

Exploring the challenges faced by Sri Lankan workers in web based digital labour platforms

POLICY BRIEF

This research identified that there are 17,000- 22,000 freelancers working in web based digital labour platforms in Sri Lanka. The industry is growing at a rate of 44% and the revenue generated per year from this is USD 18.7 million. As this industry is growing at a rapid rate and more and more Sri Lankans are engaged in this work part time as well as full time, this research looked at the challenges faced by workers in web based digital labour platforms and possible policy recommendation to overcome them.

POLICY RECOMMENDATIONS

Better inward payment mechanism to secure the earning of workers of web based digital labour platforms

Digital money in PayPal cannot be converted to physical money in Sri Lanka. Even though PayPal is not accepted in Sri Lanka other payment methods such as Payoneer, Skrill, Stripe and Nettleer is accepted here. Making Sri Lankans aware of this is important to help them secure their earnings.

Insurance solution to reduce earning volatility of workers of web based digital labour platforms

Earnings of freelancers are not insured and they are not provided any security based on their earnings. Introduction of an

insurance program for these digital workers is important to reduce their earning volatility.

Ways to demonstrate credit worthiness of workers of web based digital labour platforms

Even though the digital workers earn a fair income from working online, local banks do not accept this income as a regular income source and freelancers are not given bank loans. Identifying other means to check the credit worthiness such as paying bills (electricity/ phone) on time and using these to measure the credit worthiness of workers of digital labour platforms is important.

Changing social perception on working online/ freelancing

Sri Lankans look for job security and try to find a secure job in the

government or private sector. Changing the social perception to be involved in these types of jobs will increase the take up of these jobs.

Creating awareness on working in web based digital labour platforms among youth and bottom of the pyramid Sri Lankans

Around 26% of Sri Lankans were aware of online freelancing and 11% were willing to work in these platforms. As this industry is growing at a rapid rate and the income generated from this work is comparatively high, it is important to make aware Sri Lankan youth and bottom of the pyramid on this.

THE RESEARCH

A threefold approach is adapted in this research. They are:

Island wide quantitative survey

Quantitative findings of this paper are based on a nationally representative survey. The sample size of this survey was 5500. The sample was designed to represent the target population, covering both urban and rural areas in nine provinces and 25 districts of

the country with no more than $\pm 2.5\%$ margin of error. The respondents were selected using a multi-stage stratified random sampling method using probability proportional to size (PPS). The main stratification was based on the population size of the district. Within each district urban and rural centers were randomly selected. Fieldwork for the study was conducted in October - December of 2015.

Non-representative survey

To validate the findings of the island wide survey, we conducted a survey among 84 current freelancers who attended Dialog's FreelancerSL 2.0 event on 22nd of October 2016.

Qualitative survey

The qualitative research was designed to understand people's perceptions and attitudes towards work in web based digital labour platforms. Six focus group discussions (FGD) and one in-depth interview (IDI) were carried out in the three population centers: Colombo (4), Jaffna (1) and Galle (1). Each FGD had between 3 to 6 respondents and lasted 2.5 hours on average. The In Depth Interviews were conducted with a respondent who could not participate in a FGD, and lasted 2 hours. A total of 20 respondents were interviewed using both methods.

For both lines of research, our target age group was the population between the ages of 16-40. The lower level was set at 16, as this is the age when students sit for the national Ordinary Level exam (after 10 years of schooling), after which some may go into the workforce full-or part-time. Existing literature suggest majority of the online freelance workers are young and between the age group of 18-28 (Kuek et al., 2014). We wanted to understand the dynamics of such work among slightly older persons who might still have the necessary skills to participate on platforms. Therefore our upper age cut-off was set at 40.

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