Exploring the challenges faced by Sri Lankan workers on web based digital labor platforms

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This work was carried out with the aid of a grant from the International Development Research Centre, Canada and the Department for International Development UK. The qualitative data collection was funded by USAID and Australian Aid through the GSMA Connected Women program.
The literature differentiates between labor that is location-based vs. labor that is not

Digital labor platforms

Location-based digital labor
- Accommodation (Airbnb)
- Transportation and delivery services (Uber, Lyft, Ola, Grab, PickMe)
- Household services and personal services (TaskRabbit, UrbanClap, Zimmber)

Web-based digital labor
- Freelance marketplaces (Upwork, Freelancer, Truelancer, Chate Set)
- Microtasking crowd work (Amazon Mechanical Turk, CrowdFlower, Hansa Cheetah)
- Contest-based creative crowd work (99designs, Jovoto)

Schmidt (2017)
Literature also differentiates by size of the outsourced job
**Literature identifies several challenges such workers face**

<table>
<thead>
<tr>
<th>Source</th>
<th>Challenge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Graham, Hjorth and Lehdonvirta (2017)</td>
<td>Lack of bargaining power leads to income fluctuations</td>
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<tr>
<td></td>
<td>Intermediation on platforms leads to exploitation of entry level digital workers</td>
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<td></td>
<td>The work that the digital workers do does not match their skills</td>
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<td>Beerepoot and Lambregts (2014)</td>
<td>Economic exclusion and discrimination based on race, gender and country</td>
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</tbody>
</table>
Research Questions

• What are the **challenges faced by workers** on web-based digital-labor platforms in Sri Lanka?

• What are the **possible policy measures** that can be taken to overcome these challenges?
Qualitative research: 21 respondents who work on digital labor platforms in Sri Lanka
Challenges
Online-work platforms are biased towards the buyer

“This system is **biased towards the buyer**. If I don’t deliver a good product, the buyer can cancel. If I provide a good product and he cancels, I can contact Fiverr directly. If you are a level 1 seller [entry level], they [the platform] don’t get back to you quickly.”

Malith, 25, Part-time worker

Moving up the levels is difficult

“I’m level 2 on Fiverr. There is a top level... It is difficult to move up to the top level. Our rankings have to be 100%...Level 1 and 2 are given from the system automatically. The **top level** is given by **Fiverr management itself**.”

Subash, 25, Part-time worker
High competition from users in other countries and fellow Sri Lankans

“The tasks that were listed for USD 100 I’ve bid and done for USD 5 because if not I won’t get the job. This brother said that Indians are doing it. Even I’ve done it”

Gayan, 23, Part-time worker
Perceptions of exploitation

“She sent us words over email and we wrote articles based on them. Then I started to see that we are been **underpaid**. Because normally what we do is, SEO content writing, in other countries they get paid USD 5 for writing 300 words. She (the client) only gave us USD 1.5 per article and we had to write a minimum of three articles per day. I felt that we are being **exploited**. Sometimes the words are very hard, you are investing yourself, researching and everything.”

Niendi, 25, Part-time worker
Sri Lankans can’t receive money from anyone through PayPal (popular payment platform)

“The previous government said that they’d give us PayPal, and they didn’t. This government said that they’d give PayPal, and no news after they were elected... If we look at it from the angle of development of Sri Lanka, this is a huge loss.

Nadeesha, 25, Part-time worker
Available payment methods deduct huge margins

“If I’m the seller, I only receive **USD 4 out of the USD 5 I’ve earned** on the platform. So the platform gets 1.50 USD. This is 0.50 USD from the buyer and 1 USD from the seller... This platform gives the card in partnership with Payoneer. I can load money onto this card. I can load the money that I get from Fiverr and take **cash out from a master [Mastercard] ATM** located here... **The money deducted when I take cash out using this card depends on the bank.** In HNB, its LKR 200. Commercial bank its LKR 350.”

Supun, 25, Part-time worker
Available payment methods deduct huge margins

USD 100  →  USD 80  →  USD 77.4  →  USD 75.6

20% deducted by the platform
3% deducted by online wallet
2-3% deducted by Banks & eZcash
Fraudulent platforms

“The name of this site is 2 dollar click. The work I did on this site was ad click. I worked on this for 6 months. It said that USD 1,000 was added to my PayPal account, but my PayPal account didn’t show this amount. It may be an issue with withdrawing money from PayPal. I’m not sure”

Suneetha, 29, Part-time worker
Power cuts interrupt online work

“The power cuts in Sri Lanka are unannounced. It’s really difficult when we have power cuts. Customers don’t believe us when we say that we can’t deliver work on time because we have power cuts. These are people who have never experienced power cuts in their entire life.”

Sandun, 25, Part-time worker
Low upload speed

“We need uplink. Most provide download speed but upload is low. If we host a website, what we need is upload. It’s difficult to do it here”

Nimish, 26, Part-time worker
Lack of job security and income stability

“Online freelancers are not given loans from local banks. The first question the officers asks us is whether EPF [Employee Provident Fund]/ETF [Employee Trust Fund] is deducted from our salary. This is how they understand whether we have a stable job or not. They refuse to issue us loans because we don’t have a stable job. This is not the case in other countries.”

Sunil, 26, Part-time worker

“The other risk of working online is, if something happens someday, if an issue arises, say because regulations of Sri Lanka, or some other reason, you might lose everything all of a sudden. If this happens, I’ll lose my income. In this context, if I have a steady day job, with experience I can go for another job.”

Nuwan, 25, Part-time worker
Low social acceptance

“That is something that Sri Lanka has. Imagine you go to the US. If you’re a professional, you can do a cleaning service after you finish the day job. There is no such thing in Sri Lanka. **If you say that you are doing freelance work, no one accepts you.**”

Suneth, 25, Part-time worker
Policy Recommendations
## Policy recommendations

<table>
<thead>
<tr>
<th>Challenge faced by worker</th>
<th>Possible solution</th>
<th>Gvt.</th>
<th>Platform</th>
<th>Digital workers</th>
<th>Civil Society</th>
<th>Other*</th>
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</thead>
<tbody>
<tr>
<td>Online work platforms are biased towards the buyer</td>
<td>• Platform enforced rules (e.g. maximum number of revisions buyer can demand etc.)</td>
<td></td>
<td>✓</td>
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<td></td>
<td>• Workers rate the buyer based on responsiveness</td>
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<td>Moving up the levels is difficult</td>
<td>• Awareness programs</td>
<td>✓</td>
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<td></td>
<td>• Regular meet ups, networking events</td>
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<td>High competition workers in other countries and fellow Sri Lankans</td>
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<td></td>
<td>• Increase “sticky” jobs listed on platforms</td>
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<td>✓</td>
<td>✓</td>
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<tr>
<td>Low upload speed</td>
<td>• Internet packages with guaranteed upload speed</td>
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*Internet service providers/ payment platforms/ insurance organizations
Policy recommendations

Challenge faced by worker

Perceptions of exploitation
Sri Lankans can’t receive money from PayPal partnerships to encourage multiple payment providers (increase competition)

Available payment methods deduct huge margins

Policy recommendations

*Internet service providers/ payment platforms/ insurance organizations
### Challenge faced by worker

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<th>Low social acceptance</th>
<th>Awareness programs</th>
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<td>Fraudulent platforms</td>
<td>Awareness programs to focus on pitfalls</td>
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#### Possible solution

- **Actor**
  - Gvt.
  - Platform
  - Digital workers
  - Civil Society
  - Other*

#### Power cuts interrupt continuous work online
- Registering the electricity users to get notifications before power cuts

#### Lack of job security and income stability
- Insurance schemes for digital workers to contribute
- Education programs on investing/securing income

#### Low social acceptance
- Awareness programs

#### Fraudulent platforms
- Awareness programs to focus on pitfalls

*Internet service providers/ payment platforms/ insurance organizations