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**Workers of the World, Employed**

*By* [*DAVID BORNSTEIN*](http://opinionator.blogs.nytimes.com/author/david-bornstein/)



[Fixes](http://opinionator.blogs.nytimes.com/category/fixes/) looks at solutions to social problems and why they work.

More than 60 percent of the world’s gross domestic product comes from global trade. This is double what it was in the 1980s. Most economists agree that the astonishing increase in trade over the past quarter century has boosted economic growth and job creation, and, in many countries, led to a decline in absolute poverty. But while the economic superhighway has spread around the globe, in many parts of the world there are still not enough *on-ramps*.

Globalization has allowed 1,200 people to become billionaires, but workers in the “[informal economy](http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTSOCIALPROTECTION/EXTLM/0%2C%2CcontentMDK%3A20224904~menuPK%3A584866~pagePK%3A148956~piPK%3A216618~theSitePK%3A390615%2C00.html)” in developing countries ― more than 60 percent of all workers ― have not experienced improvements in living standards [as a result of global trade](http://www.ilo.org/global/resources/WCMS_115087/lang--en/index.htm). People want to participate in the global economy; they just can’t gain access.

One new approach for building on-ramps has been coined “[impact sourcing](http://www.rockefellerfoundation.org/news/press-releases/rockefeller-foundation-foster-impact).” The idea is to make it attractive for companies to outsource business processes to people in the developing world who come from impoverished or remote communities, who may have only a high school education, and who would otherwise have minimal opportunities to improve their lives.

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Outsourcing isn’t new, just as banking wasn’t new when microfinance came along. And just as microfinance demonstrated that poor people are trustworthy borrowers, impact sourcing is demonstrating that people from villages and urban slums are reliable knowledge workers.

The market for “business process outsourcing” is estimated to be worth more than $100 billion, with the market for impact sourcing estimated at $4.5 billion ([pdf](http://www.monitor.com/Portals/0/MonitorContent/imported/MonitorUnitedStates/Articles/PDFs/Monitor_Job_Creation_Through_Building_the_Field_of_Impact_Sourcing_6_16_11.pdf), p.11). Most of the world’s outsourced work is handled by college graduates in cities in India, China and the Philippines. One reason impact sourcing has taken off is that outsourcing costs have [risen sharply](http://www.ft.com/cms/s/2/0f6d8f76-aa29-11df-9367-00144feabdc0.html#axzz1cezyKutd), so companies are looking to engage less-educated and more remote workers (because they are less expensive to hire).

The worry is that this shift will lead to a race to the bottom and culminate in “digital sweatshops.” This is a legitimate concern. Which is why I’m highlighting two social enterprises that are approaching the outsourcing opportunity in creative ways. (Social enterprises seek to be profitable, but prioritize social impact.) Both have given deep consideration to the question: How do we help people from disadvantaged backgrounds gain a foothold in the global economy?

One of them is [Digital Divide Data](http://www.digitaldividedata.org/), a pioneering organization that employs 900 people in Cambodia, Laos and Kenya and was founded *way* back in 2001. The other is [Samasource](http://samasource.org/), a fast-growing enterprise that was established in 2008 and has already received recognition for its ability to manage “microwork” in a kind of virtual assembly line that spans 1,600 workers across Haiti, India, Kenya, Pakistan, Uganda and South Africa ― some of them living in refugee camps.

Both Digital Divide Data (DDD) and Samasource were founded by former management consultants whose experiences in the developing world led them to redeploy their skills to alleviate poverty. DDD’s co-founder Jeremy Hockenstein was moved to launch his enterprise after visiting Phnom Penh where he met young Cambodians in Internet cafes eager to learn English because they “were so excited by the promise of globalization.” The reality was that good job opportunities were scarce.

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As a youth, Leila Janah, the founder of Samasource, spent six months teaching English at a school for the blind in Ghana. “The kids were so savvy and motivated but they had no opportunity and there was nothing they could do about it,” she recalled. “They just happened to be born in the wrong place. And I thought: ‘What would it take to make a place like Ghana less poor?’” Years later, as a consultant, she did work for a large outsourcing company in India ― and she saw no reason why the people driving rickshaws couldn’t be earning more money working with computers.

Samasource, which is headquartered in San Francisco, has demonstrated the ability to generate business from companies like Facebook, Google, Intuit and LinkedIn, and distribute it across independently-owned outsourcing firms. (It currently has 16 partners.)

In exchange, Samasource requires that partners adhere to an ethical code of conduct. They must reinvest at least 40 percent of revenues in training, salaries, and community programs. They must hire workers who were earning less than $3 a day. (Once employed, they generally earn $5 a day, and often more.) To date, the company has distributed $1.2 million in salaries. Seventy percent of its workers are the primary breadwinners in their households and support at least two other people.

“Most of them are with us to get a foothold,” explains Diana Gitiba, the co-founder of one of Samasource’s delivery centers, [Adept Technologies](http://adept-techno.com/), in Nairobi, Kenya, which currently employs 50 people who work on Samasource contracts. “When people are looking for work, they are always asked, ‘Do you have experience?’ Of course they don’t have experience! They just finished school.”

The official unemployment rate in Kenya is 40 percent ― and about 65 percent of the labor force is made up of young people. “When you think about the energy that’s out there on the loose, it’s kind of scary,” she said. “We have to make sure our youth have opportunities to do positive work.” Her goal is to be employing 1000 people by 2015.

There is no shortage of work to be done. The world runs on data and each day it needs to be updated. Shopping companies need to revise business locations; voice transcriptions need to be corrected; videos need to be captioned; photos need to be tagged; government archives need to be entered into databases; receipts and mortgage applications need to be scanned and verified. Much of it demands human judgment. And much of it can be handled anywhere there is an Internet connection. But there are barriers. “Many people don’t think that the poor in the developing world can do work on a computer,” explained Janah. “They won’t say it explicitly. But they think it’s too sophisticated.”

Samasource provides delivery centers with training assistance. It has also developed technology to break down data jobs into simple tasks ― “microwork”—that can be distributed in pieces around the world, reassembled, and re-checked for accuracy.

For Janah, microwork is a stepping stone to higher education and better careers. Many Samasource workers are paying their way through school. Others have proved themselves through work. Janah recalled a 21-year-old worker from Nairobi who is deaf. “He had never held a formal job because he has a disability,” she said. “He was hired because we require hiring people from disadvantaged backgrounds. He was their best data entry guy for nine months then he got a job at Barclays.”

Data workers develop skills in English, computers, and a variety of project-specific tasks. They also gain experience in professional environments. “A lot of people have never reported to an office on time or worn formal clothes to work,” explains Janah. “Just the exposure to this world is valuable.”

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Digital Divide Data takes a more directed approach. It looks for high school students who would “otherwise not have gone on to college,” explains Hockenstein, and offers them a four year work study program, during which they spend six hours a day working and the rest of the time pursuing higher education.

DDD has graduated about 400 people who earn four times the average income in their countries. Because DDD spends more time with employees, it can provide them with deeper skills training. This allows them to take on more complex work, like electronic publishing. DDD also provides career counseling services. (It translated the book “What Color is Your Parachute? For Teens” ― a young person’s version of one of the world’s most popular job-hunting guides ― into Khmer and Laotian.)

“The difference we see between when people walk in and when they walk out after four years is so powerful,” explains Hockenstein. “They feel that they can control their future.”

DDD and Samasource offer different approaches for how the global economy can be made more inclusive. DDD’s model goes deeper with each employee, but requires more direct investment. Samasource influences the hiring and management practices of many companies and can, therefore, expand more rapidly, but it does not shepherd each worker as methodically. Both combine business and philanthropic resources to maximize their social impact and ensure financial sustainability.

When people talk about the “bottom of the pyramid,” they are usually thinking of the poor as potential consumers. Impact sourcing shifts the perspective. “We think the way out of poverty is to view the poor as producers,” says Janah. “And the Internet is probably the most efficient tool we have for tapping this capacity. Because you don’t need roads. You don’t need customs officials who are friendly. You don’t need to manage shipping and delivery schedules. You don’t have to worry about tariffs. The production happens instantaneously and the good ― the knowledge output ― gets shipped instantaneously. This is the first time in human history we can do that.”

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