with China's more state-driven enterprises.

Steadily call centre workers turning to be as cheap to hire in USA, as they are in India. In some parts of USA, particularly among the Hispanic population, high unemployment levels have caused wages to decline, in respect of some low-skilled outsourcing services. Wages in India's outsourcing sector have increased by 10% in 2009. Senior outsourcing managers in India, earn salaries above global averages. Narrowing of the traditional cost advantage is encouraging Indian outsourcing companies, to hire more staff outside USA. An increasing workforce in USA are working at home, and at lower salaries than they were used to. Since the global economic downswing, Indian IT companies started recruiting workers in Europe, Middle East and Africa. Such companies have a non-Indian workforce of 39%, which during the next two years is forecast to rise to 50%.

## KASHMIR VALLEY

The cross border incursions by militants into Jammu and Kashmir are at an all time low. Pakistan's material and moral support for insurgency in Kashmir, has been weakened by Pakistan's domestic political turmoils against a resurgent Taliban, floods and economic difficulties. Indigenous Kashmiris cannot find jobs, lack basic services, and find no grievances redressal about poor governance at local and federal levels. Economic misfortunes loom over the bullets and tear gas canisters fired since June 2010. The cycle of violence continues, with unemployed men and women gathering in the streets, and throwing stones at anti-riot police, who disperse them with force. Indian and Pakistani negotiators had secret negotiations in 2007, over an autonomous Kashmir.

## ANGRY WORKERS

Global retailers have been expecting to escape rising labour costs and strikes in China, by shifting more production to other Asian manufacturing centres. Asian industrial hubs such as Bangladesh, Vietnam, Cambodia and Indonesia commenced from a cheaper base than China, are now facing increasing labour unrest and intense upward pressure on wages, with rise in prices of food and other essential items. Improving job opportunities in Asian economies are growing faster than the western markets, and demands for better pay are rising. Cambodia recently raised the minimum wage by 21%, from \$50 a month to \$61. Inflation in Vietnam is of 9%, and since 2009 there have been over 350 strikes. A spate of strikes in Indonesia, raised the minimum wage by 10% to nearly \$100 a month, although wages in the country's remoter regions are half that of Jakarta. Foreign multinationals and countless local companies are faced with rising industrial unrest in India.

In Bangladesh, local food prices have increased by 31%, since the last minimum wage increase in 2006. Prior to 2006, workers suffered for twelve years, without any adjustment. Worker's purchasing power has eroded sharply in Bangladesh, since the 1990. Garment workers manufacturing clothes for western brands like H and M, Gap and Marks and Spencer were recently granted a 90% pay rise in Bangladesh. However, angry workers rampaged through Dhaka, burning cars and looting shops, in August 2010.

## **VIETNAMESE IN GULF OF MEXICO**

There is heat, humidity and fishing in Louisiana. Vietnamese averse to Communism, began settling in Louisiana and New Orleans in thousands, during the 1970s. Scarcely mixing with the larger American population, the Vietnamese community focused on fishing and whatever jobs available. One third to half of all fishing vessels in the Gulf of Mexico, are owned and operated by Vietnamese families. Only about 10% of the Vietnamese community involved in fishing along the gulf coast, speak rudimentary English. In the upheaval caused by BP's oil spill in the Gulf of Mexico, the ethnic Vietnamese community is without employment. Formidable language barriers confront the community.

Sine the oil spill, local fishermen have flocked charity programs like *Vessels of Opportunity*, a BP initiative to pay local crews, for their boats and labour, in the clean up. But sizeable number of Vietnamese fishermen have failed to get work, as there are not enough jobs. □□□