

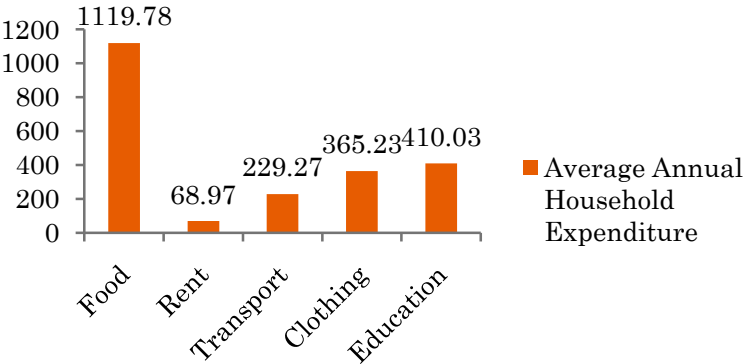
# MICROWORK FOR MACRO-GAINS: EVALUATING THE SOCIAL IMPACT OF ICT- BASED JOB CREATION IN RURAL INDIA

*Executive Summary | Sandesh Sharanappa, LSE*

With improving infrastructure, increasing literacy rates and a large workforce, rural parts of the developing world face a number of opportunities for growth and expansion of the information technology services sector beyond the big cities. A number of social enterprises based outside urban centers provide information technology-enabled services to both national and international clients, as part of the \$530 billion global business process outsourcing (BPO) industry. A few of these firms regularly complete “microwork” – small, web-based tasks – to supplement their revenues and create valuable employment and skills for their most marginalized workers. Our research presents the developmental impact of microwork. Sen’s capability approach is used as the theoretical framework to assess the contribution of this employment towards human development. Usha Martin Rural Services (UMRS), a rural information technology services firm based in India’s Jharkhand state, and Samasource, a social enterprise that connects UMRS to microwork opportunities, are the subject of the case study. As of August 2010, more than 60 per cent of the UMRS’ revenue was a result of working on tasks from a Samasource microwork client. The research findings are based on observational data and semi-structured interviews of twenty four workers. The research suggests that microwork has the potential to create valuable employment for large numbers of people living in poverty and make a positive impact on their capabilities. Greater attention is needed from social entrepreneurs, private sector corporations, governments, development organizations and donor agencies to amplify this impact.

### Exhibit1: Snapshot of Respondents

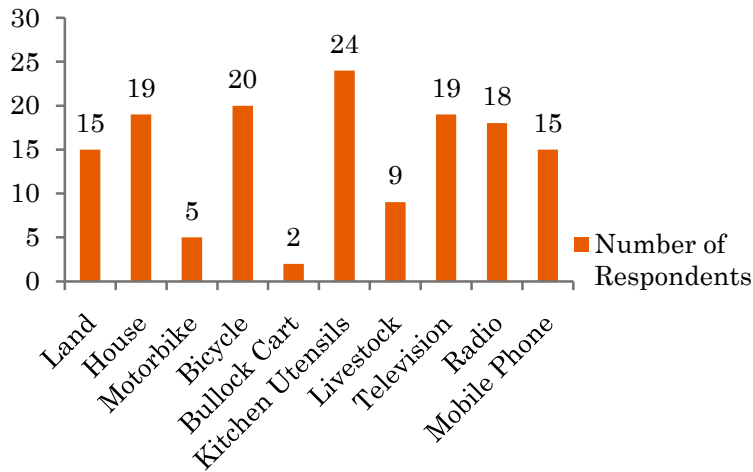
**Average Annual Household Expenditure in Dollars**  
(Average Income: \$1875.95)



**Distribution of Respondents**

Status	Male			Education
	Hindu	Muslim	Other	
Married				Tertiary
Single	6	3	1	Secondary
Married	1			Secondary
Single	1			Tertiary
<b>Total: 12</b>				
Status	Female			Education
	Hindu	Muslim	Other	
Married	1			Tertiary
Single	3	2		Secondary
Married	2			Secondary
Single	3	1		Tertiary
<b>Total: 12</b>				

## Asset Ownership



**22** Average age of the workers

**8** Average size of the household

## RESEARCH FINDINGS

### Capabilities Directly Impacted

Four capabilities of *Senses, Imagination and Thought*; *Practical Reason*; *Affiliations* and *Control Over One's Environment* were found to be positively affected and mutually reinforcing. The capability of *Affiliations* was found to be negatively impacted.

#### Senses, Imagination and Thought

*"Constantly learning new tasks in the office has really helped in understanding things quicker and better."*

Computer skills and English language training, and continuous exposure to new types of work, have broadened the mindsets of workers to new ideas. Many workers identified new ways of doing microwork. Workers displayed the capacity to look at the tasks available for completion, think about revenues and decide which tasks to complete. On a few occasions, workers questioned the manager as to why they were working on tasks that fetched less money when better paying tasks were available. Some workers mentioned indulging in creative pursuits like listening to music and 'rangoli', a popular Indian art form. However, a direct correlation between employment and creativity or imagination was not found.

#### Practical Reason

*"I want to study computer science and secure a good job. In the next few months I want to work here in the afternoon shift so that I can go to school in the morning."*

Employment at UMRS has given workers confidence in their abilities. They believe that with hard work, and computer and English language skills, they can live a better life. Workers have gained the capability of identifying their short-comings and working on them. The capability of *Senses, Imagination and Thought* was found to have a strong effect on *Practical Reason*. Workers were able to make plans for their future and identify and develop certain habits by looking at their highest-performing colleagues. Their capability to observe this development, think and respond to it, has helped them make better plans and work on their personal development.

### Capabilities Directly Impacted

**Senses, Imagination and Thought**  
**Practical Reason**  
**Affiliation**  
**Control Over One's Environment**

## Affiliation

Most of the workers have lived in the same community from birth. This employment has provided them an opportunity to interact and work with people from different backgrounds and villages. UMRS has become an institution which facilitates this interaction.

*“I always wanted to work, but I never thought I would be able to.”*

*“Earlier I was not able to help my children with their studies, but now I can.”*

This employment and the accompanying knowledge of computers and English have contributed to confidence, dignity and self-respect in the workers. “Working on the computer” was the aspect of their employment of which workers were most happy and proud. Women workers specifically mentioned that their status in their homes had improved as a direct result of their job. Women workers mentioned that they now had a say in making purchasing decisions. Their husbands and in-laws were more respectful. The ability to help their children with studies also contributed to their confidence, dignity and self-respect.

*“I always wanted to work, but I never thought I would be able to.”*

*“Earlier I was not able to help my children with their studies, but now I*

## Negative Impact

*“Some women in my community speak sarcastically about my new job. My husband’s friends also make fun of him about my job.”*

The *Affiliations* capability was negatively impacted by this employment, especially for women workers. These social tensions do not seem to have worried the women much. They do not find much free time for interaction with their neighbors.

## Control Over One’s Environment

### Political

For most of the workers, the only political activity was elections and the only form of political participation was voting in the elections.

*“I told my manager that I am not happy about the incentive. I travel for 35 kilometers a day and I work hard too.”*

Now, after starting work at UMRS, they are more willing to participate in political situations other than elections. One afternoon, the Operations Manager came back from lunch and was surprised to see a group of workers waiting to see him. They were unhappy about the performance incentive they had received for the month. They wanted to find out why they were paid less, when they had worked so hard during the last month. The workers later mentioned that they would not have mustered this courage a year ago.

*“I thought empowerment was only in the books. A job really empowers you.”*

Women workers have found a voice to express their thoughts, ideas and concerns. They mentioned being counted as valuable members of their family, community and the work place.

*“I thought empowerment was only in the books. A job really empowers you.”*

This capability has been positively affected by the *affiliations* capability. The workers think that they are valuable members of the society because of the confidence, dignity and self-respect they have gained on the job.

## Material

A merit-based selection process was used to identify workers at UMRS. This has given workers a greater degree of confidence in themselves and also in the system. The workers might not have acquired the capability to stop discrimination, but they have definitely acquired the capability to protest discrimination when it occurs and take action to prevent it. This employment has provided an opportunity for workers to earn as much as other family members, if not more, which has increased the importance of the workers in their household hierarchies. Alternative employment, in most cases, agricultural work, does not give them a chance to use their skills and talents. The workers have a feeling that they are an important part of the organization.

## Capabilities Indirectly Impacted

The closely related capabilities of *Life*, *Bodily Health* and *Bodily Integrity* might have been indirectly affected. In-depth research is needed to be certain of this impact. Workers contribute to more than 25 per cent of their household income. These households spend close to 60 per cent of their income on food.

*“We spend the entire ₹6000 [\$127.97] on food [for a family of six]”* said a worker when questioned about proportion of monthly expenses on food. Issues such as rate of inflation and local crop yields must be taken into account to find out about the change in food basket of these households. All the workers continue to stay in the same shelter and have access to the same drinking water as before. The knowledge and the confidence these workers have gained has helped them move from one place to another without fear. *“I can travel to any place as long as I know the address,”* one woman worker said. Workers have confidence in their abilities and have a more optimistic view of life. They are confident of dying a death of old age.

## Capabilities Indirectly Impacted

**Life**  
**Bodily Health**  
**Bodily Integrity**

## IMPLICATIONS

Nationwide development efforts need the backing of governments and international organizations. As this research has shown, microwork, and business process outsourcing more broadly, can be used as a tool for development. With the improving infrastructure and education levels in the developing world, microwork has the potential for creating valuable employment and making a positive impact on the capabilities of workers who may not be eligible for other computer-based jobs due to their level of education and training. This finding is particularly relevant in India, which is experiencing a demographic dividend with more than 40 per cent of the population aged between 13 and 35. India is struggling to create employment opportunities for this massive influx of youth in the labor market. According to the World Bank, 1.2 billion youth aged 15-24 globally face higher unemployment rates than adults – it is estimated that roughly 50% of the unemployed fall in this age range. Governments must play a role in improving the telecommunication and power-related infrastructure, and create favorable policies to promote microwork in rural areas, which house the vast majority of India’s unemployed skilled talent. Internet connectivity and electricity issues need immediate attention from the governments. Development organizations and donor agencies should earmark funds and create programs to encourage microwork. They should encourage researchers to study this phenomenon in various geographic, social, economic, cultural and political situations. At the organizational level, firms like UMRS and Samasource should beef up their training programs as development of skills was one of the most cited positive outcomes. Industry bodies like the National Association of Software and Service Companies (NASSCOM) in India should share their expertise and lobby for favorable government policies.