# IT Sector Organising in India – Problems and Prospects

## (And how it connects to the global IT workers movement)

# Scanning the Indian IT Sector

- **The IT-ITES industry is an umbrella term** used in India for a sector born out of new outsourcing possibilities 'in the IT sector' and 'due to the IT sector' (ITeS) in late 1990s.
- First thing we figured in our research is that, over the years, the I**T or software sector in India has become very distinct** and is better studied separately from ITeS sector which includes call centres, BPOs and IT based outsourcing of a (growing) variety of  other services.
- The indian IT industry remains **heavily export-driven**, with 80% of the revenue still coming from exported services. Regionally, USA absorbs 62% of the IT sector's exported services, and UK 17%.
- The IT industry is **the poster boy of India's post liberalisation 'success story'**. Unionisation is seen as a direct threat/impediment to this 'apple of Indian eye'. Both, governments as well as the very powerful industry body NASSCOM are zealous to promote 'IT industry's special nature', as not requiring unionisation.

# Rise, Slight Fall, and Rise Again
# – Looks to be on a Firm Upward Trajectory

- The period of **2016-18 saw a slump in IT sector hiring** and mass layoff drives. Factors included a move towards automation and shifting investments in digital, protectionist feeling rising in the west, with Brexit, Trump, etc.
- **On the domestic front**, demonetisation caused an overall economic slump.
- Since 2019-20, the IT sectors again **booming and hiring at an unprecedented rate**. The pandemic played a big part, plus correction of earlier negative sentiment wrt western markets. Companies are desperately competing for talent.
- **India's IT sector may be going beyond pure wage-arbitrage model**, to dependability and quality, but it remains almost entirely IT services driven, with nearly no products. Lately global supply of SaaS is getting big, but it employs very few. Considerable domestic digitalisation as well.
- In recent years, **domestic digitalisation too has increased,** leading to an increased rate of growth of the domestic tech services sector, compared to the international tech services sector (though both are on the rise with favourable projections)

# Typical Indian IT Firm and IT Hub

- Extremely high attrition rates (20-25%), holds an interesting story, with a shift from **involuntary attrition (layoffs), to voluntary attrition,** indicating high demand and more choice for IT workers. Though, IT unions caution that the "voluntary attrition" figure may not account for forced resignations. and shadow layoffs that have been a commonly observed trend in this industry.
- **Attrition is a feature, not a bug,** whereby (1) continually replacing older more expensive employees with less expensive freshers cuts costs, (2) keeping employees always on their toes helps rapid upskilling (passing its cost to employees). The helps maintain a low cost, efficient, and flexible project-driven back-office for the West.
- **Clustered in a few hubs based on skills availability**, and friendly government support policies, including weak labour laws – Bangalore, Delhi, Hyderabad, Chennai.
- IT companies are, individually and collectively, extraordinarily sensitive to and harsh about the slightest whiff of union activity – supported by governments (labour department are not sympathetic), and very powerful industry association, NASSCOM, whose **skill registry can act as ever-present discipling tool** over IT workers.

# A look at the Indian IT Worker

- **High social status and merit centred**: The typical Indian IT worker has high social status, and sees their IT job as a ticket to move to better lifestyle and income security - an upward mobility exercise. Their education and orientation is technical, with a high premium on 'merit' and individuality.
- **Internalises the part-gig model**: Especially when young, they like to shift jobs quickly, as a sign of their capabilities and demand. Thus internalising the part-gig model we described.
- **Shadow Identity -** There is a cultural affinity with US/ global tech workers, and a shadow indeed related to it – with a lot of role modelling. .
- Indian tech workers' tendency to remain **"apolitical"** coupled with overall frustration and dissociation with traditional politics of the country, is an important factor with respect to organising efforts.
- IT work in India is now **highly differentiated**, and **spans a very wide spectrum**. Depending on qualification, skills and job the IT worker can seen as one of two kind**:**
    - **"Empowered" IT Worker** - Unbothered about HR issues at the workplace, and ready with 2-3 backup job offers that they can take up if work at the current organisation gets uncomfortable. Very difficult to inculcate a common class consciousness of "worker" in them and establish the need to organise.
    - **Vulnerable IT worker** - typically 8-10 years old in the sector. Professionally, expensive resource for an organisation that may not have much use for their experience as less expensive coders with limited skills are also enough for most project work. this worker has a family and some loans therefore needs income security. These workers need unionisation urgently, but this vulnerability prevents them from openly participating in union efforts.

# Key Workers' Issues in the IT Sector

- **Ad-hoc retrenchment and mass layoff drives within the sector** - hidden terminations, PIP plans
- **Greater vulnerability of experienced employees** - IT employees with more than 8-10 years of experience are more vulnerable to layoffs, and less likely to have options to switch jobs
    - Lack of enough mid-level positions
    - More expensive resource
    - Experienced IT workers typically moved to managerial work, depleting their coding and software skills
- **There is a large contracted workforce in the IT sector**, and a move towards further gamification of various skilled tasks within IT companies.
- **Illegal workplace practices** - notice period beyond mandated period, legal period, clauses about restricted social media posting, unfair appraisals, and terminations post maternity leave, absence of mandated childcare facilities in the office, Not releasing relieving documents of outgoing employees

*A company in which we had some members, had a policy where they would pay the 1st month's salary only after the employee had completed 15 months in the company. Everyone agreed to this policy as it is "company policy" without questioning.*

# Key Workers' Issues in the IT Sector

- **Very long working hours**, with the new labour code proposing a 4 day work week with an option of legal 10 hour workdays.
- **Callousness of HR towards labour law** - the IT industry does not see itself as bound by labour legislation. Awareness among HR professionals about labour laws is low, leading to illegal practices.
- **Lack of Awareness about "Rights as Workers"** – IT unions complain that IT workers often come to them seeking help, completely unaware about the kind of rights Labour Laws have given workers. A large part of IT Unions' work is to spread this awareness
- **Apathy of the labour department** - while a big battle of recognition of IT Worker as "workman" as per Industrial Disputes Act has been fought through multiple court cases, the response of labour departments to IT workers' cases remains ad-hoc, and often reflects the anti-union sentiment of the government.

# Factors for Emergence and Sutainance of Current IT Unions

- IT Unions emerging as wings of central trade unions

- Personality Driven local unions, established/sustained by IT workers exposed to union work through their parents, other family members or friends

- Local-level unions emerging in response to local factors, to then seek national-union affiliation, or work independently

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# The State of the Indian IT Union

- Small individual(s) centred group, operating hub wise and not company wise
- Leaders have faced huge pressure, including retrenchment (almost in majority of cases)
- Known around for helping IT employees, employ social media for visibility and keeping in touch
- Employees facing issues may use them as an 'ATM', but disappear after their issue is resolved
- Gives advice on what can be done
- Take up cases, with labor department, courts
- Have almost no resources because very small explicit membership

# IT Sector, Workers, Unions – Key Insights

- **The person of Indian IT worker:** The unique identity of a "software engineer" or "tech worker", with a professional group (not class) consciousness based on the nature of their work being around coding and creating software, is the right one to focus on. Typically individual merit oriented, relatively satisfied with levels of emoluments, seeking and mostly getting job shifts every 3-4 years, and does not relate to working class politics. Any change in this situation appears very unlikely in the medium term.
- **The Indian IT firm, with internal part-gigification -** IT industry in India is uniquely structured with workforce flexibility (with high internal projects based selection/movement and high attrition) as a design principle, which makes traditional unionising extremely difficult. (We think this model will also spread to other industries as digitalisation and platformization of economy gathers force)
- **The Indian IT union: company-level vs Industry/hub-level**- Currently, all IT unions rely on a cross-company network for their numbers (largely using social media). The likelihood and viability of a company-level union emerging and sustaining, is low, in the coming years.
    - People are not ready to take explicit, formal membership – inter alia creates resources problem
    - Preponderance of service companies over product companies, makes output-of-labour based organising difficult

# Current Thinking of Existing Unions Regarding Future Prospects

1. **'Working Class' Consciousness** - An attempt to to create solidarity among the IT workers and other workers in other sectors, manufacturing, services,, gig work sector, etc, around shared problems faced by virtue of being a "worker" - this was tried for ITES workers with limited success, and seems to be only yielding limited success with IT workers.

2. **Waiting for a Crisis** - Some union leaders are relying on a crisis of layoffs, following a downward turn in the industry, to create unionising impetus. This may not hold as growth trends and development in the IT industry are set to continue.

3. **The Global Tech Worker Identity** - Some leaders and collectives are beginning to look at creating a professional, global tech worker identity based on association with tech product and its impact. This has prospects but also challenges.

# Some tentative directions for strengthening IT workers organizing in India

- Strengthen traditional organizing, first in a hub-centric manner
  - Network them into an all-India platform – share experience and information, develop template HR policies, take up common legal cases, media visibility, etc. Need 'resource centre' support.
- Target the larger ecology for making IT workers unionising acceptable/ useful
  - Engage governments, industry associations, NGOs, etc. Ex. 'Tech workers for good tech companies',a non-threatening, inclusive campaign
- Work on developing 'socially responsible' professional tech worker identity, and associations
  - Some stump groups exist already, need to develop their activity, and work on a double track, with these groups also working separately as non-unions, but developing linkages with explicitly union activity

# The Connection to Global IT Workers' Movement

We discussed how class consciousness based traditional approach has to be supplemented by 'tech worker identity' based approach focussing on professional identity and relationship to work output.

This aspect is especially needed because the 'traditional approach' factors (false class consciousness, the merit fiction, etc) are quite weak in Indian IT sector (and perhaps in other 'outsourcing model' based developing countries)

**What globalisation did (create those unfavourable factors), globalisation may undo**

**The IT worker identity of 'empowered and socially-responsible professional' in India is strongly dependent on global referrents or models**

# Two Ways the Global Connection Works

**One**, it helps erode the 'false consciousness' that Indian IT workers have developed of not being workers, unionizing being below their social status, the 'merit fiction' etc

**Two**, it helps develop the socially responsible element of the IT worker, which is about responsible tech work (like doctors have), some rights and control over one work's output and impacts (the Google walkout!) THIS ELEMENT IS ESPECIALLY GLOBALLY DRIVEN!

As a 'social responsibility' awareness grows, this can also extend to social awareness and responsibility of work conditions and needs to organise in the IT sector itself. Growth of this awareness is key in countries like India where IT workers can span a very wide spectrum in terms of earning, status, vulnerability etc.

**The pressure from below – fighting back against poor work terms and conditions, and a development from above of awareness of social responsibility (to the society and to the sector, and to its workers), can together forge a strong IT workers movement.**

# A Global IT Workers' Movement, Across Global North and South ??

**Need and opportunities**

**It is needed for**

1. developing class consciousness in Indian/ developing-country IT Workers
2. creating a global IT professional identity with social responsibility
3. explore new ways of organising, representivity, accountability, resource generation

**And the big opportunity is that IT industry, and IT worker consciousness, are very global, almost congenitally global**

**Challenges**

New political realities, Trump-ism, Brexit, nationalist populism all around, causing two problems

1. Difficult to do transnational solidarity, especially in such geo-mobile work area as IT
2. Difficult to find common progressive issues for IT output/ impact related strategies and action.

With a call for

**Exploring imaginative new-age, context specific, strategies for**

**Forging a**

# GLOBAL IT WORKERS MOVEMENT

*Thank You*

**IT for Change, India**