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Image Source: Rickshaw drivers transporting passengers and goods in Sonipat, near New Delhi, India, in December 2022. Image by Nicolas J.A. Buchoud, all rights reserved ©.



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“Talent is evenly distributed, but opportunities are not”¹ – impact sourcing as an enabler for tomorrow’s digital creatives in the Global South

The future of work – potentials for a digital tomorrow

More computing power, bigger data, and faster internet connections are transforming the global economy. As a result, digital transformations are altering socioeconomic trajectories of millions – bearing new potentials for the world’s poor and marginalized. While disrupting our everyday lives, new technologies also transform labour markets and fundamentally change the way we work. Yet, as digitalization creates

job opportunities, higher income and secure employment for some, it exacerbates inequalities and exploitation for many others. As a lack of (decent) employment continues to impede development efforts, vulnerable populations are in dire need for change.

While more countries move towards service-led economies, jobs are shifting to the cloud – making the Global South’s service sector a particularly interesting case to watch. Over the last years, a growing demand for non-routine, analytical, and interpersonal tasks has been met by a significant decline in routine, mid-level manual jobs (not yet fully researched for LMICs). While increasing demand for high-skilled labour benefits a skilled workforce, those with routine jobs are at risk. In addition, new businesses and intermediaries are shifting jobs to digital labour platforms and business process outsourcing (BPO) centers – creating new opportunities that for some increase the risk of precarity.

While potentials and challenges faced by a future workforce have long been on the G20 agenda (especially since Germany’s 2017 presidency²), one particular sector has gained relevance in recent G20 processes – cultural and creative industries (CCI) and digital and creative services.³

While digital services are typically associated with technical tasks such as programming or software development, many also tick the box on creativity. In recent years, the role of creative industries for creating a more inclusive and sustainable

future work has gained popularity. Like all industries, the digital transformation is also disrupting CCI, challenging traditional creative jobs.⁴ So how are digital creative jobs linked to the potentials and challenges of an IT-enabled future of work? What are the services of the future and how can creative workers be ensured decent working conditions by sustainable labour markets of the future?

As so often, a lack of empirical evidence is limiting the ability to answer these questions. Still, the following thoughts presents a couple of ideas.

Impact Sourcing – new potentials for the global south?

GIZ's global project 'Future of Work' has been taking a closer look at the role of IT-enabled services in India and Rwanda and analyzed the role of digital labour platforms and the BPO sector. While digital labour platforms create new⁵ job and income opportunities, the platform industry faces criticism over poor working conditions, lack of social security and precarization of labour.⁶ Meanwhile, in Africa, BPO services have grown in importance, offering decent working conditions to digitally skilled workers that can support business processes worldwide. Low labour costs, a growing talent pool and expanding digital infrastructures are making Global South countries attractive locations for BPO companies. While South Africa is already an established player, Rwanda and Ghana are following and already see growing interest of foreign investors. Companies

in global sourcing markets are saving between 60% and 86% of their labour costs by outsourcing digital services to African offshore service providers. All while BPO employees can earn significantly more than what jobs in agriculture or manufacturing pay. While today's value of Africa's BPO industry is estimated at \$8.3 billion, it is expected to increase to \$11.7 billion by 2023.^{7,8}

As more processes are outsourced to third-party providers, impact sourcing (IS) is also becoming more popular. A sub-category of BPO, impact sourcing (or socially responsible outsourcing) supports IT-industries in creating new opportunities for poor and vulnerable populations by improving capacities to leverage technological innovations and creating access to global markets.⁹ As an inclusive employment approach, impact sourcing provides jobs to those that lack access to formal employment - be it due to their educational level, geographic location, and/or social disadvantage.¹⁰ Sourcing from the 'base of the pyramid'¹¹ for BPO centers, impact sourcing promotes decent working conditions by providing sustainable, above-average incomes and transferable skills, and creating further demand for education and training – all while benefitting businesses.¹² Typically, costs are even lower than compared to conventional BPO sectors while offering additional benefits through lower turnover rates, higher employee motivation, access to new sources of talent.¹³ As a result, impact sourcing has become a larger part of the BPO value system bearing potentials for equitable socioeconomic development and growth.⁷

A chance for the digital creatives of the future?

Considering its relevance, impact sourcing could also accelerate the potentials of workers in creative industries. Traditionally impact sourcing is linked with microwork, hence routine tasks requiring little skills or creativity.¹⁴ Such tasks are usually associated with low wages, limited social benefits and a lack of regulatory mechanisms ensuring worker's protection. While these issues need to be addressed, responsibly sourcing microwork might nevertheless act as a steppingstone for creatives.¹⁵ As impact sourcing provides an entry point to digital jobs and promotes market relevant skills and work experience, it could create opportunities for high-skilled, well paid digital creative jobs in the future that connect creative industries to global markets. A prerequisite for this development would be the establishment of accessible, market-oriented skilling opportunities.

With rapid digital transformations and a growing need for more and better jobs, new technologies must promote equitable economic development, enabling decent work for all. Leveraging the nexus of a digital future of work and creative industries could provide new opportunities for workers, allowing for more digital, creative and decent jobs in the future.

References

1. popularly coined by the late Leila Janah, founder and CEO of Sama Group, a not-for-profit organization providing digital jobs training to vulnerable communities without access to living-wage jobs
2. Germany's G20 presidency in 2017 focused on measures providing workers with appropriate tools for the future of work, including the systematic strengthening of continuing education and lifelong learning, social security for new forms of work, and working conditions that meets the needs of employees and companies.
3. See for example [link](#).
4. Hearn et.al (2020), The future of creative work– creativity and digital disruption, *International Journal of Cultural Policy*: 27(6)
5. such platform jobs are often result of formalizing existing, informal jobs and fail to provide social security or decent working conditions
6. see for example the work of the Oxford Internet Institute's Fairwork Initiative [link](#).
7. Melia, E. et al. (2022) Rwandan Jobs in the Digital Era: Scenarios for the Future of IT-enabled Services (Forthcoming)
8. Charlton, M. (2022), Africa GBS Buyers Report: The African Global Business Services [link](#).
9. Acharya, N. (2014) Impact Sourcing: An Opportunity That Actually Needs To Have Impact [link](#).
10. Karnani, A. and McKague, K. (2019) Scaling Jobs for the Poor: Reducing Poverty through the Impact Sourcing BPO Approach, *Markets, Globalization & Development Review*, 4(4) [link](#).
11. for more information see: C.K. Prahalad (2006) *Fortune at the Bottom of the Pyramid: Eradicating Poverty Through Profits*
12. The Rockefeller Foundation (2011) *Job Creation Through Building the Field of Impact Sourcing* [link](#).
13. The Rockefeller Foundation (2016) *Launch of global impact sourcing coalition* [link](#).
14. as defined in J. Berg, et al. (2018) *Digital labour platforms and the future of work*, ILO report [link](#).
15. Meyers, L. et al. (2017) *The nexus of microwork and impact sourcing* [link](#).