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What Works

**Fair Trade Spanish: How Speak Shop uses the Web to help
teachers earn more and students pay less**

By Laila Weir

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what works

Strategies, Approaches, Developments

Fair Trade Spanish

How Speak Shop uses the Web to help teachers earn more and students pay less *by Laila Weir*

WHEN MICHAEL PARKER sits down to his private Spanish tutoring sessions, he pays his teacher \$8 per hour, which is much less than the \$25 per hour he was previously paying to his teacher in Iowa. But his new teacher, Yesenia Mateu Grave, takes away double the fee that she normally gets. That's because Mateu Grave lives in Guatemala, where wages are a fraction of those paid in Iowa.

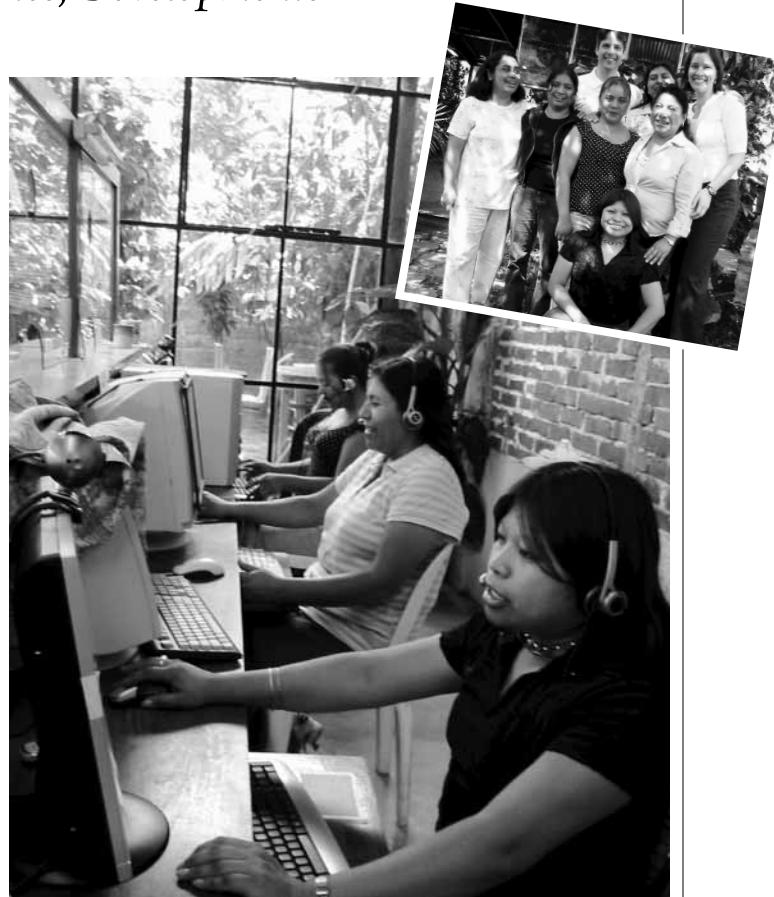
Thanks to Web conferencing, Mateu Grave teaches students around the world via a site called Speak Shop, combining audio, video, and online chat for a classroom-like experience. During her classes, she converses with her students entirely in Spanish, reviews their grammar, and helps students with their writing.

The possibility for teachers like Mateu Grave to export their services directly to students in wealthier countries is as new as the high-speed Internet. Win-win pricing is one advantage: Students pay less than they would in their hometowns, and teachers earn more. Online classes also ensure that teachers work even when tourists – their usual in-person students – are scarce. “We have the opportunity to earn a bit more money,” says Mateu Grave. “It’s more constant than tourism.”

Giving teachers in developing countries access to the much wider, and richer, global market is the driving idea behind Speak Shop, an award-winning company whose mission is to create a Fair Trade marketplace in language lessons. Co-founder Clay Cooper conceived of the idea for Speak Shop after studying Spanish at Probigua (Proyecto Bibliotecas Guatemala), the nonprofit language school where Mateu Grave works.

“In Guatemala, I saw some of the worst poverty I had ever seen, and I realized that even skilled, hardworking people, like Spanish tutors, struggled to earn a decent living,” he writes on the company’s Web site. “Students were seasonal and when hurricanes hit, visitors stayed away.”

So in January 2005, Cooper and his wife, Cindy, launched Speak Shop as a “Web-based marketplace where tutors became entrepreneurs.” The company went online with a small group of teachers from Probigua, which provides the computers and Internet connection for the teachers in return for a fee paid by their students. Through relatively low-cost search engine ads, the Coopers say Speak Shop has attracted



Based in Antigua, Guatemala, Spanish language tutors Rebeca González (foreground), Aracely Rogel, and Leonor Chivichón earn more teaching students in wealthier nations via the Internet.

hundreds of students, enough to provide significant additional income to the school and to the teachers.

In December 2006, tourists were rare enough that at one point the brick-and-mortar Probigua school had just a single student. But that month, the seven Speak Shop teachers worked a combined 229 hours online. That averages out to about an extra week of work per person, paid at twice the in-person rate. “Speak Shop gives us the opportunity to improve our lives or, during difficult times, to survive,” comments teacher Milvia Vásquez.

Speak Shop’s appeal to students is apparent: Some 90 per-

FORMING FAIR TRADE SERVICES

- Hold service industries to Fair Trade standards
- Exploit Internet technologies
- Provide steady work for people in developing countries



cent of those who take a free trial lesson offered on the site go on to sign up for paid classes, according to Cindy Cooper. Now Speak Shop is expanding into Nicaragua and launching a new Web site, with more features and the capacity for handling a higher volume of students and classes. Its plan is to continue moving into other countries and, eventually, to offer additional languages.

In the meantime, Speak Shop is picking up plenty of prizes. In 2005, the company won the Best Social Return on Investment Analysis Award in the Social and Environmental Technology (SET) Inventors Challenge. Last year, it snagged an InnoTech Innovation Award at the Oregon InnoTech Conference. Most recently, readers of *Fast Company* voted Clay Cooper one of the magazine's "Fast 50" – the top 50 "leaders, innovators, and technology pioneers."

Certiably Fair

The Coopers based their company on the same ideas of worker empowerment and trade equity that underpin Fair Trade product companies. To this end, they created what is in effect a Fair Trade service company that allows teachers to set their own rates and their own hours. Speak Shop simply provides the technical framework – the Web conferencing, the online scheduling interface, and IT support – along with marketing. "The tutors are not our employees," emphasizes Cindy Cooper. "They work for the students."

To reflect the teachers' independence and to keep the system transparent for customers, the Coopers set up a dual-fee system. Students pay a monthly membership fee to Speak Shop that is separate from the hourly fee they pay the tutors. This is in stark contrast to traditional language schools, where students have no idea how much, or little, of their fees filters down to the teacher. The Coopers say they'll continue monitoring the effectiveness of this arrangement, because transparency is the key to their Fair Trade-inspired goals.

"You know what the worker is getting and the worker knows what a fair wage is," says Charlotte Opal, vice chair of the standards committee at Fairtrade Labelling Organizations International, the umbrella organization for numerous Fair Trade labeling initiatives worldwide. "That information is empowering to them. That information could spill over into other teachers' wages and the wages they get for non-Internet classes."

Fair Trade services represent "a new frontier" of the Fair Trade movement, according to Opal. Similar ventures, such as forays into Fair Trade tourism and Fair Trade software development, exist, she says, but are "very rare."

Speak Shop is currently seeking official Fair Trade certifi-

cation from IFAT (International Federation of Alternative Trade), another international Fair Trade association. Certification is important because Fair Trade, written with capital letters, is not a vague concept of economic justice but a very specific set of guidelines to which products must conform. Standards for Fair Trade services aren't yet defined, and some Fair Trade traditionalists might resist expanding the term. But Opal says Speak Shop's model complies with some fundamental tenets of the movement. "This is directly linking the producer to the consumer," Opal says. The teachers "are empowered in the marketplace. That's exactly what Fair Trade is supposed to be about."

Convenient and Competitive

Normally, consumers expect to pay a premium for Fair Trade products, but so far Speak Shop's main selling points are its low prices and convenience, though students are also enthusiastic about getting to know someone overseas. (Parker eventually traveled from Iowa to study in person with his teacher.) "You have no commute time to your classes," points out Kathy Longo of Minneapolis, who found Speak Shop via Google. "There's more flexibility" to schedule classes at night or odd hours, and "it's really affordable."

Longo says she and her husband paid \$30 each for hourly lessons with a tutor before finding Speak Shop. In comparison, Speak Shop's going hourly rate is a bargain-basement \$8, of which the teachers take home about \$4, after paying PayPal and Probigua. Speak Shop's membership fee ranges from about \$10 to \$40 per month, depending on how many lessons the student takes. These rates are similar to those of the company's few online competitors, most of which are individual teachers using Skype, the Internet-based long-distance service.

But what happens if – or when – a company with no social focus swoops in and undercuts the company? In Speak Shop's model, teachers are free to lower their prices to stay competitive. But at that point, the company's Fair Trade principles could provide the edge for them to hold out for more – especially if the company receives Fair Trade certification.

Still, staying competitive and continuing to refine the pricing system promise to be among the company's main challenges. The technology itself also poses problems, because many teachers in developing areas lack the hardware necessary to teach online – an issue the company will have to confront as it expands. The more Speak Shop can help teachers access the technology – in addition to the Web forum – the more it will be able to bring its global reach into those corners of the world that need it most. □