Chapter 7
The World System of Body Shopping

Venugopal, a twenty-four-year-old Kamma Telugu who went to Australia sponsored by David in 1999, had a three-step career plan. In Australia, he would accumulate as many connections and as much work experience as he could. Hence, twice a week, instead of the home-packed lunch to save money (as most fellow Indians did), Venugopal made a point of lunching at his company's café in order to meet more people. His next step, after two years, was to go to the United States: "After working two years in a Western country, you can understand the entire work system. Like learning cooking: after two years, you can cook any meal on the menu." But why, I asked, was it still necessary to go to the United States if one could already cook anything on the menu? "To do business, you must know about everything. In the U.S., you will know about the *world* market. Then you can make the right decision. . . . I miss my friends [there] as well! We must meet up to sort things out: who will go back to India, who will stay in America, who should go to other countries." This was Venugopal's career goal—step three: to set up a globally operated business in either the United States or India.

When I got in touch with Venugopal again five years later (2005), he was, however, still in Australia. With an apartment purchased and a marriage negotiation just concluded in Andhra, he planed to get married in October in India and then bring his wife to Australia to settle down. It was only at this time that I found out he had lodged his application for permanent residency in Australia while he was convincing me of all the absolute necessities of going to the United States. He was now planning to have his honeymoon in the United States, since he had "so many friends there, [it] must be fun."

Venugopal had not lied to me. Indian IT workers in Sydney were just as eager to leave for the United States as to become Australian PRs. Among the IT workers in Sydney, there was no escaping the ramifications on social identity of one's immigrant status, which inevitably cropped up as a topic of some interest (or sensitivity). When I first read out the names found in Uday's address book, he immediately qualified each one with information on their visa or residence status, pending or otherwise, without even pausing to recollect. Shyla, an occasional visitor to our flat who lived in the next building, was not acquainted with any other Indians in Uday's building but still knew which one had recently become a PR. When I first met Siva from Vishakhapatnam, Andhra Pradesh, he was in a state of anxiety: his father was very ill and the family wanted him to marry as soon as possible but his Australian PR status was still pending. Though Siva's master's degree in IT from Queensland University was imminent, with no confirmed PR status in hand he would have difficulty landing a good dowry: "In India, people have no information about Australia. If we tell them that IT students can get PR [status] easily, people won't believe it."

Australian PR status was valuable precisely because it brought not just the right to settle down, but also the convenience of moving on and having a base to return to. As Venkate had responded when I belatedly congratulated him on becoming a PR: "Yes, I can go anywhere now!" And as another informant, eager to become a PR because he wanted to go back to India to join his friend's business, had explained: "I still have the job here now. I should apply now. Then I can come and go anytime." Chandary Shekhar, a thirty-three-year-old Telugu IT professional, went to the United States from India on an H-1B visa in 1997; realizing the difficulty of converting this to green card, he quickly moved on to Australia, where he became a PR and set up a company, TecSole. Soon afterward, he went to the United States, again on an H-1B visa, to work in a large IT company in order to explore the market for his own business. Navin, who was born in Maharashtra but raised in different places in India following his father's army postings, was assigned by Tata Consultancy Services to work in Australia in 1996 for one year. He applied successfully for permanent residency in Australia after he returned to India, but proceeded to the United States on an H-1B visa. After being in the United States, however, he felt that he still preferred Australia, so after returning to India in 1998 and getting married, he came back to Sydney with his wife.

Apart from being a stepping stone, Australia was also considered a base of security—to sustain IT workers' high level of mobility—due to its comparatively less volatile market, and generous welfare policies. The market slowdown, and the dot-com crash soon after, had shown Australia to be a particularly popular alternative destination to the unpredictable

market in the United States. Over two days in May 2001 when I was staying with Uday, he received four desperate calls from a friend in Boston and another in New York asking how to migrate to Australia. At the same time, the Gujarati neighbor was busy collecting immigration information for his former classmate in Ahmedabad, who had studied in Sydney, moved to the United States after graduation, then lost his job and returned to India, and was planning to come to Australia again. Similarly, I came across two Indian technopreneurs who moved from the United States to Australia, not because they saw it as a place to make quick fortunes, but because its more stable market and close connections with Asia made it more likely to be a supportive environment for small IT enterprises at that time. Canada, similarly positioned in the global economy and in terms of immigration and welfare policies, was another major stepping-stone destination and base of security.

Although body-shop operators and IT workers often appeared to be plugged into a labor market of freewheeling global cybernauts, the world in their mind had by no means become a "stateless" and borderless playground. "Can I see your passport and visa?" was often the first question put to me after I introduced myself. My respondents did not intend to double check my background, but to have a look at a PRC passport and to scrutinize the British visa. When the Indian IT workers talked about their migration experience, the exact dates of getting their passports and visas were often mentioned as milestones. This somehow reminded me of M. N. Srinivas's (1967b, 54–55) description of the printers' veneration of machinery, or the tools of one's trade, in India during the Dasara festival period.[1] My informants did not feel anything remotely similar toward computers, but passports and visas—the archetypical symbols of national sovereignty that marked their mobility—were imbued with a mysterious power (and I could quite easily imagine them set amid vermilion, incense, and flowers). Australia's double role as a stepping stone and a security base further demonstrates that IT workers' strategies for multiple migrations were not only held to state policies such as immigration and employment regulations, but were also shaped by the coexisting differentials between countries that made transnational mobility profitable—a world system of body shopping.

The United States of America: "Mecca for IT People"

Despite successes brought about by multiple mobility and being fairly complacent with his life in Australia, Uday remained haunted by a dream: "I feel something in the heart every time when I hear 'United States' or 'America.'" It was sometimes so palpable that even a glimpse of the Stars

and Stripes or Statue of Liberty on a television program would find him shouting like a kid: "United States of America!" As all my informants chorused, "U.S.A. equals Mecca for IT people." Senthil told me that he was just "passing through" Australia toward the United States, his single destiny, although he had been in Australia for more than two years. Sharma, the Telugu who introduced his brother-in-law to Samy, personally knew twenty families who had moved to the United States between 1998 and 2000. Another informant had made the observation that for every one hundred Indian IT arrivals in Australia, about thirty departed, almost all for the United States. The American dream of course had its firm material grounds: salaries for IT jobs in the United States were almost double Australia's, with raises every six months compared to every year, sometimes two, in Australia. But my informants also put special emphasis on the currency conversion rate. I was puzzled as to why the exchange rate would affect their everyday life, until Rajalaxmi, an IT person like her husband, spelled out her experience: "When I just came from India to Australia, it hurt. Twenty-five rupees is only one dollar. When I went from Australia to London last year, it hurt again. Do you want pounds or do you want rupees?" Thus, life choices and strategies were projected continually against a transnational, rather than local, context. The devaluation of the Australian dollar beginning in 2000 made IT workers even more eager to move to the United States.[2] Chandu, a Telugu IT student at a business college[3] in Sydney, lamented that he was "losing money every day" by staying there and he could hardly wait to take off.

Indian IT workers in the United States reported better promotion opportunities than those in Australia. I was told of a few Indians who moved to the United States and were sent back to Australia as senior managers a few years later, a position they could never have reached had they stayed. This was attributed to companies in the United States being more "performance oriented" and more "professional," so that Indian IT talents were better recognized and valued. Some argued that U.S. companies grew much faster than Australian ones and therefore always had new positions for promotion. The large number of multinational corporations headquartered in the United States was another paramount consideration for more advanced career opportunities. Ramesh, the owner of WinWin Recruiter, pointed out that most Indian IT companies set up their first overseas offices in the United States: "Why do they do that? Because you can get all the top-level people and networks in America. Then you can go *down* to other countries." Some businesspeople registered their companies in the United States, though in fact operating from Australia or India, because according to them it was easier to cut partnership deals as a "U.S. company." Uday's brother Ashok had called this the high

"returning value" of going to work in the United States, that is, one would be more highly valued when *returning* to India or other countries from there.[4] By comparison, "after you stay in Australia for five years, you can't go anywhere. You will be outdated [in technology]," stated Meena, originally from Tamil Nadu, and who was determined to go to the United States.

State immigration regulations also made the United States preferable to Australia. While spouses of H-1B visa holders were allowed to enter on H-4 visas at the same time, an Australia 457 visa holder had to wait for a minimum of six months to go through the bureaucratic procedure to bring in the spouse (also on 457 visa). Young IT bachelors often worked in Australia for one or two years, returned to India to get married, then moved on to the United States together with their spouses. The fact that the H-4 visa precluded work—while the Australian 457 visa did not—was not a consideration among my informants: since the salary in the United States was high, wives *did not need* to work. Besides, for quite a few Indian IT workers that I interviewed, being able to afford a non-working wife was regarded as a measure of a man's success.[5]

Finally, since the Indian community in the United States was much bigger, it was quite common for Indian IT workers in Sydney to have more friends and family relations in the United States than in Australia. Sometimes, however, one had migrated to the United States not so much pulled by connections as pushed by families somewhere else. Residing in Sydney, Shireesha had matched her younger brother-in-law (Chandary's brother) in India to a Canada-based Indian girl. After the couple settled in Canada, she urged them to move to the United States: "They have three daughters [one to four years old]. They need money [for dowries]. I told them: You have Canadian citizenship, but just stay in Canada and don't go to America? What are you doing?" Khrishna from Kerala was helping his brother move from the Middle East to the United States when I visited him in Sydney—partly so that he could then hand over his financial responsibility for the family in India to a better paid brother!

Global Gateways: Singapore, Malaysia, and the Middle East

On the world map of Indian IT workers, Singapore and Malaysia constituted strategic gateways to the global labor market, especially for those without overseas work experience or well-recognized certification and who were, therefore, unlikely to be hired straightaway in markets like the United States. Singapore and Malaysia became global gateways first of all because both had placed great emphasis on developing the IT sector and

attracting foreign IT talents. In Singapore, the former prime minister Goh Chok Tong had in 2001 described competing for and recruiting foreign talent as "a matter of life and death" for Singapore.[6] Malaysia boasted the well-known Multimedia Super Corridor (MSC), the pet project of the legendary former prime minister Dr. Mahathir Mohamad that showcased the future "K-Malaysia" (knowledge-based Malaysia). Large companies, especially those granted "MSC" status, were given latitude to hire foreign, in particular IT, specialists. These efforts were well received by the international business community. Both countries, particularly Singapore, were seen as ideal locations for headquartering multinational corporations' Asian operations, thus in turn heightening the demand for IT skills. Increasing numbers of Indian IT companies, including the high-profile Hyderabad-based Satyam, had also set up branches in Singapore in order to boost their larger presence in the Asian market.[7] For Indian hopefuls, Singapore's international position enabled them to establish contacts with multinationals, which together with the work culture emphasizing discipline and efficiency, and the English-speaking and Westernized environment, made Singapore highly valued as a résumé-enhancing destination.

Singapore and Malaysia were also suitable gateways for trial outmigrations, being only a three- to four-hour flight from southern India. Indeed, Singapore's geographical proximity to major labor-source countries such as China, the Philippines, and Indonesia has encouraged a large presence of international recruitment agents. Uday estimated that at any time between 1998 and 2000 there were hundreds of Indian-run body shops in Singapore managing thousands of IT workers. Placing Indian workers from both India and Malaysia to Singapore, and from Singapore on to Australia, Canada, and the United States was a standard business for body shops there.

Indian IT workers' main preoccupation in these gateway countries was having to look for job opportunities while at the same time coping with financial difficulties. More so than in other countries, "Indian networks" among IT workers, and linking workers and body shops, played an important role. A large proportion of Indian IT workers traveling through body shops to Singapore entered the country on social-visit visas valid for one month, in which time they combed through the large office complexes where IT placement agents, particularly Indian-run consultancies, were concentrated, hoping to secure a job. When their visas expired, some stepped into Thailand, Indonesia, and in particular Malaysia to renew their visas and re-enter Singapore to continue job hunting.[8] In the small city-state, Indian jobseekers quickly came to know and befriend one another and, while a little secretive in their pursuit of Singapore-based jobs, willingly shared information on the overseas opportunities that they

tried to access from Singapore. Uday applied for jobs in eleven countries, including South Africa, Germany, and Japan, when he was working there. To save money, four or five friends might gather around just one computer at an Internet café to prepare and send off their résumés together. At other times, friends with more interview experience helped out as surrogates in international phone interviews. For these reasons, Uday told me, he had experienced Singapore as a place "for networking and bridging."

In Malaysia, many IT workers found it difficult to find jobs after arriving through body shopping because the counterpart (local) agents were not quite in the loop. When I was in Kuala Lumpur in June 2001, nearly half of an estimated three hundred Telugu IT workers there were jobless and had to rely on the "Indian network" for day-to-day survival. The influx of body-shopped arrivals had led to a peculiar Telugu enclave forming in the Brickfields area in central Kuala Lumpur: Palm Court, a four-block residential complex accommodating about 1,000 Indians, of whom Telugus were the largest regional group. It became almost obligatory for the single men at Palm Court to take in jobless new arrivals from India; in fact, body shops in Hyderabad even advised the workers they sponsored to visit Palm Court on their arrival![9] This unique ethnic clustering made it easier for those without international experience to move from India to Kuala Lumpur, but created a heavy burden on those who were already there. Like Rejeshekhar, the young Telugu IT worker I contacted through the Web site of a Telugu association in Kuala Lumpur, who asserted that no one would want to stay for more than two years: "In Malaysia you can't save. Many people ask for help. At least half [of wages] goes to . . . friends." There was, hence, considerable motivation to actively search for opportunities to move from Malaysia to other countries. In effect, both the costs and the facilitating role of these Indian networks reinforced Malaysia's position within the world system of body shopping as a popular first destination, but only for the short term.

Similar to Singapore and Malaysia, some countries in the Middle East, particularly the United Arab Emirates, Saudi Arabia, and Kuwait, were also used as gateways to the global IT labor market. These countries were relatively easy to enter, and work experience in them was thought to be helpful for getting visas to the West. And although the salaries were lower than in Western countries—a foreign programmer with two years' experience was paid about INR 40,000 a month in Kuwait, INR 30,000 in the United Arab Emirates, and INR 35,000 in Saudi Arabia in 2001[10]—they were much higher than in India. In sharp contrast to their counterparts in other countries who kept changing jobs, IT workers in the Middle East usually stayed with the same firm for four or five years because mobility was tightly regulated in the region.[11] This situation created a special business niche for agents placing IT people out of the Middle East. Asif Ali,

an electrical engineer originally from Hyderabad, had worked in Saudi Arabia for three years then gone to Canada, where he became a PR. He returned to Riyadh to set up his recruitment firm, Telecomplus, with branch offices in Hyderabad, the United Kingdom, and Canada. He sent IT people from Hyderabad to Saudi Arabia, and more importantly, from Saudi Arabia to the United Kingdom and Canada.

South Africa was another global gateway, notably having eased its immigration laws in the late 1990s in order to attract skilled foreigners from countries such as India and Russia after losing over 1 million skilled personnel in the aftermath of the dissolution of the apartheid system in the 1990s. Body shops in Hyderabad typically sent IT workers to South Africa as project teams of four or five workers. Workers went to South Africa not only for jobs, but also to move on to the "white" commonwealth countries, which was much easier done from South Africa than from India. Some first moved around to countries close to South Africa, particularly to Kenya and Zimbabwe where a number of Indian companies had long-standing connections, then moved to South Africa, hoping to eventually go to Australia or Canada.

U.S. Satellites: The Caribbean and Latin America

From the end of the 1990s, a sizeable group of Indian IT professionals were body shopped to the Caribbean countries, particularly Jamaica. This was triggered by the so-called nearshore business model of some U.S. IT companies, in which they exported tasks to nearby locations where, at the same time, they imported labor from elsewhere. Jamaica has ideal attributes for this business model—cheap land, low wages, and a geographical proximity that allows U.S.-based managers to visit frequently.[12] The nearshore model was anticipated in 2000 by the Jamaican government to create as many as 40,000 IT jobs, though mostly in the low-end sector such as call centers.[13] Body shops, quick to spot this trend, entered these new regional markets, placing workers in software-development houses as well as in IT-enabled services (such as call centers) for maintenance tasks. Most placements to Jamaica were for middle-level jobs—among the senior-level American managers who commuted between Jamaica and the United States, and junior level staff mainly comprising local Jamaicans. Indian middle-level workers lived in gated compounds rented by the company and had hardly any connection with the local society.

Some Indian IT firms also set up joint software-development projects with local Jamaican partners, targeting the government as main customers, or, like Tinager, a Chennai-based IT firm, set up a medical-transcription

firm there to serve U.S. hospitals and hired fifteen workers from India in late 2000. These Indian companies were also engaged in placing IT workers from India in Jamaica, and of course, from Jamaica to the United States. According to my informants, to say "I am going to Jamaica" meant little; instead, they positioned themselves as working for U.S. companies that happened to be located in Jamaica. Nevertheless, Jamaica remained a popular choice, especially for single workers, due to its proximity to the United States and a notion that migrating from Jamaica to the United Kingdom was particularly smooth sailing.

New Frontiers: "Sind Sie Inder?"[14] and "Is There a German Dream?"

The new frontiers are those that only recently opened their doors to foreign IT workers. In Europe, these were countries such as Germany, France, Italy, Sweden, Austria, and Switzerland, which are in fact part of the "old world" of modern European outmigration; and in Asia they include Japan, South Korea, Taiwan, and Hong Kong. Germany, a former "zero immigration" country with a ban on overseas recruitment since 1973, provides a proverbial example of this opening up. In May 2000, and coming at a time when the unemployment rate was as high as 9.6 percent, the government approved a new program to allow up to 20,000 non-European Union IT workers to be issued work visas valid for two years and renewable for up to five years.[15] What was greeted as a "paradigm change"[16] by Rita Süssmuth, chairperson of the newly established German independent commission on immigration, had anti-immigration groups in Germany shouting "*kinder statt Inder*" (children not Indians)[17] on the one hand, and IT firms in the United States crying out for the government to "get the Indians *here* before Germany grabs them," on the other.[18] Disappointing for the German market, however, a year after August 1, 2000, when the program took effect, only 8,556 green cards had been issued, significantly lower than expected, with Indians accounting for about 20 percent (1,782), exceeding the numbers from the states of the erstwhile Soviet Union (1,198) and Romania (736).[19] More than 60 percent of the visas were sponsored by companies with fewer than one hundred employees,[20] which may well have included body shops or agents alike.

In Asia, Japan in February 2001 decided to offer multiple-entry short-term visas specifically for Indian IT professionals, allowing stays of up to ninety days and valid for three years (Ministry of Foreign Affairs, Japan 2001). This was a breakthrough because until then Japanese companies did not recognize any foreign computer-engineering qualifications.[21] Japan also planned to train 1,000 Indian IT professionals in the Japanese language

and business practices over 2000–2003 (Ministry of Foreign Affairs, Japan 2001).When I was in Hyderabad in 2001, South Korea was a starred new frontier where IT workers were reported to be much in demand—over 20,000 were needed in the year 2001–2002.[22] Huge banner advertisements for jobs in Korea, promising as much as USD 3,000 a month, hung from the doors of some body shops.

Moving to these new frontier countries did not necessarily mean working in Asian or European companies, since many job vacancies were in U.S. subsidiaries in these countries. Nor did it mean working in a non-English-speaking Asian or European environment. For example, many of the demands for IT labor from Korean IT companies were from their export divisions where English was the working language. In this sense, Germany's strong but domestic IT industry might have been its weakness in attracting workers from overseas, because a job in a local German company was less résumé-enhancing than working for a U.S. firm in South Korea. Some authors attributed the relatively small numbers of Indian IT professionals moving to Germany to the lack of Indian networks there (e.g., Poros 2001). But it is more likely that the Indians *chose not to create* German networks. As Murali Krishna Devarakonda, director of Immigrants Support Network (basically an Indian IT H-1B holders' association based in Santa Clara, California, to lobby for a more liberal green-card system for H-1Bs), asked: "Is there a German dream"?[23] No matter where they went, most IT Indians moved to non-English-speaking industrialized countries with a clear plan to move out soon.[24]

Thus, the emergence of the world system of body shopping was in part a process whereby IT workers compared the situations in different countries carefully and pursued their interests by capitalizing on the differences across countries. In this system, Singapore and Malaysia prepared junior Indian IT workers for entering the higher sectors of the global market. IT workers jumped into the high-paying but volatile job market in the United States from Australia—after developing their skills by utilizing the stable employment relations there and earning permanent residency, which gave them a base to return to. The flexible employment relations and "risk-taking culture" of industry leaders in the United States had been sustained only because part of the cost for such uncertainties (resulting in, for instance, the lack of corporate investment in human capital) was exported to secure bases such as Australia. Thus, in the world business of body shopping, the dynamics between the United States, holding zones like Australia, and the base of production of the primary material (IT labor force), India, correspond well to those of core, semi-periphery, and periphery in the world system defined by Immanuel Wallerstein and his associates.

Ending Remarks
The "Indian Triangle" in the Global IT Industry

Information technology is widely regarded as a major cause of a series of fundamental social changes that we are going through, and is even expected to usher in an entirely new epoch in human history. Indeed, "IT revolution" is the only revolution that we can talk about today. This technology euphoria, however, often leaves unexamined the social processes through which the technologies are generated and implemented. This book has demonstrated that IT is powerful precisely because it is integrated with, therefore facilitating of, other operations, and the technologies would not have been developed without the demand for new paradigms of production and management, the changes in our work pattern and even life style, and, of no less importance, the ideology of the New Economy. IT is thus itself a social construct.

The IT industry as a social process is in a sense new, as evidenced by its global scope, its flexibility, and most notably its volatility. But lying beneath the novelty, this book argues, is nothing mysterious: it is a special pattern of labor management, including the production, mobilization, and control of labor. Labor is crucial here not only because the IT industry is labor intensive (which is itself a deliberate rather than "natural" choice), but also because creating a labor system responsive to extremely volatile capital movement on a global scale is something hardly ever before experienced by other industries. Body shopping thus provides a strategic case for scrutinizing how the increasingly "abstract" economy is constructed through reworking concrete human relations and institutional arrangements.

In describing the internal workings of the body-shopping practice, this book has used three terms: "ethnicization," "individualization," and "transnationalization." The concept ethnicization indicates that ethnic (Indian) networks formed the backbone of the business, particularly in mobilizing a potential labor force, maintaining labor relations internal to body shops, and expanding body shops' global networks. Yet the body-shopping business was not based on preexisting, closely knit ethnic networks. Kinship or old-town connections, for instance, hardly played any role, whereas "professionalism" was the key word. It was workers' individualist attitudes, meritocratic ideologies, and ambitions to move up that made body shopping sustainable, thus the word "individualization." The term "transnationalization" points to the institutional significance of body shopping: the practice came into being because it enabled capital to utilize and manage labor globally; and, to fulfil this function, body shops operated transnationally. This explains why ethnicization and individualization can work together. The body-shopping practice was "ethnicized" not because of "Indian culture," but because India became a production center of labor force for the world IT industry. For this reason, individualistic calculation rather than bounded solidarity or Indian cultural attributes underlined body shops' apparently ethnicized operation. Body shopping turned IT workers into "free" atoms in the market as envisaged by neoclassical economics; yet precisely in order to achieve this, the business had to base itself on ethnic networks for its operation and on the socioeconomic structure of local India for resources. Body shopping helped free the global IT industry from state regulation on migration (though by no means completely), but it was itself strongly conditioned by the established international economic order.

What does body shopping mean for India? What is possible with awareness of all the stories? These final remarks provide a normative critique of the subject by clarifying how body shopping is related to the Indian "IT miracle" and to the larger society of India.

The spectacular growth of India's IT industry has attracted much attention worldwide, and Atal Bihari Vajpayee (1998), the former Indian prime minister, claimed that "*I*ndia's *T*omorrow is *IT*." The simultaneous and mutually facilitating development of the two established Indian IT sectors—the one within India as represented by companies such as Infosys, Wipro, and Satyam, and the one run by Indians overseas[1]—has been widely cited as a celebratory symbol of globalization. Body shopping, however, is left unmentioned or is merely touched upon as a transitory phenomenon soon to disappear. Moving away from this mainstream narrative, my study suggests that the two established Indian IT sectors in fact relied on the "informal IT sector" comprising body shops, training institutes, and unemployed or semi-employed IT workers in India. The formal IT sector

in India, the informal sector, and the overseas sector were related through the mobility of labor, and they thus constituted an "Indian triangle" in the global IT industry (see figure 2). In this triangle, the low-tier informal sector and the high tier in India were not linked directly, but were connected through a transnational circuit: body shops accumulated resources by sending labor overseas and then moved up into the high tier in India. Acting as the key agent of organizing the locally produced labor and delivering it to the global market, the low-tier informal sector effectively siphoned off local resources—embodied in the labor force—to sustain the entire triangle. Without the informal sector, the overseas sector would immediately lose its competitive edge (i.e., skilled and cheap labor), and the high-tier sector in India would be deprived not only of labor, but also of the finance capital brought in by the small players when they moved up. Precisely because the established IT sectors were based on this informal sector that in turn relied on the local society—a large resource base, the Indian IT industry could develop rapidly and survive well the global market slowdown at the beginning of the new millennium. The informal sector transferred business risks to workers and even extracted financial contributions from them by selling jobs.

The Indian triangle constitutes a sharp contrast with the East Asian experience of local-global economic relations. At first glance, the Indian IT industry is similar to the export-oriented manufacturing in East Asia that had been the basis for the economic miracle of the region, and indeed, the IT industry is often predicted to have even stronger spin-over effects given its higher added value. But in East Asia, local-global connection tends to be achieved through vertical cross-firm links in which large firms obtain orders from the global market, then subcontract some of the tasks to smaller companies. Small industries and even households can thus join the global market, which is particularly obvious in Taiwan and parts of mainland China where rural industries have been well developed. Exploitive as it may be, this connection generated employment and business opportunities on a wide basis, and contributed to the rapid and largely equitable development with a very high level of employment (Fields 1984; Barrett and Chin 1987). In India's IT triangle, however, little wealth is passed downward from the global to the local, though conversely, value is pumped both upward and outward (to the West) from the local. The triangle also indicates that the IT industry is highly dependent on the global market with very limited linkage to the domestic economy.

Besides the mechanisms of labor production discussed in the book such as private-sector education and the institution of dowry, unequal gender and class relations were also crucial. In Andhra Pradesh, only 1 percent of women were employed in the organized sector in 1998 (DES, 413, table 28.17), and most women's work, essential for the production and repro-

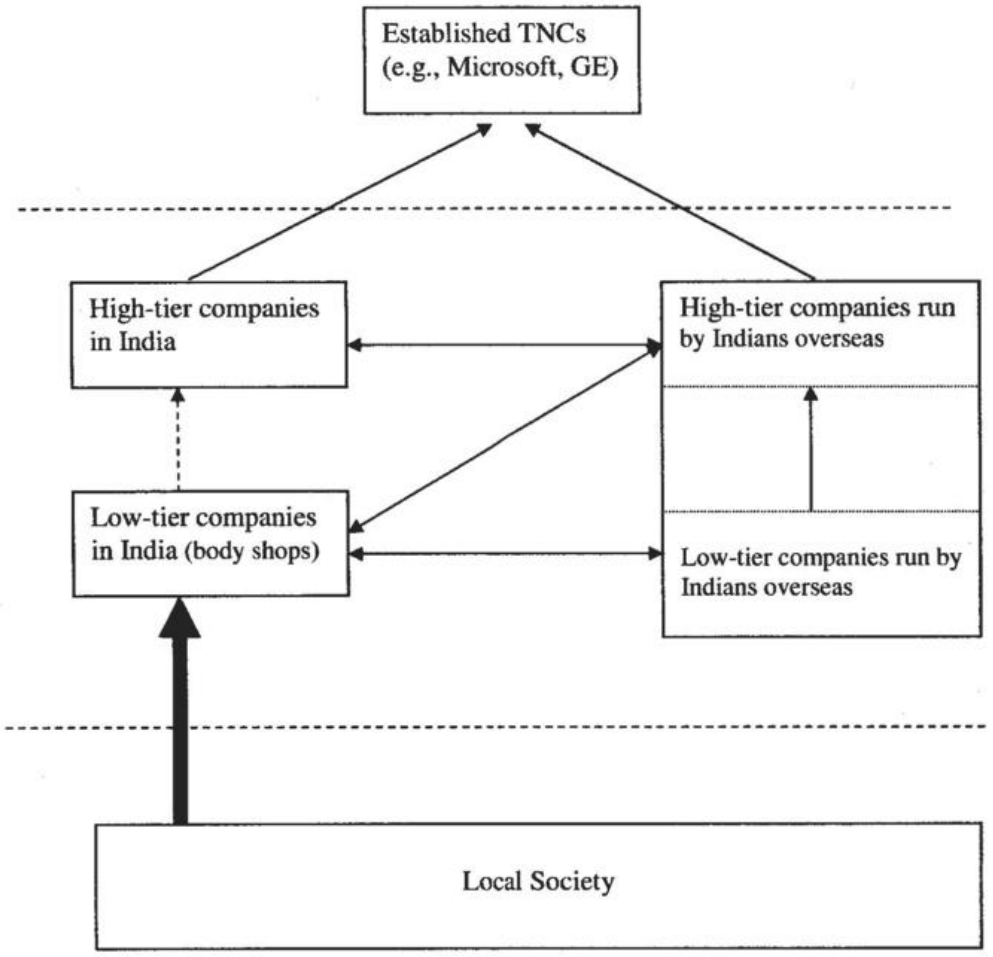

FIGURE 2. The "Indian Triangle" in the Global IT Industry

duction of labor, is not calculated in monetary terms. Servants, mostly women, are common.[2] Almost all the medium- and small-sized companies in India that I visited, both body shops and specialist IT firms, hired boys between eight and fifteen years old to serve tea, buy lunch, and mop the floor, with a monthly wage of between five hundred and eight hundred rupees.[3] It is the invisible and undervalued work of these women, children, and many other men that enables the Indian IT labor force to be produced at very low costs. It is therefore hard to assess who—an "untouchable" woman cleaner, a Kamma H-1B man, or an American venture capitalist—contributed the most to Silicon Valley's glory. Ravichandary, son of a politician in India working as a telephone receptionist at Advance Technology in Sydney, welcomed the news that HIV was becoming a major epidemic in India: "Let them die! If half of the population die, India will be much better." Although few put it so blatantly, most Indian IT people whom I met agreed that India could be as prosperous as the United

States if it halved its population and doubled the number of those as "productive" and "competitive" as themselves. However, if the half population they saw as a burden were eliminated, the IT people would be wiped out of the global market as well. It is not their English proficiency or the developed tertiary education that made Indian IT people competitive, as the mainstream media and most of my respondents believed; rather, it is the severe class, caste, and gender inequality that allows surplus value to be especially efficiently mobilized and concentrated on a small elite group to produce competitive IT labor.[4]

In assessing the social consequences of IT and globalization, existing academic thinking and practical agendas of international agencies and national governments have been dominated by the concern about "digital divide" or more broadly "social exclusion." It is feared that the new technologies and the trend of disembedding would bring about a polarization in which the elite become global and the poor stuck in the local (e.g., Bauman 1998; Hoogvelt 1997). Castells (2001, 277) made this point particularly sharply by asserting that the Internet would "divide people around the planet, but no longer along the North/South cleavage, but between those connected in the global networks of value-making, around nodes unevenly dotting the world, and those switched off from these networks." The global production system would thus become "composed simultaneously of highly valuable and productive people and places, and by those who are not so, or not any longer, while still being there" (Castells 2001, 266). The body-shopping case demonstrates, however, that how insiders and outsiders of high-tech reach are *connected* is more significant than how they are divided. No human being has become nonvaluable or nonproductive, and the question is precisely why some appear so. A large population has been *deemed* irrelevant in globalization despite its direct and indirect contributions to global wealth. The ideological, discursive, and often political exclusion was critical for maintaining the Indian triangle and particularly its relationship to local society. It is this ideology that mystifies the power of technology, glorifies and naturalizes the suddenly acquired wealth of the IT people, and justifies the large amount of resources allocated to the IT sector. It is exactly through ideological exclusion that unequal material connections are reinforced.

But this book should not be read as an antiglobalization argument calling for a crackdown on body shops. Stricter regulations in the destination country may intensify the friction between the state and the corporate demand for flexible labor, only making body shopping as a means of removing the friction more indispensable. Tightening up may also push body shops to become more abusive: it is commonly known that body shops in the United States were "tougher" with workers than those in Australia mainly because of the more restrictive rules. For India, although body

shopping intensified existing inequities, IT did bring new developmental dynamics to some societal sectors. IT professionals have evidently become a major social force for economic changes and a significant political constituency. A key purpose of this book is precisely to urge them to recognize the social basis of their success and to redefine their relationship to the local society. Much more should be done than setting up Internet cafés in villages as charitable work!