

The flight to India

The jobs Britain stole from the Asian subcontinent 200 years ago are now being returned

If you live in a rich nation in the English-speaking world, and most of your work involves a computer or a telephone, don't expect to have a job in five years' time. Almost every large company which relies upon remote transactions is starting to dump its workers and hire a cheaper labour force overseas. All those concerned about economic justice and the distribution of wealth at home should despair. All those concerned about global justice and the distribution of wealth around the world should rejoice. As we are, by and large, the same people, we have a problem.

Britain's industrialisation was secured by destroying the manufacturing capacity of India. In 1699, the British government banned the import of woollen cloth from Ireland, and in 1700 the import of cotton cloth (or calico) from India. Both products were forbidden because they were superior to our own. As the industrial revolution was built on the textiles industry, we could not have achieved our global economic dominance if we had let them in. Throughout the late 18th and 19th centuries, India was forced to supply raw materials to Britain's manufacturers, but forbidden to produce competing finished products. We are rich because the Indians are poor.

Now the jobs we stole 200 years ago are returning to India. Last week the Guardian revealed that the National Rail Enquiries service is likely to move to Bangalore, in south-west India. Two days later, the HSBC bank announced that it was cutting 4,000 customer service jobs in Britain and shifting them to Asia. BT, British Airways, Lloyds TSB, Prudential, Standard Chartered, Norwich Union, Bupa, Reuters, Abbey National and Powergen have already begun to move their call centres to India. The British

workers at the end of the line are approaching the end of the line.

There is a profound historical irony here. Indian workers can outcompete British workers today because Britain smashed their ability to compete in the past. Having destroyed India's own industries, the East India Company and the colonial authorities obliged its people to speak our language, adopt our working practices and surrender their labour to multinational corporations. Workers in call centres in Germany and Holland are less vulnerable than ours, as Germany and Holland were less successful colonists, with the result that fewer people in the poor world now speak their languages.

The impact on British workers will be devastating. Service jobs of the kind now being exported were supposed to make up for the loss of employment in the manufacturing industries which disappeared overseas in the 1980s and 1990s. The government handed out grants for cybersweatshops in places whose industrial workforce had been crushed by the closure of mines, shipyards and steelworks. But the companies running the call centres appear to have been testing their systems at government expense before exporting them somewhere cheaper.

It is not hard to see why most of them have chosen India. The wages of workers in the service and technology industries there are roughly one tenth of those of workers in the same sectors over here. Standards of education are high, and almost all educated Indians speak English. While British workers will take call-centre jobs only when they have no choice, Indian workers see them as glamorous. One technical support company in Bangalore recently advertised 800 jobs. It received 87,000 applications. British call centres moving to India can choose the most charming, patient, biddable, intelligent workers the labour market has to offer.

There is nothing new about multinational corporations forcing workers in distant parts of the world to undercut each other. What is new is the extent to which the labour forces of the poor nations are also beginning to threaten the security of our middle classes. In August, the Evening Standard came across some leaked consultancy documents suggesting that at least 30,000 executive positions in Britain's finance and insurance industries are likely to be transferred to India over the next five years. In the same month, the American consultants Forrester Research predicted that the US will lose 3.3 million white-collar jobs between now and 2015. Most of them will go to India.

Just over half of these are menial "back office" jobs, such as taking calls and typing up data. The rest belong to managers, accountants, underwriters, computer programmers, IT consultants, biotechnicians, architects, designers and corporate lawyers. For the first time in history, the professional classes of Britain and America find themselves in direct competition with the professional classes of another nation.

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Over the next few years, we can expect to encounter a lot less enthusiasm for free trade and globalisation in the parties and the newspapers which represent them. Free trade is fine, as long as it affects someone else's job.

So a historical restitution appears to be taking place, as hundreds of thousands of jobs, many of them good ones, flee to the economy we ruined. Low as the wages for these positions are by comparison to our own, they are generally much higher than those offered by domestic employers. A new middle class is developing in cities previously dominated by caste. Its spending will stimulate the economy, which in turn may lead to higher wages and improved conditions of employment. The corporations, of course, will then flee to a cheaper country, but not before they have left some of their money behind. According to the consultants Nasscom and McKinsey, India - which is always short of foreign exchange - will be earning some \$17bn a year from outsourced jobs by 2008.

On the other hand, the most vulnerable communities in Britain are losing the jobs which were supposed to have rescued them. Almost two-thirds of call-centre workers are women, so the disadvantaged sex will slip still further behind. As jobs become less secure, multinational corporations will be able to demand ever harsher conditions of employment in an industry which is already one of the most exploitative in Britain. At the same time, extending the practices of their colonial predecessors, they will oblige their Indian workers to mimic not only our working methods, but also our accents, our tastes and our enthusiasms, in order to persuade customers in Britain that they are talking to someone down the road. The most marketable skill in India today is the ability to abandon your identity and slip into someone else's.

So is the flight to India a good thing or a bad thing? The only reasonable answer is both. The benefits do not cancel out the harm. They exist, and have to exist, side by side. This is the reality of the world order Britain established, and which is sustained by the heirs to the East India Company, the multinational corporations. The corporations operate only in their own interests. Sometimes these interests will coincide with those of a disadvantaged group, but only by disadvantaging another.

For centuries, we have permitted ourselves to ignore the extent to which our welfare is dependent on the denial of other people's. We begin to understand the implications of the system we have created only when it turns against ourselves. #