



## Protesters urge IBM to stem the tide of offshoring

**Company leaders defend the movement of jobs overseas by saying that IBM is a global company and needs labor around the world.**

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**BY ANDREA L. STAPE**  
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PROVIDENCE -- Megaphone in hand, Linda Guyer yelled out a battle cry at the top of her lungs: "Offshore the CEO!"

"Offshore the CEO!" the crowd of about 50 yelled back.

"What do we want?" she shouted. "Our jobs back!" came the reply.

Standing in front of the Rhode Island Convention Center yesterday while IBM Corp.'s shareholders meeting wound down inside, Guyer was trying to whip up a crowd of protesters, unhappy with IBM's decision to move jobs from the United States to other countries.

Guyer had just left the company's annual meeting where she told the company's top brass how unhappy some IBM employees are about offshoring -- the process of companies moving technology and service jobs from the United States to countries with lower labor costs, such as India. IBM told The Wall Street Journal earlier this year that it plans to add 5,000 jobs in the United States this year, but also said it plans to move 3,000 U.S. jobs overseas.

Guyer wasn't exactly thrilled with what she heard.

"I think there's a level of whitewash covering up the thousands of jobs that are scheduled to go," said Guyer, after she put down the megaphone. "I think they should step up to the fact that they are offshoring."

Yesterday, Samuel Palmisano, IBM's chief executive officer and chairman, responded to Guyer's concerns by saying that IBM is a global company that makes a point of looking for talent all over the world. He added that IBM is concerned about keeping the skills of its American workers current, and is planning to pour \$750 million this year into employee training and education.

"These are very serious issues that need to be addressed," he said.

Guyer, an IBM project manager in Endicott, N.Y., is president of Alliance@IBM, a group representing IBM employees' interests and an outspoken opponent

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**Linda Guyer, president of Alliance@IBM, rallies protesters outside yesterday's meeting.**

of companies moving jobs overseas. She came to the shareholders meeting specifically to question Palmisano about the issue and to participate in the anti-offshoring rally outside.

IBM moves its meeting to a different city every year, and yesterday Providence played host to the meeting and the protest.

In the meeting, while introducing a shareholder resolution geared toward halting offshoring, Guyer told the more than 300 attendees that people on her floor at work are training their foreign replacements and have been told they are getting laid off in 30 to 60 days.

Standing at a microphone in the middle of the convention center's ballroom, she told Palmisano that IBM's efforts to retrain displaced workers are little consolation "for the guys on my floor that have to go home and tell their wives and their kids that they won't have a job in 30 days because it's going to India and Brazil."

Palmisano did not directly refute her statement, instead discussing the company's global presence and its efforts to educate workers.

Guyer then ran out to speak at the protest, which was a little different than the typical labor rally that Rhode Island has historically seen -- it was geared toward saving white-collar technology jobs, jobs that were once seen as free passes to retirement.

However, as more companies looked overseas for low-cost labor last year, the technology industry in India swelled to 700,000 employees, according to Nasscom, an Indian technology trade group. The U.S. unemployment rate in 2002 for computer programmers, computer systems analysts and scientists was at its highest rate since 1983, according to the Bureau of Labor Statistics.

Although Palmisano didn't take much time during the meeting to speak specifically about offshoring, his senior vice president of corporate strategy, Bruce Harreld, did talk during an interview last week about IBM's position. Harreld said IBM's take on the offshoring debate is that offshoring is not really a concept that applies to a global company.

"What's offshore and what's onshore when you're a global company?" Harreld asked. The company has seven research facilities around the world, more than 310,000 total employees and is planning to hire 15,000 people across the globe this year, he said.

He added that, from his perspective, it would be shortsighted for the United States to put up trade barriers to stop the influx and outflow of labor. Those types of policies will only make the country less competitive, he said.

"This is not a healthy line of discussion that we're having right now," said Harreld. "It's absolutely ridiculous not to look at it on a global basis."

Ironically, offshoring opponents such as Guyer also think offshoring is shortsighted. If technology jobs are leaving the United States, how will young people interested in math and science careers get jobs in the future? they ask. And what about all the displaced workers that can't get technology jobs?

"I'm concerned for these workers," said Glenn Taulton, a member of the Alliance@IBM and a senior lab specialist for IBM in Vermont. He was in Providence yesterday for the meeting and the rally.

While technology companies, such as IBM, do not readily release figures on worker movements and the



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federal government does not yet have a good way to track offshored jobs, it's still a hot national topic in an election year. Labor groups, such as the Alliance@IBM, and others representing technology workers have become more vocal over the past nine months. And about 30 states have recently introduced legislation focused on penalizing companies that send American jobs overseas.

**John A. Bauman, of Meriden, Conn., carries a placard protesting IBM's practice of outsourcing jobs. Bauman, president of the Organization for the Rights of American Workers, appears outside the Rhode Island Convention Center yesterday.**

But technology analysts and economists are concerned that politics may be skewing the debate about whether offshoring is good for the U.S. economy.

"The anti-offshoring folks need to understand that we signed up to live in this global economy," said Stephanie Moore, a vice president for Forrester Research, a technology analysis firm. "I think what we need to do in this country is retrain these people. These technology workers need to adjust their skills so they can compete in this economy."

But those sentiments, and the IBM executives' comments yesterday, did little to ease protesters' fears that their jobs could disappear. And it does little to ease the humiliation of having to train a replacement that will then take that job overseas, they said.

"The least IBM can do is give [them] medical benefits for a couple months" after they are laid off, said Guyer, as pickets walked in a circle next to her. "[IBM] should do something interesting or innovative. Something that will be helpful."

And suddenly someone shouted out a new battle cry, "Offshore all the CEOs."

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