

October 3, 2008

Offshoring: We've won!

There'll be no more offshoring of Hydro One work, if Energy Minister George Smitherman gets his way.

As well, jobs servicing Hydro One that have been sent overseas by Capgemini/Inergi will be repatriated.

"What a tremendous victory this is for the employees who work for the spun-off companies," said Society President **Rod Sheppard**. "Minister Smitherman has sent a clear signal that he wants electricity industry work to stay right here in Ontario."

"I'm ecstatic," said Inergi Local VP **Elaina De Luca**. "Our members and I have fought like tigers to keep these jobs in Ontario, and we've won! I'm hoping the government will take a look at all the other jobs leaving Ontario, and do something about that as well."

News began to circulate late Wednesday morning to Inergi employees' inboxes that a "declaration" had been issued by Minister Smitherman to the Hydro One Board of Directors. In a clearly unusual move, the Minister transferred to the "shareholder"—the Ontario government—the right to make any decisions involving Hydro One work.

Later that day, a spokesperson in the Ministry of Energy and Infrastructure confirmed to the Society that the legalese contained in the declaration indeed meant that offshoring of Hydro One work is "at an end" and that previous offshoring "will be reversed."

Controversy over offshoring has raged since late 2005, when Capgemini announced it would begin



Society President Rod Sheppard (I) and Inergi Local Vice President Elaina De Luca

to move both Inergi and New Horizon jobs overseas in cost-cutting measures. (It is an integral element of Cap's business/profit model to move work to low-wage, offshore locales.)

As a beginning, the Markham Accounting Centre (MAC), with 100-plus Society and PWU employees,

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was moved to Kolkata (Calcutta) in 2007. (The MAC serviced Capgemini, not Hydro One. Ironically, the work had originally been brought to Inergi as a demonstration of Cap's commitment to Inergi success.)

In 2007, the Society entered into early bargaining with Inergi to help position the company to bid on the 2012 renewal of its contract with Hydro One. (The Inergi collective agreement wasn't due to terminate until December 31st, 2008.) Bargaining broke down when Cap refused to consider solutions other than gutting the Inergi Local's offshoring protection (see *Newsflash* 2008:03, p. 6).

The Society participated in the Government Agencies Review Panel in the summer of 2007.

Demographic challenges, the Society argued, meant the industry needed to *increase* career opportunities in Canada.

Sending work overseas would lead to the hollowing-out of the country's capacity to build and maintain the industry we need.

During the 2007 provincial election, the Society ran a web-based campaign to bring the issue to the attention of all candidates. Many Society members, especially those in the Inergi, New Horizon, and Vertex locals, participated.

In February, Cap announced another 200-plus Society and PWU jobs would be sent overseas. The Society raised its level of protest, at one point crashing a meeting of Inergi managers called to discuss offshoring. Liberal Party of Ontario functions were met with Society members passing out flyers picturing Mumbai-born Inergi employee **Chrysselle d'Souza** saying, "Don't send my job to India!"

Many MPPs were lobbied by Society members on the issue, and Society leaders and members of the political action team discussed it on numerous occasions at numerous events with Mr. Smitherman, former Energy Minister Gerry Phillips, and other MPPs.

At New Horizon, the Society launched a "purchased services" (contracting out) grievance, alleging that Cap had bypassed the joint process provided for making contracting out decisions. Though Cap managers asserted that offshoring wasn't covered by the purchased services agreement, Arbitrator William Kaplan ruled that he wasn't so sure (see *NewsFLASH* 2008:03). Until the Employer were good enough to present him with some evidence, he ordered New Horizon to cease and desist in its campaign to transfer knowledge and work overseas. No date has been set at this point for the continuation of the hearing.

The "declaration" to the Hydro One board clearly doesn't answer all possible questions.

- ◆ Since it concerns the Hydro One board only, it theoretically has no effect on Cap/Inergi or Vertex, private companies with non-government shareholders. However, the Society believes the Minister has made his views clear, and if Cap/Inergi wants to retain the



Society flyers pictured Mumbai-born Chrysselle D'Souza, who wanted her job to stay in Canada.

contract to do Hydro One work, that work should be done in Ontario.

- ◆ There is, to our knowledge, no such “declaration” to the OPG Board. However, it is the Society’s position that it would be grossly inconsistent for the shareholder to have different policies on offshoring for Hydro One and OPG. Indeed, it is the Society’s belief and understanding that OPG is not pursuing offshoring to the same extent.
- ◆ Questions regarding the implementation of the declaration cannot be answered at this time; resolution of those questions is up to the Minister, Hydro One, and Cap/Inergi. Answers to those questions will be unfolding as they are resolved, and the Society expects to be fully involved at the local level. It is the Society’s expectation that, as much as is possible, the situation at Inergi will be returned to where it was before the first job servicing Hydro One was shipped out of the country.

- ◆ Presumably, the Markham Accounting Centre is not covered by the declaration; the situations of the members still not placed by that move will have to be resolved.

“There are so many people to thank for this wonderful result, it’s hard to know where to start,” said De Luca. “It was a collective effort, with many in the Inergi, New Horizon, and Vertex locals on the front lines, both Society and PWU. The Society leaders, especially Rod Sheppard, the leadership of the OPG and Hydro One locals, and the Society staff involved were absolutely steadfast in the overall effort.”

“This is a real victory for the Society, but we must remember it’s part of a much larger battle against the tide of

Canadian work moving offshore,” said Sheppard. “As Society members, and certainly myself as a Vice President of the Ontario Federation of

“... [W]e must continue to participate in [the] effort on behalf of all the working people in the province.”

Labour, we must continue to participate in that effort on behalf of all the working people in the province.”

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