



Written by [Ralph R. Reiland](#) on March 21, 2012

Phones, Jobs & Folly

My phone was ringing in the house the other day when I was out in the yard. By the time I got inside, it had stopped ringing, so I hit the *69 automatic call-back number.

A woman with a foreign accent answered and said she was calling to see when I was going to make a payment on my Macy's bill. I asked where she was calling from. "The Philippines," she said.

So, I buy a \$95 Polo shirt from Macy's with the little embroidered horse on the front, imported by Ralph Lauren from Sri Lanka or Vietnam, where the average hourly wage for garment workers, respectively, is 46 cents and 52 cents. Then someone phones from the Philippines, where the average starting wage in a call center is \$1.32 per hour, to tell me to keep my payments current.



I thought about telling her that Americans wouldn't have to be called as much about their bills if American call centers weren't being exported to the Philippines, but I didn't. She wasn't, to use the term President George W. Bush used to describe himself, "the decider" with regard to capital mobility and the costs and benefits of globalization.

A friend of mine had a similar problem with Macy's when he tried several times to call and make a simple change of address for billing. The operators who picked up the phone in India went from not understanding the language he was speaking to being wholly incapable of making the address change.

I had the same problem when I called 411 last week to get the phone number of a local pizza shop. "It's the one that's been there forever, a few blocks from Rohrich Lexus in the South Hills, right on the corner at the intersection with West Liberty Avenue," I explained.

That used to work when the operator was in Pittsburgh. "Fiori's Pizza," she'd say. "Good hoagies." Now there's a young girl who picks up the phone in Mumbai and has no idea what I'm talking about.

The number of jobs in all this isn't small. "The Philippines now leads India in call-center jobs, employing 350,000 compared with India's 330,000," reported *USA Today*.

Correspondingly, the amount of extra profit from outsourcing call centers isn't small. "The positions pay the equivalent of around \$4,300 U.S. per year, according to the Business Processing Association of the Philippines," reported *USA Today*. "By comparison, call center jobs in the United States — when they can be found — may pay \$16,000 to \$22,000 a year."

The difference between the \$22,000 and \$4,300 is \$17,700 per operator a year. For the aforementioned 680,000 operator jobs in India and the Philippines, that comes to more than \$12 billion in lower labor costs if jobs are outsourced from Chicago and Atlanta to Mumbai and New Delhi — \$12 billion in extra



Written by [Ralph R. Reiland](#) on March 21, 2012

profits and \$12 billion in forgone wages in U.S. call centers.

And now that we're talking about phone headaches, I don't like it when I call Toys R Us and have to sit through a recording about their locations, store hours, website and a spiel about the company's "exciting employment opportunities" before I can get to the point in the call where I can hit the prescribed number and then wait some more until a "guest service associate" gets around to picking up the phone.

I didn't need the store hours or location, or a job. I just wanted to see if they had any Saab model planes in stock. That night, there was a 60th birthday party for an ex-pilot friend of mine from Sweden who used to fly Saabs in his top gun years.

I never did find out if the store had any Saab models in stock. No "guest service associate" ever picked up the phone.

After maybe a dozen unanswered rings on that first call, I hung up and tried again, calling back and listening to the same recorded pitch about the "exciting employment opportunities" and the website and store hours and location.

At the end of the message on this second call, I pushed the correct number again to get a "guest service associate." No one ever answered. The phone just rang, unanswered again, maybe a dozen times.

Not tossing in the towel, I phoned a third time (not because I'm so determined, but only because I saw an article in the making) and it was déjà vu all over again. Another sitting through the recording and then no "guest service associate" picking up the phone during a dozen rings.

I know all this is supposed to increase profits according to the number crunchers in the company's main office. Why hire an actual person to answer the phone when a cheaper tape can do the job? Why hire someone who might not be busy every second of the day when the company can just make the rest of us waste our time on the phone?

What's missing in their calculations is the model plane that didn't fly off the shelf.

Ralph R. Reiland is an associate professor of economics and the B. Kenneth Simon professor of free enterprise at Robert Morris University in Pittsburgh.



Subscribe to the New American

Get exclusive digital access to the most informative, non-partisan truthful news source for patriotic Americans!

Discover a refreshing blend of time-honored values, principles and insightful perspectives within the pages of "The New American" magazine. Delve into a world where tradition is the foundation, and exploration knows no bounds.

From politics and finance to foreign affairs, environment, culture, and technology, we bring you an unparalleled array of topics that matter most.



What's Included?

- 24 Issues Per Year
- Optional Print Edition
- Digital Edition Access
- Exclusive Subscriber Content
- Audio provided for all articles
- Unlimited access to past issues
- Coming Soon! Ad FREE
- 60-Day money back guarantee!
- Cancel anytime.

Subscribe