Social Impact Thesis
Executive Summary

Currently, most work requires employees to be physically located at corporate workplaces to access employment. This has led to a concentration of high-quality jobs in a few countries in a few major cities. This status quo leads to detrimental outcomes for people, businesses, local communities and the urban and natural environment. Oyster aims to tackle these negative outcomes by connecting the huge demand for knowledge work in developed economies with the growing workforce in emerging markets.

The impact on people can be broken down into two groups: those who can emigrate in pursuit of high-quality jobs and those who do not. The first group face the challenge of leaving behind their family and home as well as the risk of failure, often at huge cost. The second, likely end up in jobs that do not fulfil their potential or ambitions. Oyster will enable knowledge workers to access the benefits of high-quality jobs whilst reducing these burdens associated with trying to access them.

For businesses, the current status quo means that they either must source talent from a local (and therefore reduced) and more expensive talent pool or pay high costs to hire internationally. Through Oyster, there is a third option: hiring from a global and more affordable talent pool.

Local communities also suffer from the current employment dynamics. Brain drain results in a talent outflow from these communities, depriving them of human and financial human capital. The Oyster platform would not only reverse this trend but accelerate development of these communities by increasing the resource flows to these communities.

Finally, Oyster can alleviate the adverse outcomes create on the environment. As a result of the concentration of jobs in major cities, these cities often suffer from worsening living conditions, increased crime, and so on. With Oyster, jobs can be more evenly distributed across the globe resulting in reduced burden on these cities. Similarly, Oyster would reduce the need to commute to work as well as international travel due to migration, driving benefits to the natural environment from a reduction in emissions.

This document unpacks the above impact thesis using impact frameworks including the Impact Management Project, and Theory of Change. Available research is referenced throughout to evidence our assumptions about the impact that we seek to create.
The current status quo

It is an unfortunate fact that where you are born plays a significant role in defining the outlook of your life. Particularly important are the employment opportunities that one can access. The world’s top startups and enterprise organisations are clustered in a handful of the world’s richest cities in a few of the world’s richest nations. Currently, employment is structured in a way that only allows those physically close to these jobs to access them.

For those select few, the potential benefits include a fulfilling career, increased earnings, exciting opportunities to develop and so on. For those who are less fortunate, there are broadly two options. First, one can choose to leave home in search of work in these cities, a risky and difficult choice. Or, one could choose to stay in their home city or country and try and make the best of what they’ve got.

The first option is fraught with challenges including leaving family and friends, high costs and the risk of failure. Alternatively, staying in your home country also has its drawbacks. Workers will most likely experience high periods of unemployment (e.g. 80% of Indian engineering graduates are unemployed) or underemployment (not using their skills, education or availability to work).

This status quo has implications for businesses as well. Talent is a key driver of success, however a business’s ability to acquire the best talent is currently constrained. Businesses either focus on what is available in their local markets (i.e. a smaller, more expensive, talent pool) or try to tap into international labour markets (which incurs high monthly recurring costs, administrative overhead, and requires understanding of international HR law).

This is a growing and sizeable issue. According to BCG, the lack of talent to fill job roles represent a $10 Trillion GDP gap, and by 2030 will reach a deficit of more than 85 million workers in developed economies according to Korn Ferry.

Finally, this status quo has implications for local communities. The individuals who leave these communities in search of better pastures, often tend to be the most talented. This deprives local communities of their income potential (and corresponding tax income and spending) and their contributions as valuable members of a local community (brain drain).

1 India Today, 80% of engineers are unemployed
2 BCG, The Global Workforce Crisis: $10 Trillion at Risk
3 Korn Ferry, Future of Work: The Global Talent Crunch
The opportunity

Oyster aims to address pain points in the existing status quo by connecting the huge demand for skilled work in developed economies with the growing workforce in emerging markets. While existing solutions are expensive, complicated and burdensome, Oyster is building a software platform to enable employers to offer remote jobs to international candidates simply and cheaply. Legal and administrative requirements (e.g. background checks, pay, etc.) are all handled in one place with job seekers able to connect with employers through this platform.
Oyster’s impact proposition

Through the above, Oyster creates impact at four levels:

1. The people that Oyster aims to serve
2. Businesses that form Oyster’s customer base
3. Local Communities in Oyster’s target countries
4. The Environment
Oyster’s solution creates impact for each worker that finds a job. We use the Impact Management Project’s framework for articulating impact on people:

<table>
<thead>
<tr>
<th>IMP Dimension</th>
<th>Oyster Thesis</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>What outcomes are being achieved:</strong></td>
<td><strong>Oyster</strong></td>
</tr>
<tr>
<td>Reduces Health effects of being under employed or unemployed</td>
<td>Increases Disposable income</td>
</tr>
<tr>
<td>Financial cost and financial risks of having to relocate to another country</td>
<td>Personal development and learning through work opportunities</td>
</tr>
<tr>
<td>Stress and health effects of having to relocate to another country</td>
<td></td>
</tr>
<tr>
<td>Negative family effects due to split families</td>
<td></td>
</tr>
<tr>
<td><strong>Experienced by whom:</strong></td>
<td>Workers that can work remotely (i.e. knowledge workers). By 2021, target is to cover 90% of developing countries.</td>
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</tbody>
</table>
| **To what degree:** | **Scale of impact:** 1m employees within five years  
**Depth of impact:** Range from moderate to high  
**Duration of impact:** High |
| **Contribution:** | High |
| **Risks:** | The most material risks are execution and alignment |

The rationale for this is unpacked below.
What outcomes are being achieved and to what depth:

Health effects of being under-employed or unemployed

The relationship between employment status and health is a complicated one. Work can have positive effects on health (e.g. through a sense of self-esteem), negative effects on health (e.g. through work related stress) as well as indirect effects on health (e.g. access to health insurance or increased disposable income which may lead to a healthier lifestyle). Here we focus on the direct effects of unemployment or underemployment on health.

In a recent Swedish study, unemployment was found to result in 10% worse health, after controlling for gender, age, education level, marital status, and previous health. Anxiety and depression contributed significantly to this with incidence of these conditions 23.6% more likely in the unemployed group. Similarly, underemployment has been found to be a significant predictor of anxiety and depression (16% worse health). The loss of income due to under-employment only accounted for ~10% of the effects.

Financial cost and risk of relocating to a new country

The costs of migration can be broken down into:

1. Costs of complying with laws and regulations of source and host countries (e.g. work permits, health checks, etc.)
2. Fees paid to recruitment agents or intermediaries
3. Internal and international transport costs

Data on the quantum of costs tend to focus on lower income workers (where associated costs can be up to 11x workers monthly salary). Costs to migration from developed economies (which are likely to include a higher share of high-income workers) are estimated at roughly 1 month’s salary. A bottom up analysis of moving to the UK for high-income tech jobs suggests that costs could easily exceed 5% of take-home annual salary (and may also include recurring costs such as national health coverage).

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4 Norström, F., et al. Does unemployment contribute to poorer health-related quality of life among Swedish adults?
5 Mousteri, V., et al. Underemployment and psychological distress: Propensity score and fixed effects estimates from two large UK samples
6 Migration Data Portal, Migrant Recruitment Costs
7 Migration Data Portal, Migrant Recruitment Costs
Health effects of moving to a new country

Migrating to a new country can be detrimental to health\(^8\). For the types of migration relevant to Oyster (i.e. labour related), two drivers of potentially negative health outcomes are the stress of being in a new environment (e.g. learning a new language, loss of social connections, etc.) and the increased risk behaviours associated with coping in that new environment (e.g. increased drinking, smoking or unhealthy eating behaviours)\(^9\). This has the potential to affect both mental\(^10\) and physical health. It is worth noting that most of the cited studies do not differentiate between different types of migrants and so it’s possible that these effects apply less to the group that Oyster would be targeting (i.e. higher skilled).

It is possible that the net gain to a migrant’s health is still positive, if for example they move from a country with many health risks and a poor health system to one with much fewer health risks and a better health system. However, this should be a choice made based on health rather than economics, and so for the purposes of exploring the impact of Oyster, this impact is not considered.

Negative family effects due to split families

In many cases, migration for labour splits up a family as it is too costly or risky for the entire family to move. In these cases, there are several negative family effects\(^11\) including:

1. Increased probability of children dropping out of school or delayed school progression
2. Disrupted family life resulting in poorer diets or psychological issues
3. Reduced labour force participation for those left behind (especially women)
4. Increased work and household burden on those left behind (at least in the short term)

There are also many benefits to families through emigrating labour (largely around increased income and incentives for education), however Oyster can capture the best of both worlds by providing these benefits (through remote working) without having to split up a family.

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8 Migration Data Portal, Migration and Health
9 Kristiansen, M., et al., Health Effects of Migration
10 Virupaksha, H.G., et al., Migration and Mental Health: An Interface
11 Démurger, S., Migration and Families Left Behind
Increased income

Workers able to benefit from wages in more developed economies will see an increase in disposable income regardless of whether they are already employed or not. For example, the average salary for an Android developer in India is ~£4,000\(^{12}\), in the UK, a similar role advertises a salary of over £50,000\(^{13}\) (>12x). Additional benefits such as health insurance, may further increase gains to disposable income.

Many unemployed workers turn to freelance platforms like Upwork or Fiverr. While these platforms do offer a route to income, they do so via unstable and unpredictable sources and in a heavily commoditised environment which places a downward pressure on prices and therefore income. It is likely that the delta created by Oyster for these workers will be similar to those on no incomes.

Personal development and learning through employment opportunities

By being able to tap into employment at leading companies, Oyster workers would benefit from enhanced development and learning opportunities through the work that they do and through formal programmes. For example, tech companies Amazon, Google and Microsoft offer\(^{14}:\)

1. Contributions towards tuition (e.g. Amazon contributes $12,000 to fees)
2. Knowledge sharing amongst the team (e.g. Google’s G2G inter-departmental mentoring programme)
3. Access to in-house training programmes (e.g. Microsoft’s “Learn” platform\(^{15}\))

These opportunities are unlikely to exist in host countries, or if they do, be far less prevalent and possibly less high quality.

Who experiences these outcomes:

Oyster’s broad target is any worker that can work remotely (i.e. knowledge workers). In the short term, based on selection criteria, a list of 50 countries have been prioritised for user acquisition. Of these 50, 32% are developing countries and of the total population in these 50, 76% are in developing countries. By end of 2021, the target is to reach 90% of developing countries.

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\(^{12}\) PayScale, Average Android Software Developer Salary in India

\(^{13}\) HR News, Well-paid, high-skilled: Most popular jobs for overseas applicants pay above £30,000

\(^{14}\) TechRepublic, Impressive professional development benefits from Amazon, Google, Microsoft, and more

\(^{15}\) https://learn.microsoft.com/
How many experience these outcomes and for how long:

Oyster is targeting placing 1m employees in remote work over five years. Several trends suggest that the opportunity is growing and, if a viable business model can be proven, Oyster would be able to reach this scale:

1. The shifting nature of work has meant that a larger proportion of total jobs are enabled by tech (90% of jobs will require digital skills\textsuperscript{16}) and therefore amenable to remote working structures (remote working has doubled over the past decade\textsuperscript{17})

2. Improvements in technology hardware and software have meant that more of these jobs can be done remotely (e.g. internet speeds have increased $>10x$ in the last decade\textsuperscript{18})

3. Increase levels of immigration barriers that makes it more unlikely for people to leave their home countries for a better future

4. Social norms (particularly through the Covid-19 pandemic) have pivoted towards increased acceptance of remote working

Contribution:

Contribution can be thought of as the difference between a world with Oyster and the status quo (i.e. a scenario where nothing changes). Given the high costs and labour law barriers associated with the status quo, the fact that existing solutions are a poor fit and the lack of comparable competition in this sector, Oyster’s contribution can be thought of as high.

Risks:

Execution: Given the lock-step nature of this impact thesis, the creation of impact relies on the successful execution of the business model which is high risk in the venture context.

Alignment: Despite being lock-step, the impact generated per user is based on several characteristics (e.g. host country, wage received, etc.) and therefore there is high variance in impact created per user. This creates the risk that, as Oyster seeks to scale, there is a focus on users with more favourable unit economics which might be those with less impact.

\textsuperscript{16} WEF, Jobs will be very different in 10 years. Here’s how to prepare
\textsuperscript{17} FlexJobs, Remote Work Statistics: Shifting Norms and Expectations
\textsuperscript{18} NCTA, The Future of Internet is Super Fast 10G
The Oyster proposition also creates impact for businesses hiring employees. At a time when global economies face recessions not seen for many decades, business level impact is an important dimension to consider. The main outcomes for businesses are:

1. Save on expensive recruitment and administration costs of international labour
2. Access to a wider pool of talent
3. A more attractive proposition to talent
4. Improve diversity of labour force

Save on expensive recruitment and administration costs of international labour

As noted, there are currently several barriers to international recruitment. Getting around this amounts to a cost of ~$1,500 per month per employee. The Oyster proposition is targeting an equivalent solution for up to 5x cheaper incurring substantial savings for businesses.

Access to a wider talent pool

Top-tier talent is, by definition, rare. Therefore, in order to maximise chances of employing top-tier talent, it helps to be able to start from as big a pool as possible. Oyster can transform a business’s talent pool by giving it access to a global workforce. A bigger pool can also increase the speed of hiring and therefore decrease administrative costs.

More attractive proposition to talent

Most workers (up to 99%) want to work remotely at least for some of their time. Many tech companies have announced that employees can work from home indefinitely in the post-lockdown world. This has created a competitive advantage edge in the talent market for these businesses, however, very soon this will be a competitive requirement and those who do not realise this will be left behind. Similarly, businesses seen as innovative and embracing emerging trends are also more likely to attract the best talent.

Improve diversity of labour force

Diversity has two related benefits to businesses. The first, is that diversity (if managed well) leads to more creative problem solving. The second, is that diversity allows for an improved ability to serve and acquire new markets (e.g. through better understanding of local needs). These ultimately result in better solutions and business performance.

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19 [Talent Adore, Why you Need a Wide Talent Pool](#)
20 [Buffer, State of Remote Work](#)
21 [Tech Republic, How to retain top talent now that remote work expands job opportunities](#)
22 [HBR, Teams Solve Problems Faster When They're More Cognitively Diverse](#)
23 [WEF, The Case for Diversity in the Workplace is now Overwhelming](#)
3. Impact on Local Communities

Oyster’s proposition has the potential to accelerate development in local communities, primarily through:

1. Reducing brain drain and increasing talent’s financial and non-financial contributions to local communities
2. Improved working conditions for those in the source country not employed by Oyster

Reducing brain drain and accelerating development

When people emigrate to find work, the source community loses their productivity, local spending and tax contribution. However, most talent ‘exports’ tend to send money back to their original country in the form of remittances. These can often be sizeable (in over 30 developing countries, remittances are above 10% of GDP\textsuperscript{24, 25}) and so the loss to emigration can be tempered by this. Despite this, if Oyster can help talent stay in their communities whilst increasing their earnings, this has the potential to not only mitigate the harm caused by brain drain but to also accelerate development.

Indeed, remittances are considered one of the most efficient ways to provide capital flows to developing communities and so Oyster can accentuate this by increasing what is available for local spending and taxation above the current values from remittances. For example, the average remittance from the UK to India is \(~£4,500\textsuperscript{26}. The average salary for an Android developer in the UK is \(~£50,000\textsuperscript{27}, increasing the amount that could potentially flow to an Indian community by >10x.

At the right scale, this has the potential to be transformative for emerging economies. In 2019, the world passed 1 billion knowledge workers\textsuperscript{28} out of a total 3.3bn employed workers (working-age population was 5.7bn)\textsuperscript{29}. In the US alone, 48m, ~35%, are knowledge workers\textsuperscript{30} and 58% of these jobs are now remote\textsuperscript{31} (a proportion growing quickly as a result of Covid-19). Applying the same proportion globally suggests over half a million remote, knowledge working, jobs exist. These jobs could have contributed to the impact above had the right infrastructure been in place.

\textsuperscript{24} MPI, Global Remittances Guide
\textsuperscript{25} Bilateral remittance data can be found here. Click: ‘Bilateral Remittance Flows’ and select the country of choice
\textsuperscript{26} MPI, Global Remittances Guide
\textsuperscript{27} HR News, Well-paid, high-skilled: Most popular jobs for overseas applicants pay above £30,000
\textsuperscript{28} Gartner, 2019: When we Exceeded 1 Billion Knowledge Workers
\textsuperscript{29} ILO, World Employment Social Outlook
\textsuperscript{30} Intel, The Future of Knowledge Work
\textsuperscript{31} Forbes, 58% of American Knowledge Workers are now Working Remotely
Moving forward, it is challenging to estimate how many new remote, knowledge working jobs will be created. In 2012, McKinsey estimated that there were 230m knowledge workers globally\(^{32}\) which suggests a growth of \(\sim 100\)m per year. If the growth in US knowledge worker jobs is representative of the rest of the world, this would be closer to \(\sim 50\)m per year\(^{33}\). It’s worth noting that future growth will likely be higher than historical trajectories based on other trends such as evolution of IT infrastructure\(^{34}\). In short, over the next decade 500m-1bn knowledge worker jobs will emerge, the majority of which will be done remotely. If emerging economies can capture a significant proportion of these jobs, with earnings multiples at \(>10x\) what they could earn locally, this has the potential to materially affect their development trajectory.

**Improved working conditions for the community**

There is evidence that following emigration of labour, the remaining labour enjoys better working conditions\(^{35}\). For example, a 10% emigrant supply shock has been found to result in 2-5% increase in salaries in the source country. It is not clear why this is the case however there are several potential hypotheses:

1. Reduced supply of labour (with constant or growing demand) will result in a price (wage) increase
2. Stronger bargaining position for remaining labour given their scarcity
3. Enhanced political pressure for labour market reforms\(^{36}\)

What these hypotheses have in common is that they reflect the power of giving people choice over where they can work. By doing so, this reduces the monopolistic power that employers in source countries have on income provision (and pressures the government to make change) which ultimate leads to gains for the local workforce. As Oyster accelerates this shift in power (i.e. more workers can have more choices), it is likely that the presence of Oyster in a given country (provided it can offer employment to a critical mass within a sector) is likely to have benefits even to those not directly employed by Oyster.

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32 Brody, Knowledge Workers, Information Life Cycles and Content Silos oh my
33 1.9m US knowledge worker jobs are created annually out of 137m workforce is \(\sim 1.4\%\). As a proportion of global jobs (3.3bn) that would be 46m global knowledge worker jobs
34 Brody, Knowledge Workers, Information Life Cycles and Content Silos oh my
35 Lucas R.E.B., International Handbook on Migration and Economic Development
36 Karadja, M., & Prawitz, E., Exit, voice and political change: Evidence from Swedish mass migration to the United States
Urban Environment

The fact that high quality jobs are concentrated in specific cities means that these cities also experience growing population densities, which in turn, places an extraordinary burden on the urban environment. Major cities often share traits like worsening living conditions and affordability of accommodation; creaking public transport systems; increased crime rates and so on. Improved remote working would alleviate some of this pressure as workers would not have to cram into major cities.

Natural Environment

Oyster also has the potential to reduce carbon emissions due to reduced commuting. For example, the average commuter in Delhi contributes ~90kg of CO2 per year37. This is equivalent to four trees being planted for carbon offsetting purposes38. If these workers could instead work through Oyster, this could dramatically reduce carbon emissions. This does however rely on the assumption that most workers will choose to work from home (rather than e.g. a shared workspace that they would also commute to) however there is some evidence that this is true39.

Even for those Oyster customers who would have migrated to other countries to seek work, there are carbon savings. Commuting in the UK appears to be more taxing on the environment40 with the average train journey contributing 0.48kg of CO2. Assuming 2 journeys per day, over 200 working days a year is approximately 200kg of CO2. This is without factoring in that many of these individuals would likely travel to their home country incurring the high carbon costs of international travel (e.g. a return London-Delhi flight equates to ~2 tones of CO241).

Summary

In short, the Oyster proposition has the potential to deliver impact across a broad range of outcomes that are relevant to people, businesses, local communities and the planet. This is summed up in the Theory of Change presented below.

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37 Ahmad, S. & Creutzig, F., Spatially Contextualized Analysis of Energy use for Commuting in India
38 Carbonify, Carbon Dioxide Emissions Calculator
39 Buffer, State of Remote Work
40 British Gas, The Facts about Commuting
41 Carbon Footprint, Flight Carbon Footprint Calculator
<table>
<thead>
<tr>
<th>Status Quo</th>
<th>Physical proximity is required to be employed for most jobs</th>
</tr>
</thead>
</table>
| Stakeholder | • People Emigrating for Work  
• People Staying in Local Communities  
• Business  
• Local Communities  
• Environment |
| Problem | • Financial, health and family burden caused by emigration  
• Health, income and personal development trade-offs of staying home  
• Businesses are either restricted to local talent or pay high transaction costs for international recruitment  
• Brain drain causing stagnating local communities & economies  
• Increased commuter burden on the planet |
| Inputs/Activities | Build a software platform which connects demand for skilled knowledge work in developed economies with the growing workforce in emerging markets simply and cheaply, enabling work to be conducted remotely |
| Outputs | • Number of people migrating to find work reduces  
• Number of people un/underemployed in local communities is reduced  
• Reduced costs of international recruitment, whilst accessing a wider and more diverse talent pool  
• Reduced number of people leaving their communities to find work  
• Number of global commuters reduced |
| Outcomes | • Financial, health and family burden caused by seeking work internationally is reduced  
• Health, income and personal development trade-offs of accessing employment in home community are reduced  
• Businesses increasingly fulfil talent needs through international hiring  
• Locals contribute human and financial capital to their communities  
• Reduced burden on the planet |
| Impact | • More fulfilled lives, reduced global inequality  
• Businesses are better able to thrive  
• Accelerated development of communities  
• Increased sustainability of the planet |