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The Marketization of Poverty

by Anke Schwittay

Increasingly, transnational corporations (TNCs) see themselves, and are seen by multilateral development organizations and national governments, as part of the solution to global poverty alleviation. Guided by C. K. Prahalad’s theories about the “bottom of the pyramid” (BoP), TNCs are developing products and services for the billions of people living on a few dollars a day that are supposed to enable these poor people to enterprise themselves out of poverty. In the process, poverty and the poor are made amenable to market interventions by being constituted as a potential new market for TNCs. Hewlett-Packard’s (HP’s) e-Inclusion program was the first corporate-wide BoP initiative in the high-tech industry that aimed to create corporate and social benefits. An analysis of its company-internal evolution from an intrapreneurial initiative to a fully incorporated business operation is complemented by a study of e-Inclusion’s activities in Costa Rica, which aimed to improve the lives of rural Costa Ricans by providing access to HP technology and by creating new sources of income for electronic entrepreneurs. However, transforming the poor into protoconsumers of TNC products and services cannot address the structural drivers of their circumstances and will lead to neither the eradication of poverty nor a corporate fortune at the BoP.

In recent years, there has been a lot of talk about the bottom billion(s) in reference to the world’s poor who live on less than minimal income.1 As the parentheses suggest, their exact numbers are unknown. Prahalad (2006), who popularized the term, observed that “be it four or five billion, [and] if it is only 3.5 billion, so be it.” Especially when representing human lives, numbers do matter; one of the effects of aggregating the world’s poor in this way is that they seem to become numerical rather than human entities.

The bottom billion(s) are the newest instantiation of the articulation of business and development, whose connection stretches from the imperialist endeavors of colonial companies, to the philanthropy of early company towns, to the foreign direct investment strategies of structural adjustment programs (Litvin 2003). Now, their relationship is reconfigured in important ways, including new conceptualizations of poverty, the poor, and the role of business in eradicating both.

In the development field, Paul Collier (2007), a former director of the World Bank’s research department, has written about “a group of countries at the bottom” that are home to “the billion people who are living and dying in fourteenth century conditions: civil war, plague, ignorance” (3). He criticizes large development organizations for preferring to focus their efforts on the other 4 billion who are not quite as poor.

The bottom billion(s) also took center stage at the 2008 World Economic Forum, where rock star Bono invoked the “billion people who are living on less than a dollar a day, scrambling for their life” to chide Western governments for not making good on their international aid commitments (CBS/AP 2008). Bill Gates (2008), cochair of the Bill and Melinda Gates Foundation and at the time still chairman of Microsoft, challenged assembled industry leaders to pursue a “creative capitalism” in order to serve the “billion people who live on less than a dollar a day and get by without sufficient food, clean drinking water or electricity.” Former Intel chairman Craig Barrett also talked about the billion but had in mind the next billion Internet users who “aren’t going to be city dwellers” (Dean and Wonacott 2006). He agreed with Gates that they need to be brought within the bounds of the market.

The road map to such an “inclusive capitalism” has been laid out by Prahalad (2005:1), a business school professor at the University of Michigan until his untimely death last year. According to Prahalad, at the bottom of the world economic pyramid (BoP), which represents the world’s population according to its purchasing power parity, live several billion people earning less than $1,500–$2,000 annually.2 As an aggregated mass, these billions represent a huge market potential for transnational corporations (TNCs), which by going after this “fortune at the bottom of the pyramid” will also eradicate poverty.

1. Finding talk about the bottom of everything to be offensive to the people who are relegated to that location, some people have begun to talk about the “base of the pyramid” (Hammond et al. 2007:1).
2. This number varies depending on which one of Prahalad’s articles one consults (Prahalad 2005; Prahalad and Hammond 2002; Prahalad and Hart 2002). All dollar figures reported in this article are U.S. dollars.

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world poverty (Prahalad 2005). The key is “entrepreneurship on a massive scale,” both within these companies and among the poor themselves (Prahalad 2005:2). This belief in the transformational power of entrepreneurship is grounded in neoliberal discourses of the “entrepreneur of the self”—the normative contemporary subject who as a self-realizing, responsible, calculating market participant is empowered to take control of his or her own destiny (Rankin 2001; Rose 1999:142).

One of Prahalad’s earliest followers was yet another high-tech leader, Carly Fiorina, CEO of Hewlett-Packard (HP) from 2000 to 2005. Under her rule, HP instituted its e-Inclusion program as the first corporate-wide effort in the high-tech industry to operationalize Prahalad’s ideas (Schwittay 2009). The e-Inclusion program aimed to create economic benefits for HP and social benefits for the poor through access to the company’s technology. However, the arithmetic of telecommunications and that of poverty do not necessarily seem to agree. For a poverty fighter, the “next billion” would refer to those who need to be taken out of absolute poverty; for an IT executive, the “next billion” would more spontaneously refer to the next wave of customers that could emerge from developing countries, particularly in the mobile market. (Lavin 2005:15)

This tension between those who are in need and those who can pay is one of the leitmotifs of this article. I begin this article by examining the humane face that has been put on global capitalism over the past decade and the marketization of poverty that results from this modification. I illuminate company-internal transformations of corporate forms with an analysis of e-Inclusion’s evolution from its inception as an intrapreneurial initiative at HP Labs in Palo Alto, the location of HP’s headquarters in California’s Silicon Valley, to its demise 5 years later. The effects of these transformations were felt far beyond the corner offices on executive row where they were conceived, as shown by a study of e-Inclusion’s projects in Costa Rica, which deployed HP mobile technologies to create new sources of income for the rural poor.

This article is based on 12 months of fieldwork in 2003 at HP headquarters in California’s Silicon Valley and two e-Inclusion program sites in Costa Rica and India. I conducted interviews with HP employees ranging from e-Inclusion project managers to the senior vice president who ran the program, and I studied related company documents. In the project sites I was a participant-observer at various stages of project cycles, from the very beginning in India (Schwittay 2008) to start-up planning and implementation as well as after-the-fact research in Costa Rica (Braund and Schwittay 2006). These various temporalities provided important insights into e-Inclusion’s work, legacy, and local reactions to both.

Eradicating Poverty through Market Capitalism

In order to capitalize on the fortune at the BoP, TNCs need to become more innovative and resourceful and take more risks (Prahalad 2005). In other words, they need to pursue a form of corporate entrepreneurship that results in a more “inclusive capitalism” (Prahalad 2005:1). Prahalad’s linguistic innovation joins others such as “compassionate capitalism” (Benioff and Southwick 2004), “virtuous capitalism” (Fikirkoa 2007), “social capitalism” (Fast Company 2008), and the all-encompassing “enlightened capitalism.” By qualifying capitalism with adjectives that endow it with humane qualities, these authors concede that the system, if left to its own devices, does serve those who can afford its wares at the expense of those who cannot. Correspondingly, the authors celebrate efforts to correct this shortcoming by stretching the boundaries of the capitalist system to include the bottom billion(s) who have until now been excluded from its gains and suffered from its impacts. Gates continues this tradition.

Magic Markets?

In January 2008, Gates (2008) presented his ideas about “creative capitalism” to the assembled world and corporate leaders at the World Economic Forum in Davos, Switzerland. Because the capitalist system and its market incentives result in people with the greatest needs receiving the smallest benefits of the global economy, Gates (2008) called for a “system innovation” or “refinement” to ensure that capitalism will serve those who cannot pay for what it offers. His proposed solution, to complement the profit incentive with a “recognition” incentive that would materialize in enhanced company reputation, customer appeal, and employee attraction, is actually part of the business case that corporate social responsibility (CSR) advocates have been making for years (Welker 2009). More interestingly, Gates (2008) also argued for “an approach where government, businesses and nonprofits work together to stretch the reach of market forces . . . to do more for the poor.” Examples of such boundary extension include tiered pricing, Bono’s RED campaign, and developed market access for poor farmers.

Similarly, BoP advocates view market participation as the most effective and efficient way to alleviate poverty, not least of all because they judge the efforts of governments and development agencies over the past 50 years to have failed (Easterly 2006; Pollak 2008). In addition, the poor are poor because they are in the clutch of informal markets, where they pay a “poverty penalty” for an absence of choice, quality, and low price (Prahalad 2005:6). Access to formal market mechanisms will overcome these inequalities and resulting poverty.

Anthropologists beg to differ. Against the universal idea of the market, Anna Tsing (2007) reminds us that “markets are made in the friction of political and cultural circumstances.”
(21) and exhibit social and historical specificities that affect their operations (Crow 2004). In addition, Katharine Rankin (2004) has shown that simply providing access to markets does not automatically create opportunities for the poor because of the ideological barriers standing in the way of women and lower castes.

Julia Elyachar’s (2005) analysis of the markets that were fostered by microenterprise development and microfinance in Cairo reveals that as an abstraction, these markets were nonentities to which microentrepreneurs could not sell. By contrast, the successful market practices of long-established Cairene workshop owners relied on culturally specific networks and forms of value, which the freshly minted microentrepreneurs neglected at their own peril. On the other hand, it is the valorization of these cultural forms of the poor as social capital that creates “markets of dispossession.” Through an examination of the historical, political, and social embeddedness of Cairene market institutions, Elyachar shows how the disembodied character of neoliberal development efforts aimed at market creation contributes to their frequent failure.

In order to entice TNCs to join such development efforts, another market abstraction is called for: the constitution of the bottom billion(s) as large emerging markets encompassing billions of people with trillions of dollars of purchasing power between them (Hammond et al. 2007). For this transformation to take place, the poor and their plight have to be made amenable to market interventions.

**Marketizing Poverty**

According to Prahalad (2005), “if we stop thinking of the poor as victims or as a burden and start recognizing them as resilient and creative entrepreneurs and value-conscious consumers, a whole new world of opportunity will open up” (1). Especially when being targeted as TNC customers, the poor will have a choice of high-quality, affordable products that will improve their quality of life. As a result, they will have more self-esteem and trust in their innate entrepreneurial abilities. The latter, when scaled up and reinforced with training and microcredit, will enable the poor to pull themselves out of poverty. This focus on self-reliance, choice, and consumption marks the neoliberal “entrepreneurs of the self” as the ideal subject of development (Rose 1999:142).

TNCs that have begun to follow Prahalad’s enterprising logic increasingly see themselves—and are seen by governments and multilateral development organizations—as part of global poverty alleviation efforts. Correspondingly, poverty is being reconceptualized as a problem that can be solved by market mechanisms. This “marketization of poverty” is one step up from its “depoliticization” (Ferguson 1995). In *The Anti-Politics Machine*, Ferguson (1995) analyzed the erasure of poverty’s historical, political, and social foundations by World Bank technocrats in Lesotho, because these structural causes stood in the way of the technical interventions development experts were equipped to carry out. Rather than a deliberate process, this erasure is an “instrument-effect” of development created by the need for “the sort of intervention that the [development] agency is set up to do” (Ferguson 1995:69).

Similarly, for market interventions to be regarded as solutions to poverty, the latter must be presented in a marketized way. The resulting emphasis on (potential) economic and financial returns as dictated by the legal profit-maximizing requirements under which U.S.-based TNCs operate leads to their inability to take historical, political, and sociocultural structures of poverty into account. When the aim is to produce new market opportunities for TNCs by constituting the poor as protomarkets of the consuming and enterprising kind through technologies such as market segmentation, microfinance, and capacity-building programs, underlying causes of poverty can not be ascertained, addressed, or altered.

Over the years, criticism of Prahalad’s ideas has emerged from different quarters. Some participants of the 2004 Eradicating Poverty through Profit conference, which celebrated Prahalad’s ideas having gone mainstream after a slow start (Schwittay 2009), expressed concerns about brain and capital drain to the north, TNCs’ failure to contribute to strong local economies and equitable wealth distribution, the creation of an unsustainable consumer culture, the enslavement of the poor to credit, and the subsidization of TNCs to the detriment of local businesses.

The most important academic critique has come from Aneel Karnani (2007), Prahalad’s colleague at the Michigan Business School, who dismisses Prahalad’s theories as both “harmless illusion and dangerous delusion” (92). It is an illusion because there is no fortune to be made at the BoP, and Prahalad can claim otherwise only because he is inconsistent about the exact size and location of that market. In response to such arguments, Allen Hammond of the World Resources Institute, who has worked with Prahalad to make the BoP case to the high-tech industry (Prahalad and Hammond 2002), collaborated with the International Finance Corporation (IFC) on an extensive quantitative study of the BoP market (Hammond et al. 2007). He found a market of 4 billion people who each make less than $3,000/year but have a combined purchasing power of $5 trillion. In order to disaggregate these vast numbers, the study then looked in detail at geographic regions, countries, and industries.

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3. Bill Gates does talk about markets rather than the market.

4. In standard economic language, emerging markets are those national economies that have over the past decades opened themselves up to the global economy through abandoning government monopolies, allowing foreign investment, and lowering trade barriers. In this sense, emerging markets are already existing markets, but until recently they were restricted.

5. Some of the confusion about the market size comes from the different currencies being used by researchers, from U.S. dollars to international dollars to local purchasing-power dollars.
Hammond has also engaged in a direct e-mail dialogue with Karnani that has been reproduced on the Next Billion blog, a project of the World Resources Institute that is spearheading the popularization of BoP ideas. Here, Hammond (2009) acknowledges that the income cutoff used to determine the size of the BoP “is an essentially arbitrary judgement.” Such randomness stands in awkward relation with standard economic data and with the specificity Hammond himself is trying to establish with his research with the IFC. While the distinctions of the latter are a first step to give contours to the BoP, they will not convince Karnani and others of the merits of the BoP approach.

Beyond critiquing Prahalad’s case studies and his advocacy for the poor being able to make purchasing choices in the absence of sufficient education and access to information, Karnani (2007:108, 2008) accuses Prahalad of promoting “empowerment lite.” Real empowerment comes not from rural women using a skin-whitening cream (to cite one of Prahalad’s examples) but from changing gender relations, improving women’s access to education, and increasing their real income through steady employment at living wages (Karnani 2009).

After an initial reply to Karnani, Prahalad (2006) has moved on to writing about more mainstream corporate innovation. The BoP discussion continues on the Next Billion blog, where it focuses on at times arcane economic calculations and semantic duels between “marketing to the poor” and a “market-based solution to poverty.” Meanwhile, some TNCs have been trying to turn Prahalad’s ideas into corporate programs; foremost among them was HP.

**Taking Prahalad High Tech**

In October 2000, Carly Fiorina announced the launch of HP’s e-Inclusion initiative to the audience of the Creating Digital Dividends conference in Seattle, Washington. During the next 5 years of its existence, the program evolved around several core objectives: enabling HP to present itself as a leading global corporate citizen; developing and testing new HP products, services, and business models in “emerging-market laboratories”; and improving the lives of the rural poor in its places of operation through providing technology access, electronic services, and entrepreneurship development (Dunn and Yamashita 2003:50; Schwittay 2008, 2009).

The e-Inclusion program was thus an example of what Klaus Schwab (2008) calls “corporate social entrepreneurship . . . defined as the transformation of socially and environmentally responsible ideas into products or services” (2). Schwab, the World Economic Forum chairman, thereby places social entrepreneurship, which is generally conceptualized as the actions of socially committed individuals who use market mechanisms to create large-scale and system-changing solutions to global poverty (Martin and Osberg 2007), squarely within large corporations. This opens up the possibility of thinking about social entrepreneurs as operating within companies in what has come to be known in the business literature as “corporate social entrepreneurship” (Austin, Stevenson, and Wei-Skillern 2006). Relatedly, entrepreneurs operating inside companies have been termed “intrapreneurs” (Pinchot 1985); the merger of the two has resulted in the birth of “social intrapreneurs” (SustainAbility 2008).

The cofounders of e-Inclusion fit the bill of social intrapreneurs perfectly because they attempted to harness the power of HP and its technologies for social ends. As the program became institutionalized within the company, these idealists made room, sometimes involuntarily, to managers and executives who tied e-Inclusion closer to HP’s corporate objectives. What united their efforts was the need to juggle the wants of the program’s beneficiaries with the at times incompatible demands of HP’s business.

**A Brief History of e-Inclusion**

The e-Inclusion program was started in 1999 by three HP veterans: Ralph, a scientist at HP Labs in Palo Alto; Ellen, a manager working at the labs as a vaguely defined change agent; and Robert, a senior manager in one of the company’s mainstream businesses. The groundwork for the program was laid in 1995, when HP discontinued its annual reviews at HP Labs and lab employees organized their own reviews. This was part tech show and part workshops on a variety of issues, among them product sustainability. Out of his own interest in environmental issues, Ralph attended the latter workshop and subsequently became involved in a larger sustainability conference at HP, where Stuart Hart (1997) gave a keynote address on the profitability of corporate environmental sustainability programs. A few years later, Hart joined forces with Prahalad to publish the first article about “the fortune at the bottom of the pyramid” (Prahalad and Hart 2002:1).

It was at the HP sustainability conference that Robert, guided by a personal commitment to social equality, began to think about how to develop products and services for the world’s poor. The person who pulled the strands together was Ellen, a self-styled “corporate revolutionary” who had been brought into HP Labs as the “worldwide change manager” to find out why, in spite of the lab’s fame, nobody considered it the best research lab in the world (Waugh 2001:12). Working with lab employees to fund projects that would realize their vision of the best lab in the world, her own goal became to make HP Labs the best research lab for the world. As the most creative and least restricted space within HP, HP Labs was a good place for social intrapreneurs such as Ellen to test their ideas (Schwittay 2008).

The e-Inclusion program started to make her vision a reality. Along the lines of Mohammad Yunus’s work in microfinance, Ellen’s goal was to turn millions of noncustomers into buyers of HP products and to build “self-sustaining,
New Income for the Poor

The original objective of e-Inclusion was to “level the playing field with the help of the information revolution and address some inequalities stemming from the industrial revolution, which created the first world of industrialized countries and the third world of agrarian countries,” as a coauthor of e-Inclusion’s first business plan put it. For Robert, the way to achieve this was to provide meaningful employment that could ideally be achieved through or facilitated by the Internet.

Robert contrasted the unequal distribution of money, which led to global inequalities, with the equal distribution of brain cells, which form the basis of the information society. Programs such as e-Inclusion could provide crucial access to information because “a high percentage of education, health and jobs is about information.” He cited India’s large software workforce to support his claims that companies could not ignore the 90% of the world’s intellectual capacity that was held by 4 billion poor people. Robert therefore had a slightly different version of how the poor could benefit from TNCs; not as consumers but as employees. While the rise of India’s IT industry is indeed impressive and has improved the lives of many middle-class Indians, simply attributing it to access to information neglects the unequal distribution of educational resources and of opportunities necessary to turn brain cells into skills, knowledge, and qualifications. The industry also has done little for the country’s marginalized groups.

Ellen and Ralph had more enterprise-driven ideas:

We envisioned a woman in Bangladesh or the Dominican Republic who usually takes four to five eggs to the next town to sell every day. But if she can use the Internet to communicate with the kiosk in the next town and find out they already have enough eggs, then she can go to a different town and sell her eggs—eggs that might not have gotten sold in the first village, where there was an oversupply. Then, with successful sales, she can get another hen. And she can grow her business, and grow it, and grow it. (Waugh 2001: 117)

In this vision, and in keeping with Prahalad’s ideas about the poor as always-already entrepreneurs, e-Inclusion’s objective was to unearth the techsavvy entrepreneur at the BoP. The program’s social benefits were to be realized through giving the poor access to digital technologies and related services—such as e-health, e-education, and e-government—and through harnessing their entrepreneurial drives for income generation. Ellen’s ideal poor woman has access to a computer, knows how to use it to connect with kiosk owners with similar technology savvy and access, and is empowered by her personal abilities to turn the sale of a handful of eggs into an ever-growing business.

Just as in Robert’s reasoning above, there are a number of reductionisms at play in these imaginings. The first one is of a technological nature: the idea that mere technology access will enable people to take advantage of its benefits, foremost among them information availability, and will thereby improve their lives. What I have called the “fetishism of ICT” (information and communication technology) disregards the social embeddedness of technology use on which its impacts depend (Schwittay 2008:195). Then there is also the difficult task of making ICT relevant to people’s life projects as well as consistent with their cultural values (Braund and Schwittay 2006).

The second is an economic reductionism, relating to the above discussion of market access and market mechanisms as a panacea for poverty alleviation. Instead of overcoming gender and class barriers, providing market access with the help of technology can add additional layers of exclusion when certain groups are barred from using computers or the Internet, especially in public places (Sreekumar 2007). Last but not least is the limited conception of human beings as self-maximizing, rational actors (Becker 1976). Growing one’s business endlessly is the aim of homo economicus universalis, a construct that ignores the varieties of human (economic) motivations that are shaped by social expectations and cultural norms.

The cofounders’ visions materialized in a number of projects that, on the one hand, aimed to bring the poor access to computers and the Internet through community technology centers and, on the other hand, used HP mobile technologies to create new sources of income for the poor. When these initial projects did not meet the potential sales expectations of HP’s senior leadership, e-Inclusion underwent a “strategic reorientation.”

7. Ellen met Yunus when both were serving on the board of Gorbachev’s State of the World Forum, and Bangladesh was one of World e-Inclusion’s first, albeit very short-lived, project sites.
The Evolution of e-Inclusion

Robert was laid off in the summer of 2001 as part of e-Inclusion’s refocusing on more conventional and more profitable business models. One week after his departure, e-Inclusion started its McInternet project in Brazil, which consisted of outfitting local McDonald’s restaurants with computers and Internet access. Robert called this a “desecration of the original idea”; not only did the project collaborate with one of the most mainstream businesses that is completely inaccessible to the rural poor but also it was the first move into the big markets of which he had tried to stay clear. In so doing, McInternet points to the spatial specificity of BoP markets, where locations with large populations, foremost among them the so-called BRIC countries (Brazil, Russia, India, and China), are clearly more desirable than others. Beyond mere geography, certain groups of the rural poor, such as the “aspiring poor,” who have shown entrepreneurial promise, are also seen as being more amenable to fashioning such mass consumption and enterprising subjectivities are linked to form the ideal BoP market subject.

By November 2001, a revised e-Inclusion Web site announced “a more aggressive approach to building profitable solutions.” Correspondingly, e-Inclusion’s mission was now to close the gap between the technology-empowered communities and the technology-excluded communities on our planet by making it profitable to do so. e-Inclusion Solutions is determined to invent new solutions that will increase revenues for HP’s current lines of business while promoting economic development in emerging markets.

As e-Inclusion had moved beyond its intrapreneurial startup phase and as profit had become its declared objective, “a different kind of people were needed to carry on the work. People who can execute, deliver on time, and work with country offices,” according to Ellen. Two of the original cofounders were not among these people.

One of e-Inclusion’s original project managers ascribed the failure of the program’s initial vision to it being “too extreme for HP.” According to him, it fell prey to the usual inhibitors to innovation in large organizations, foremost among them people afraid of taking risks for fear of losing their budgets, becoming obsolete, or getting fired if they make a mistake (Jackall 1988; Schoenberger 1997). He warned not to underestimate these “antibodies. . . . Like white blood cells, they are strongest internally. What we are suggesting is very disruptive change, and if you are playing heavily on how enlightened this is, then you are also saying that the current practice is unenlightened.” If e-Inclusion would have been successful for the company in the ways its intrapreneurial cofounders had hoped, it would have turned the established ways of doing things at HP on their heads (Christensen 1997; Prahalad 2005).

Instead, the program was firmly incorporated into HP’s existing structures. It was funded in part from the business budget, for which a return had to be shown. To that end, the Emerging Markets Solutions (EMS) group was established in May 2002; it was directly responsible for “more effectively capturing the business value for HP” through new product development (Hewlett-Packard, “Emerging Market Solutions,” unpublished document, 2003, p. 2). The group was headed by HP’s former chief intelligence officer, who, in the words of her personal assistant, “has the ability to roll out massive technology programs, which is a perfect fit with e-Inclusion, because she knows what can be replicated.” There were new rank-and-file employees, one of whom came directly from the BoP Learning Lab at the University of North Carolina, where she had worked with Stuart Hart. The program was also more closely incorporated into HP’s overall corporate strategy: while the details for e-Inclusion’s move to its first major site—in Kuppam, India—were hashed out, HP expanded its mainstream business operations in that country (“HP expands position in India,” HP New Delhi press office, April 24, 2001). Fiorina courted the country’s business leaders during a trip to India, and HP Labs India opened in Bangalore, focusing on emerging-markets development (Schwittay 2008).

Because of the greater need to commercialize products, e-Inclusion’s relationship to HP’s business units and country sales teams changed as well. According to one e-Inclusion employee, “some people [in these groups] get it and some don’t.” The latter were concerned that new products and services aimed at the low-end market might “cannibalize” existing high-end products. For the e-Inclusion employee, however, EMS was “not just about dropping the price point but about tailoring the technology to the needs of the poor” and to places with challenging social and environmental conditions. Furthermore, most salespeople were realizing that “empowerment sells,” in reference to the goodwill toward HP that came from its high-profile social engagement.

Given this evolution of the program, was it still aiming at the BoP market? Robert’s successor, who was also HP’s senior vice president for global citizenship, denied that there had been a shift from the bottom to the middle of the pyramid. Instead, she argued for more indirect benefits of e-Inclusion, which in its search for corporate returns increasingly partnered with governments and development agencies. It was the latter that were serving the people at the bottom (Schwittay 2009). The program’s public relations manager’s acknowledgment that “I am not going to sell a computer to somebody making one dollar a day” made e-Inclusion’s objective to sell HP’s products and services to those who could afford them more explicit. Enlarging this group of potential customers was the aim of a number of pilot projects that used HP’s mobile technologies to create new sources of income for the rural poor.

8. This reorientation took place within the context of larger changes at HP because of its merger with Compaq Computers.
Electronic-Entrepreneurial Women in Costa Rica

The e-Inclusion program’s first project site was San Marcos de Tarrazú, a small town of 10,000 people in the mountainous coffee-growing region south of San Jose. Here HP collaborated with the Costa Rican Foundation for Sustainable Development (ENTEBBE), founded by Jose Maria Figueres, who as president of Costa Rica from 1994 to 1998 was instrumental in setting the country on its high-tech path.9 The main focus of the e-Inclusion–ENTEBBE collaboration was the Little Intelligent Communities (LINCOS) project, which turned recycled shipping containers into “21st century community centers” with access to computers and the Internet. Despite high expectations and large amounts of initial funding, LINCOS did not scale as planned, and HP exited after outfitting the first two containers in 2001 (Braund and Schwittay 2006).

In order to spread the word about the LINCOS container in San Marcos and its environs, an e-Inclusion manager in San Diego developed a pilot project sending “digital brokers” door-to-door with small HP handheld computers (PDAs). The brokers sold electronic services such as sending e-mails, searching for information, and taking pictures with the PDAs’ cameras, and then they went to the LINCOS container to fill the orders and print the results (S. Bossinger, “The Information Broker Concept: An Innovative, Business-Driven Method of Delivering Information e-Services,” unpublished report, 2002). The main users of the service, which by all accounts was well received, were housewives and students. The brokers also did small jobs for local institutions—from schools to small businesses—including typing and sending letters, developing Web sites, and designing business cards and flyers. The most successful of the brokers was a young woman called Serafina, and her story shows how the Information Broker project presented both a continuation and a break with technology-based development strategies.

From Nimble Fingers to Fast Feet

Women have been the subjects of development efforts since the 1970s (Escobar 1995). Initially, neophyte factory women working in high-tech maquiladoras in Malaysia and other Southeast Asian countries were part of national development schemes attracting high-tech TNCs to special manufacturing and trade zones (Ong 1987). Here, women were strictly supervised, and these disciplining practices are continuing in the maquiladoras’ successors, data entry centers (Freeman 2000). The Information Broker project scaled high-tech development from the national level to the microlevel and replaced factory discipline with independence and self-initiative. Serafina excelled at both.

Serafina had left her studies in industrial engineering and her job as a teacher at the National Apprenticeship Institute when she met her husband, who was a member of a well-known San Marcos coffee family. After moving to his coffee farm and giving birth to a baby boy, Serafina quickly became bored, especially because her husband, like so many men from the area, spent 8 months each year in the United States. When she first heard about the Information Broker project from a nurse at the local health clinic, Serafina did not know anything about computers. After being hired, she learned the basics at the LINCOS container and then underwent the broker training provided by HP at a nearby technical university.

This training—focusing on PDA operations, door-to-door salesmanship, and basic marketing—was one aspect of the corporate technologies by which the six mainly young men and women selected for the project became endowed with the necessary skills to sell LINCOS’s services. Other aspects included the technological device itself, which HP loaned to the brokers, as well as a pay system based mainly on commissions and complemented by the nationally mandated minimum salary paid by HP. The brokers were encouraged to think of themselves as independent agents; indeed, a white paper produced by the project’s manager referred to the brokers as “motivated entrepreneurs” (S. Bossinger, “The Information Broker Concept: An Innovative, Business-Driven Method of Delivering Information e-Services,” unpublished report, 2002, p. 4). By contrast, although several of them nurtured dreams of one day running their own business, the brokers saw themselves as working for HP and not as being their own bosses.

Serafina greatly enjoyed being a broker, not only because it got her out of the house but also because she, as a person who cared deeply about the well-being of others, took e-Inclusion’s promise to bring the benefits of HP’s technology to people who previously had no knowledge of and access to it very seriously. When the project finished after the 3-month pilot run, as the most successful broker, she was allowed to keep her PDA, although she did not find working for commissions only to be worth her while. More importantly, she drew on the skills, connections, and self-confidence she had acquired as a broker to set up a small business installing computers for people, which she planned to expand into selling computers. She also taught her husband the basics of e-commerce, designed a Web site for his coffee company, and redesigned its packages to make them more appealing, with an eye to the new customers who would be buying the famous Tarrazú coffee via the Internet.

These ventures were so successful that Serafina asked her husband to forego his annual northern migration. Juan, a technical advisor at INCAE, the country’s foremost business school, who was working with LINCOS and HP, described her situation to me: “Here, women usually wait till their husbands get home from working in the U.S. and in the meantime rear the children. Now Serafina wants her husband to stay home and help her with her business, and most of all, he says that he would not mind.” For Juan, machismo norms of male

dominance were turned on their head by Serafina’s success and her husband’s apparent subordination to it. His judgment disregarded the fact that now that the latter spent more time at home, Serafina’s husband was able to exert more control over his wife.

Indeed, he asked Serafina to cut back on her public work in order to dedicate more of her time to her family, and although clearly reluctant, she was resigned to follow his wishes. Her economic improvements thereby subverted the newly found freedom she had enjoyed, an unintended consequence of gendered development policies shared by many women. In northwestern Costa Rica, changing labor markets and social policies aiming to improve women’s lives are resulting in the disappearance of low-income men’s traditional power bases within their families (Chant 2000). As decisions in and about the household are taken out of men’s hands, their “crisis of masculinity” can lead to increased tensions and violence in the home (Chant 2000:207). While Serafina’s husband’s (re)assertion of authority was more subtle, it revealed that as institutionalized forms of control are becoming weaker as a result of new types of income-generating activities, more traditional gender-based forms are often reactivated. Sylvia Chant (2008) has analyzed this complex interplay of the feminization of poverty and poverty alleviation projects and their relation to changing gender dynamics. For Juan, Serafina’s story also spoke to the changes the country and especially its coffee growers have been undergoing in order to survive in the new global economy.

_Sersefina was not just an entrepreneur, however, but also an emprendedora, the Costa Rican equivalent that emphasizes the social responsibility entrepreneurs have toward those around them. Although there were slight nuances in the many interpretations of the term I encountered, all agreed on an emprendedora being more than an empresaria (business woman) by virtue of being innovative, creative, and visionary. She is also an _agente de cambio_, a change agent concerned with the welfare of the community, to which a mere focus on business can actually be detrimental. Part of becoming an emprendedora is overcoming obstacles through initiative, persistence, and positive outlook. This definition of what it means to be an entrepreneur in Costa Rica is shaped by the country’s social welfare history and strong social contract between government, businesses, and citizens. Both have given rise to expectations of social responsibility and cultural norms of cooperation that belie universal constructs of entrepreneurship._

The same holds true for ideas about the social responsibility of companies, which in Costa Rica are influenced by the (declining) presence of cooperatives—economic institutions with an integral mission to work for the betterment of their members—and the strong welfare state. The participation of the private sector in social welfare provision is frowned on; this is especially true for TNCs, which have acquired a bad reputation because of the imperialist dealings of companies such as United Fruit (Litvin 2003). When HP abandoned LINCOS and Costa Rica, it reinforced such historical perceptions, of which e-Inclusion’s cofounders were painfully aware. As Ralph told me, “There is a legacy of first world companies coming with solutions to third world problems. They try to sell their stuff and then leave. We [HP] are part of that legacy.” LINCOS’s director agreed. He saw his program becoming a victim of HP following “whatever is fashionable at the moment; sometimes it’s communities, sometimes poor people, sometimes new products.” Indeed, in spite of the good intentions of individual managers such as Ralph, one of the challenges of CSR programs, whose social dimensions call for a longer-term perspective, is to operate within the short-term mentality dictated by Wall Street (Ho 2009).
flavor-of-the-quarter thinking at HP had unintended consequences for LINCOS’s own evolution.

Emprendedoras in the Making

After HP terminated its collaboration with LINCOS, the latter became more “entrepreneurial,” in the words of its director, to compensate for the disappearance of corporate funding. This transformation was made possible by that same collaboration, which inculcated LINCOS with market-oriented rationalities and conducts. These materialized in efforts to build its staff’s capacity in business plan writing, branding, marketing, strategic planning, and time management carried out by a group of MBA students from the University of California, Berkeley, Haas School of Business sent to Costa Rica by HP (B. LeMay, H. Meulemeester, and N. Francet, “LINCOS Project Costa Rica: Analysis of Economic Sustainability Final Report,” unpublished document, 2000).

The result of this entrepreneurial makeover was branded “LINCOS Second Generation” and was most visible in the operation of the third LINCOS container, which opened in Rio Frio in Costa Rica’s banana belt in 2003. In contrast to the San Marcos container, which had provided free access to technology to as many people as possible, the Rio Frio container targeted individuals and groups with financial and aspirational promise, foremost among them small-business owners and companies who paid for the services they received. According to LINCOS’s newly hired business development director, “the container has a perspective more like an enterprise. The goal is to quit playing the pobrecito (little poor one) who has problems and needs others [read external funders] to solve them.” Once again, the emphasis was on self-reliance and taking control of one’s own destiny in a proactive way, this time at an organizational level.

The container was managed by three women who had worked for more than a year to bring it to Rio Frio. Before its opening they underwent a variety of training sessions on cultural awareness and communication skills. The women also learned to write the container’s operational, strategic, and promotional plans; establish its budget for the first year; and set the fees for each individual service offered. This detailed, painstaking, and sometimes mind-numbing work was intended to inculcate new bodily habits and ways of thinking (Foucault 1995 [1975]). For days on end the women sat bent over the computer keyboard, staring into its screen. They learned how to enter numbers into a spreadsheet and calculate the price of a photo printout, an e-mail, a Web search, or a business card design, taking into account the cost of running the container so that there would be a small profit at the end.

In the process they became constituted as calculating and fiscally prudent subjects who would be able to run the container in a businesslike manner.

The women had also established contacts with potential customers in the local government, community, and business organizations to find out how the container could help them and how much they would be willing to pay for its services. In contrast, regular people in Rio Frio did not know much about LINCOS. Rather than a cause for worry, this was part of the strategy of preselecting “worthy clients,” as one of the women told me. Similarly, she argued that “the purpose is not to convert the container into a school but to identify those children with the greatest potential and the desire to develop it.” The women decided that their clients had to use their training at the container for something “useful,” such as getting a job, personal growth, opening a business; in short “they can’t just stay home with the skills they acquired.” Indeed, the container’s mission, proudly presented by the women after a hard day’s work, centered on “aiming for the identification and formation of emprendedoras who will empower, strengthen and multiply their services . . . [for] sustainable human development.” Setting an example with their own work, the women considered themselves to be emprendedoras because “we made our dream of bringing LINCOS to Rio Frio a reality and overcame many obstacles along the way.” Now they were able to use the result of their labor for the social betterment of promising people in their town while keeping an eye on the financial health of the container.

What the women in Rio Frio and Servina had in common was an ambition to improve the lives of people in their communities. They were personally driven to succeed in this goal and willing to try out new things to fulfill their dreams. When HP and LINCOS offered them the opportunity to use ICT to this end, they eagerly accepted and learned the necessary skills. In this sense, they indeed were aspiring and enterprising individuals not afraid of taking risks. It is women like Servina and the Rio Frio container operators who Prahalad and Fiorina had in mind when talking about the promise at the BoP.

In the case of e-Inclusion, that promise did not result in a fortune for HP, and the program was eventually shut down.

Conclusion

The white paper that evaluated the Information Broker project repeatedly talked about the pilot’s success, which “set the stage for [its] development in other locations” (S. Bossinger, “The Information Broker Concept: An Innovative, Business-Driven Method of Delivering Information e-Services,” unpublished report, 2002, p. 21). Similar to a generic development discourse that can be replicated in different sites (Ferguson 1995), the manager extrapolated a “recipe” detailing all that was needed to implement the project, anywhere (S. Bossinger, unpublished report, 2002, p. 24).

The pilot site and its participants became secondary to such abstract global ambitions, which became disappointingly clear when the project was terminated after its initial 3-month pilot
run even though the brokers were under the impression that it would be continued if successful. The resulting sense of feeling used, which manifested itself in other project sites as well (Schwittay 2008), ultimately undermined one of the main objectives of the Information Broker project, which was to build recognition of the HP brand as an ethical brand belonging to a company that was concerned with bringing technology access to rural areas such as San Marcos and to generate community goodwill toward the company. To this end, the brokers wore shirts sporting the HP logo\textsuperscript{12} and told people who answered their call that HP, one of the largest computer makers in the United States, was supporting them and thereby helping to bridge the digital divide. According to one of the brokers, this association with HP gave their work legitimacy and importance. She explained that

80\% of the world population has no knowledge about technology. HP is a company that makes computer equipment and wants to expand. They use the name [HP] in the project because people could remember it more easily. When people would go and buy something, they would see the HP logo and remember, “Ah, the girl told me about them.”

The brokers were thus well aware of HP’s aim to create protoconsumers of its technology, an endeavor that was marginally successful in the program’s main sites in India and South Africa (Schwittay 2008, 2009).

Still, when Fiorina was ousted by HP’s board in February 2005, her successor decided that e-Inclusion had not generated sufficient returns on the company’s investments and terminated the program as part of overall cost-cutting measures. A final post on its Web site (http://www.hp.com/e-inclusion/en/vision/faq.html) declared that

our e-Inclusion efforts have evolved over the last 4 years as we have recognized that aligning e-Inclusion to our business objectives will allow us to have an even greater impact. What began as a broad effort to apply technology to closing the digital divide, has become focused largely on using ICT to accelerate enterprise and entrepreneurship, and thereby stimulating economic growth.

At last, entrepreneurship was what was left of e-Inclusion, whose business aspects were absorbed by HP Labs India and whose social aspects became part of the company’s philanthropy program, which itself came to focus more on support for small enterprises.

The e-Inclusion program has been followed by similar flagship initiatives at other high-tech companies. In all of them, social benefits have become a by-product of clearly prioritized business objectives (Schwittay 2009). This has not diminished the importance accorded to TNCs in the global fight against poverty, however; indeed, the Millennium Development Goals embrace creative capitalism in their call for partnering with the private sector to halve the number of the bottom billion(s) by 2015.

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Comment

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Schwittay’s article is particularly salient, given the recent financial crisis and the trickle-down effect it is predicted to have on the world’s poor. She provides a multifaceted ethnography looking at CSR initiatives (specifically HP’s e-Inclusion BoP program) in Costa Rica and HP’s headquarters in Palo Alto, California. She critiques the BoP strategy as marketization of poverty without attending to the underlying structure of poverty. Schwittay implies that these programs have a longer shelf life in PowerPoint at HP than in reality, leaving the reader to ask what this suggests about the BoP strategy and more generally about our own apparent complacency with the spread of capitalism as a means to address societal problems.

However, most BoP proponents would argue that development schemes have largely failed and BoP programs are aimed at addressing structural issues of poverty by allowing people living on less than $2 a day access to markets from which they were previously excluded. For example, they would view participation in the market as a solution to the underlying structural inequalities of poverty (Hart 2005). We will approach this debate in our brief commentary from the perspective of employees of Ford Motor Company’s sustainability office and respond to Schwittay’s article with three primary observations. In the interest of transparency, we will begin with a brief explanation of our roles and a description of the Megacity Mobility program at Ford.

As a Ford employee from 2002 to 2007 who is currently on educational leave, Krista Gullo is an embedded observer writing a multipositioned response from the vantage point of
someone who has worked inside Ford and as part of the team implementing a program with many similarities to e-Inclusion (the Megacity Mobility project) and now as a researcher (Mosse 2005). David Berdish, manager of Sustainable Business Development, has been called the social intrapreneur responsible for delivering the vision of sustainable mobility for Ford (SustainAbility 2008). Social intrapreneurs are the corporate equivalents of social entrepreneurs, addressing societal challenges from within businesses.

As with HP’s e-Inclusion program Ford’s Megacity Mobility program was an attempt to address environmental and social challenges while also creating new forms of value. More specifically, the Megacity Mobility program originated with the aim to address growing transportation needs in global urban regions—beginning with prototypes in South Africa, India, and Brazil. However, again like e-Inclusion, a variety of internal and external pressures made it impossible to continue the program as a standing business entity within the traditional institutional infrastructure of the company. Today Megacity Mobility exists as the Ford Urban Mobility Networks and is focused on gaining a deeper understanding of emerging market trends such as urbanization, electrification of vehicles, and integrated multimodal transportation.

Based on this collective experience, Schwittay’s article led us to three primary observations. First, as with other sustainability issues, addressing poverty on a global scale requires participation of all sectors of society, including corporations. During the twentieth century, organizations, and corporations, more specifically, became the dominant structure in society (Scott and Davis 2007). According to Perrow (1991), “organizations are the key to society because large organizations have absorbed society. They have vacuumed up a good part of what we have always thought of as society, and made organizations, once a part of society, into a surrogate of society” (726). Given this, we would agree with the view that access to participation in the market is a potential solution to the problem of poverty alleviation efforts within local cultural norms is crucial and that as a result there is not a one-size-fits-all BoP program that companies can adopt. (And, incidentally, so does Stuart Hart [2005]. He devotes three chapters of his book to the topic of developing what he calls “natural capability.”) We see translating the value of anthropology, and more specifically the value of corporate programs that are embedded in local culture, as a key insight from this article and an area in need of future research and emphasis among both corporate employees and academicians.

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