



Platform-mediated work: precarious employment or a solution to un/underemployment?

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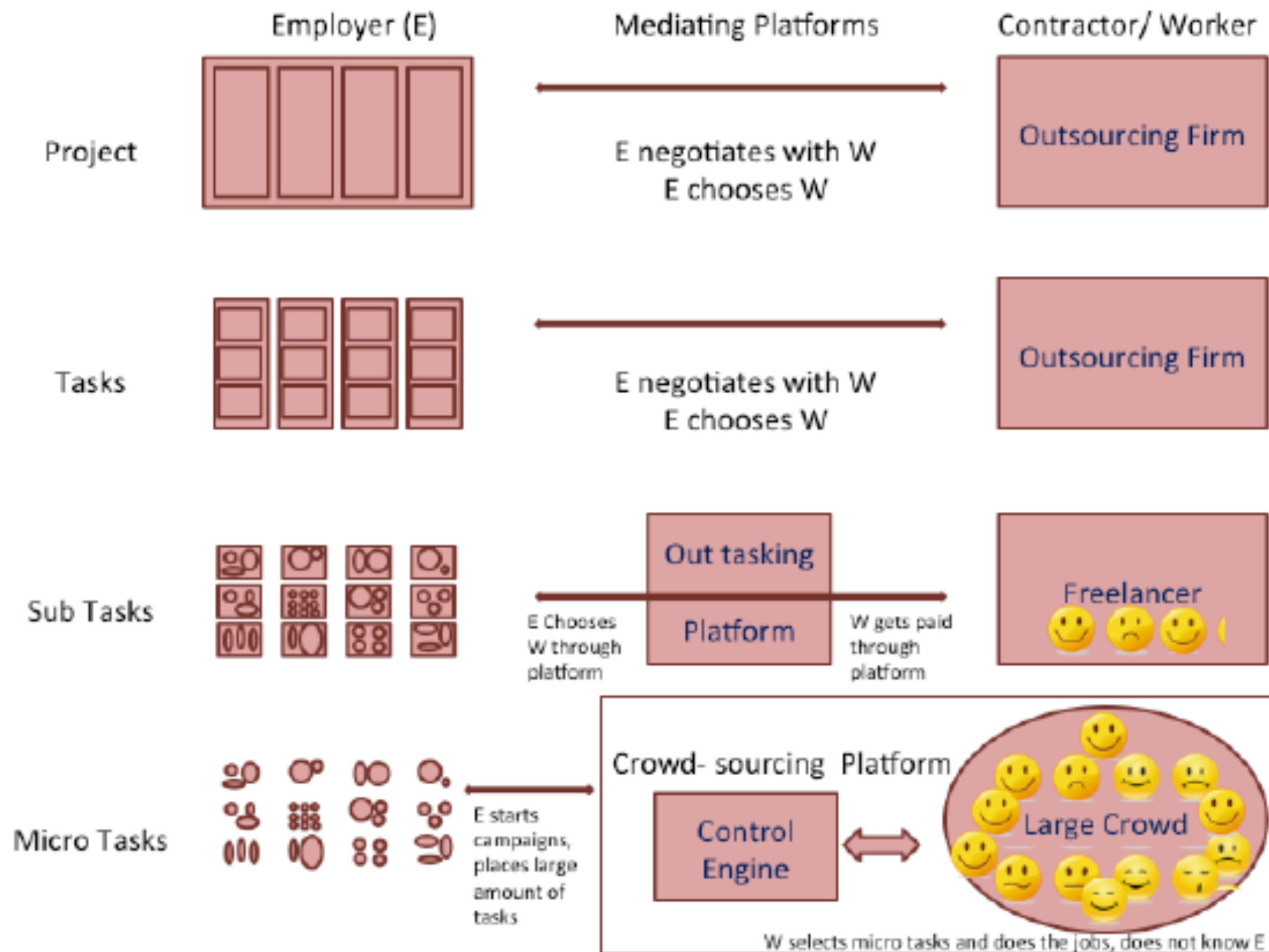
LIRNE*asia*: a pro-poor, pro-market think tank; In emerging Asia Pacific.
Infrastructure policy & regulation. Special focus on digital policy



Our Mission:

“Catalyzing policy change through research to improve people’s lives in the emerging Asia Pacific by facilitating their use of hard and soft infrastructures through the use of knowledge, information and technology”

ICTs → changing boundary of the firm (Coarse) → outsourcing → offshoring → Peer-2-peer sourcing



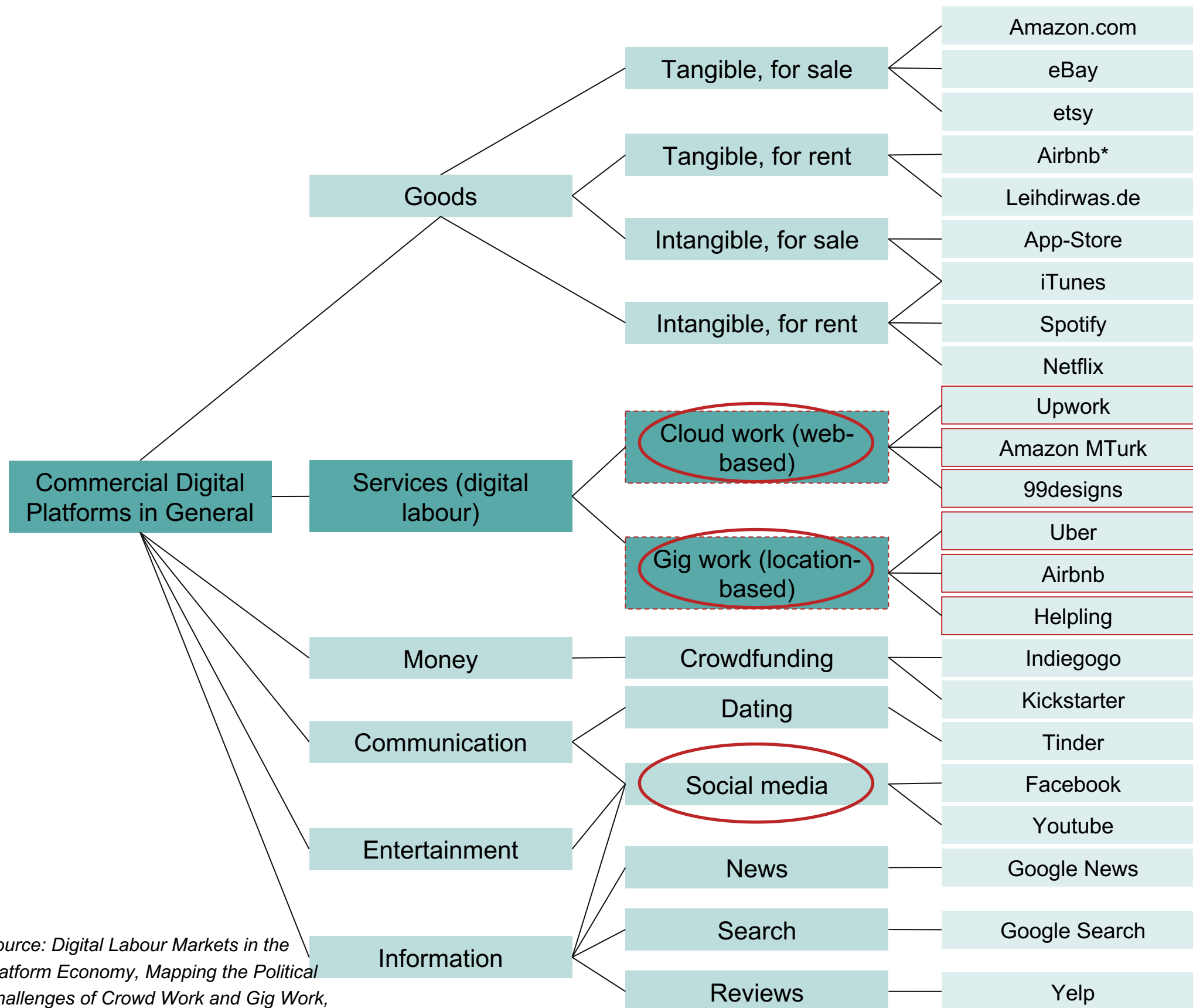
- ICT enabling work previously done inside the firm to be done from outside:
 - Breakdown of job into tasks
- Then, high speed, reliable int'l connectivity to locations with cheaper labor leading to offshoring
 - Initially captive facilities; then generalized providers; mostly corporate to corporate; or corporate to individual; governed by contracts
- Breakdown of tasks even further + trust/quality mechanism → peer 2 peer buying and selling
 - With a tech platform in the middle

Most often, the labor (worker/seller) are in developing countries; the buyer is in developed countries

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What we studied

We studied gig work enabled by an ICT platform: physical (location specific) work as well as purely digital (web-based) work



- Digital work/web-based work where buyer & seller don't (have to) meet
 - Online freelancing, microwork
 - Social media marketing
- Physical work: Buyer & seller co-located or job has physical specificity
 - Transport: Uber, PickMe, Grab, Ola
 - Household work: nokri.com
 - Event marketing/promotions

Source: Digital Labour Markets in the Platform Economy, Mapping the Political Challenges of Crowd Work and Gig Work, Florian A. Schmidt, 2017

Methodology: mixed methods, quantitative and qualitative

India

- Qualitative study of 301 respondents, men and women aged 16-40:
 - 57 focus groups; 18 in-depth interviews
 - 151 current online free lancers + 150 potential online free lancers
- Current freelancers = those with freelancing as a primary source of income or supplementary source of income
- In 8 population centers
 - Urban: Pune, Bangalore, Mumbai, Delhi
 - Semi urban: Kumbalgodu (Bangalore), Thane (Mumbai), Kalyan (Mumbai), Bhayandar (Mumbai)

Sri Lanka

- Quantitative component
 - Nationally representative survey of 16-40 year population (n=5,377)
 - Non representative survey of potential freelancers (n=160)
 - Non-representative survey of current freelancers (n=84) conducted at Dialog's FreelancerSL 2.0 event
- Qualitative component
 - Focus group discussions with freelancers, potential workers (youth and young mothers); 36 respondents
 - Colombo, Galle, Kandy, Jaffna

Myanmar

- Qualitative component
 - Focus group discussions with 92 current and potential freelancers and 3 in-depth experts interviews
 - Research conducted in two population centers, the Yangon division and Mandalay city



Popular platforms in Sri Lanka

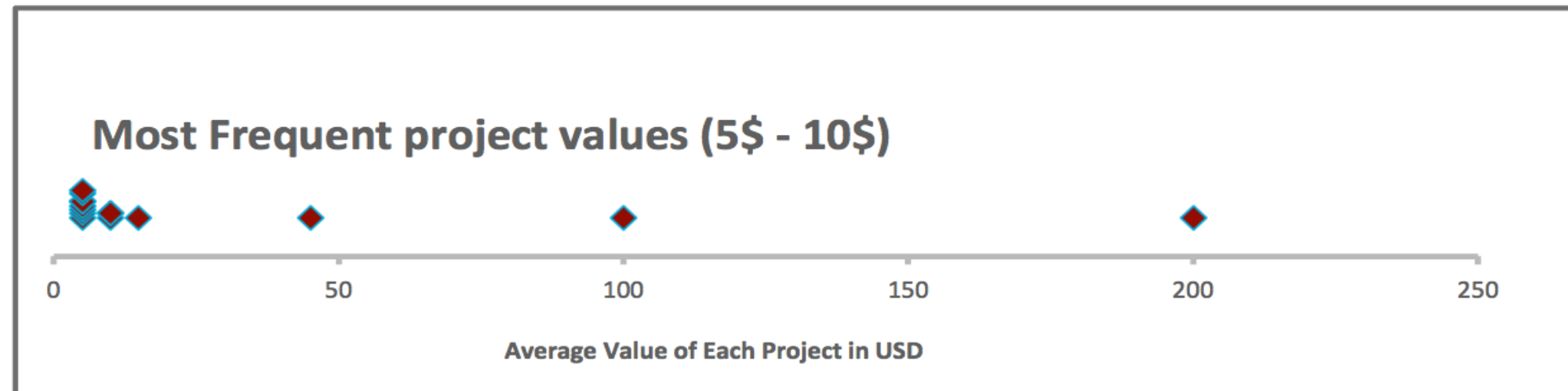
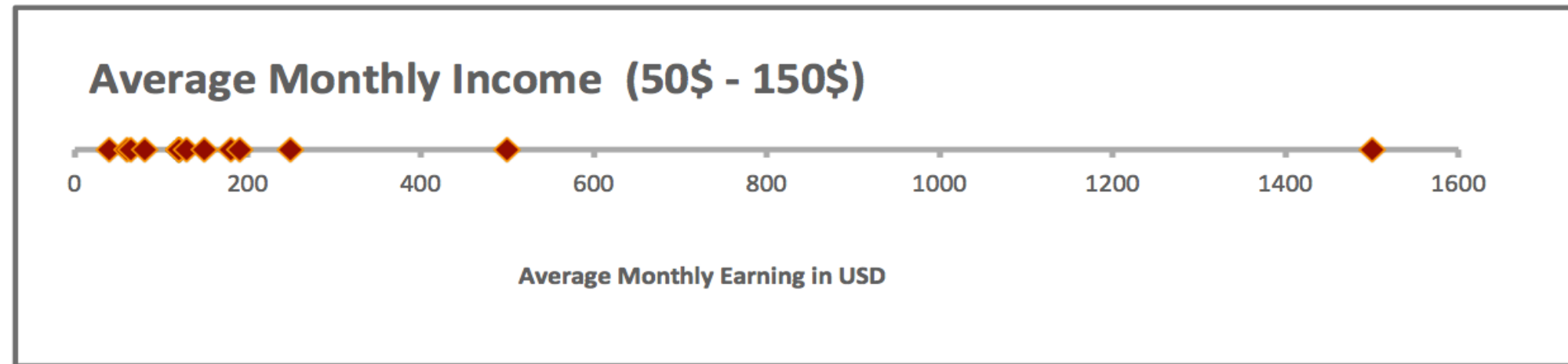
Micro work platform	Site rank by Alexa		Registered number of Sri Lankans
	Sri Lanka	World	
Upwork.com	264	579	5,000
Freelancer.com	289	1,424	5,003
Fiverr.com	67	526	Fiverr does not allow sorting registered sellers by country. But the number likely to be higher than Upwork/Freelancer given the very high Alexa ranking in the country
Microworkers.com	500<	17,905	-



Source: Galpaya, Perumpalam, Senanayake. 2017. Based on <http://www.alexa.com/> and websites of the listed micro work platforms. The Alexa ranks websites by frequency of access, by country. Registered number of participants is a count of the sellers who self-declare Sri Lanka as their country when registering on each platform

Earnings ranged Rs.15,000-20,000; Exceptional workers earned 100,00 – 200,000

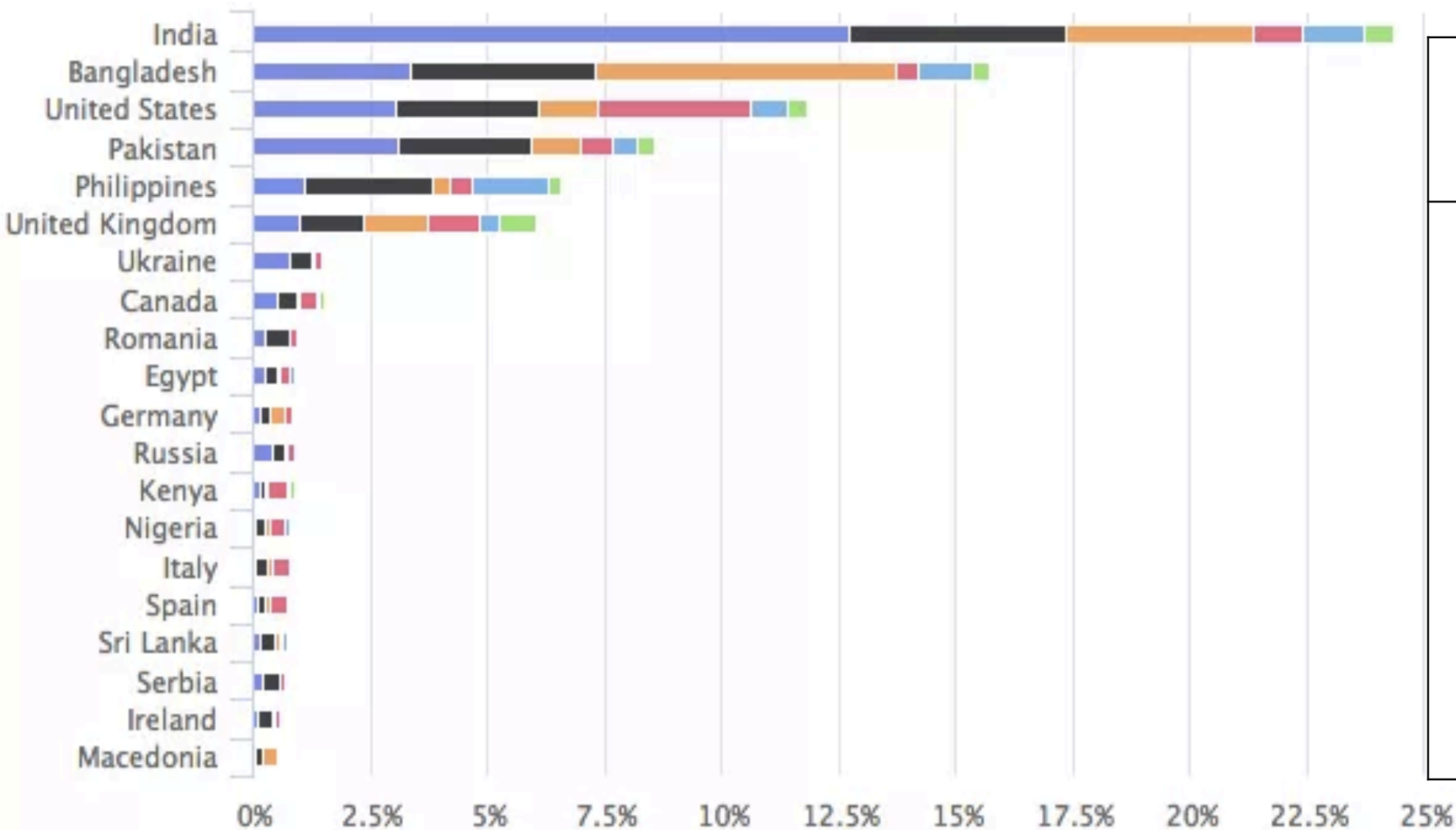
By working part time (2-3 hours a day) you can even earn 20,000/-
Some earn up to 200,000/- per month..



**Average earning from freelancing was LKR 15,000- LKR 20,000
Some exceptional workers earn 100,000- 200,000 from freelancing**

India is the largest supplier of labor on “traditional” digital platforms. But many other platforms not captured in the data observed in our field work – e.g. Facebook, LinkedIn

Online Labor Index top occupation by country, 1-6 July 2017



Platforms dedicated for Indians (i.e. in local language)	“Global” Platforms (in English)	Microwork platforms And Apps	Social media, chat applications and Google groups
UrbanClap Sulekha Indiefolio Just Dial	99designs Upwork Freelance INDIA.com Freelancer Guru Peopleperhour Truelancer Behance Uber Freelancer iwriter Fiverr iFreelance Translators Café Contentmart	Ews.myneta.info (National elections watch) Hansa Cheetah (App) Market vista (App) Maharashtra state skill development society (MSSDS) Skill development initiative scheme (SDI) Frapp	Facebook Instagram LinkedIn WhatsApp Tech India (Google group) Instagram Youtube (Google AdSense)

● Software development and technology
 ● Creative and multimedia
● Sales and marketing support
 ● Writing and translation
 ● Clerical and data entry
● Professional services

Source: Kässi, O. & Lehdonvirta, V. (2016) Online Labor Index: Measuring the Online Gig Economy for Policy and Research. Paper presented at Internet, Politics & Policy 2016, 22-23 September, Oxford, UK.
<http://ilabour.oii.ox.ac.uk/online-labour-index/>

Type of work	Examples of type of work	Average earnings per month	Earning per job	Platforms used
Professional services	Project management Accounting Social media consultant	USD 15- 230	USD 0.15 per sq.ft for interior designing	Facebook, Frapp, Instagram
Clerical and data entry	Translation Transcription Formatting documents Audio transcription	USD 15- 90	USD 0.1- 0.77 per word USD 6 per 1 hour audio	Translators café, Guru, Fiverr, Upwork, Freelancer
Creative and multimedia	Photography Video production Video editing	USD 107-184	USD 8- 77 per logo USD 60 per short film USD 150-300 per photo shoot	Behance, 99design
Sales and marketing support	Search engine optimization Ad posting Event promotion	USD 77- 230	USD 1.5 per 10 app referrals	Frapp, Facebook groups, Whatsapp
Software development and technology	Mobile development Software development Web development App development	USD 77- 230	USD 46- 122 per website	Upwork, Freelancer, Fiverr
Writing and translation	Copywriting Creative writing Technical writing Translation	USD 15- 90	USD 0.03 per word	Guru, Fiverr, Upwork, Freelancer

Popular platforms in Sri Lanka

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Myanmar: locally grown platform very popular for 'high value' jobs, as is Facebook

- Chate Sat
 - Incubated in Myanmar; Start-up success; English and Myanmar language platform
 - Jobs as high value as USD 600.
 - A solution to a low trust market – provides escrow account (for buyer to put money); provides quality control of work (before money is is paid)
- Facebook translation groups
 - *“We have like translator and interpreter network, so, our network group is on facebook and everytime we have new project, we post it, if we cannot handle it. Like, if my hands are full, I got to share, right? So, I post like “translator or interpreter is wanted for 2 or 3 days. Who is available for that date should contact so and so”” - IDI 1, Female, Digital Worker (translator), Yangon*

Type of work	Examples of type of work	Average earnings per month	Platforms used
Professional services	Architecture design AutoCAD design Accounting Travel and tourism Teacher Model	USD 109-291 (MMK 145,924-389,576) USD 364-437 (MMK 487,305-585,033) USD 182-437 (MMK 243,652-585,033) USD 218-364 (MMK 291,847-487,305)	ChateSat Facebook
Clerical and data entry	Data entry	USD 36-218 (MMK 48,195-291,847)	ChateSat
Creative and multimedia	Graphic design Photo journalism Street graffiti art	USD 633 (MMK 847,428) USD 360 per 12 photos (MMK 481,950) USD 218-2,185 (MMK 291,847-2,925,170)	ChateSat freelancer.com designhill.com Facebook
Sales and marketing support	Advertising	USD 14-218 (MMK 18,742-291,847)	Facebook
Software development and technology	Web development	USD 29-582 (MMK 38,823-779,152)	ChateSat freelancer.com upwork.com
Writing and translation	Translation Content writing Interpreter Writer/blogger	USD 14-218 (MMK 18,742-291,847) USD 479-2,185 (MMK 641,261-2,925,170) USD 509-582 (MMK 681,423-779,152)	ChateSet Facebook

2

Characteristics of web-based/digital gig work (freelancing, microwork)

Digital (web-based) work: a range of work, income and skills observed

Low earning,
low skill

Higher earning,
higher skill

Micro-tasks: low skill, low earning

- Ad-clicking (E.g. ClicxSense, Gigabucks), image tagging
- Low earning (USD\$ 0.1 per job)
- Buyer specifies price (worker is price taker)
- Low skill needed
- No payment if buyer not satisfied

Task based, but higher earning and higher skill

- Logo design; content writing, review writing
- Avg US% 5 -10 per job
- Avg US\$ 8 – 15 per month (work 2-5 hours)
- Ratings on platform important
- Potential to develop repeat relationship w/ buyer

Project-based, high skill, higher earning

- E.g. Software/website dev
- Direct relationship with client (off-platform)
- Ability to negotiate price
- Up to USD 300 per project; Up to USD 1000 per month
- “Right place to use our skills”
- No issues getting paid

A few migrate to the right hand side. The common characteristics observed among all who did:

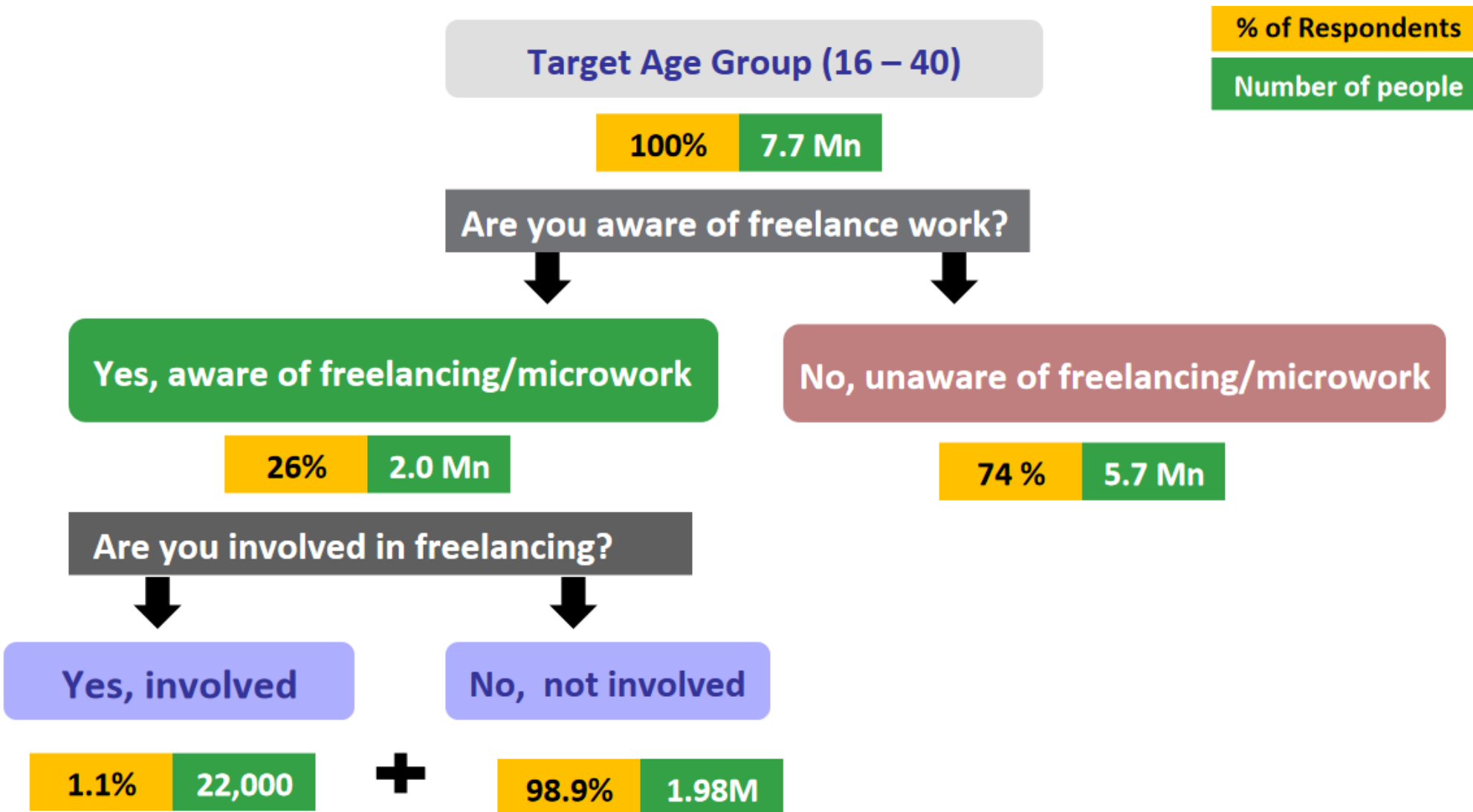
- Highly motivated and keep up with changing needs of buyers/platforms
- Constantly learning (formal and informal methods of learning)
- Possession of soft skills (time management; client management)
- Decent English language skills (though not “extremely fluent”)

Appears to be more inclusive than traditional ICT sector work in Sri Lanka

- IT/BPO sector has created jobs in Sri Lanka but require qualifications.
 - 64.2% of the workforce hold a Bachelor's Degree according to ICTA's 2019 ICT Workforce Survey
 - Web-based work needs qualifications that are easier to accrue
 - Online microwork/freelancing workers have 3-6 months of computer training (basic computer skills + one graphics package); others have a diploma involving some coding skills
- Online freelancing opens up opportunities to women who cannot work 9-to-5 jobs outside of the home, the disabled, students and other groups exempt from the traditional labour force
 - *"You get that satisfaction of doing something and earning. You feel that you have some knowledge. Although I cannot go out and earn, I can take care of my family responsibility along with it. This is my money. I take clothes for myself and kids"* - IDI6, Female, Digital worker (cloud work platform), Mumbai, India
 - *"My physical condition was very bad so I was not able to do 12th, then I did typing course. I have speed of 60 words per minute..... I can't go very far (physically disabled) but there also I started getting some problem, I can't travel much so I sat at home and started working from home"* - R2, Male, Digital worker (cloud work platform), Mumbai, India (disabled)
 - *"As I'm a mother [...] I want to give most of my time for my daughter. So it is not possible to give my time for my child if I work at full-time jobs. [...] I would like to encourage every mom staying at home that freelancing works from home is the biggest opportunity."* – Video interview, Female, Digital Worker (translator), Myanmar.

We tried to quantify the number of people doing web-based/digital work. Estimated between 17,000 – 22,000 workers in 2017

Based on representative survey, we estimated ~22,000 freelancers



Out of which 7,700 registered within last 6 months. Further validate the annual growth of 44%

Estimated 17,000 freelancers registered in platforms with 1.5 accounts per person

Freelancing /Microwork Platform	% of Respondents	Number of Freelancers	Alexa Ranks (2015 – 2016)
Fiverr	60%	10,020**	64 → 32
Freelancer	33%	5,511 *	289 → 257
Upwork	29%	4,910 *	264 → 235
Adsense	13%	2,154	
Peopleperhour	6%	985	
Click Sense	6%	985	
Neobuxs	4%	585	
Total Freelancer accounts	151%	25,150	
No. of unique freelancers	Ave of 1.5 accounts per person	App. 17,000	

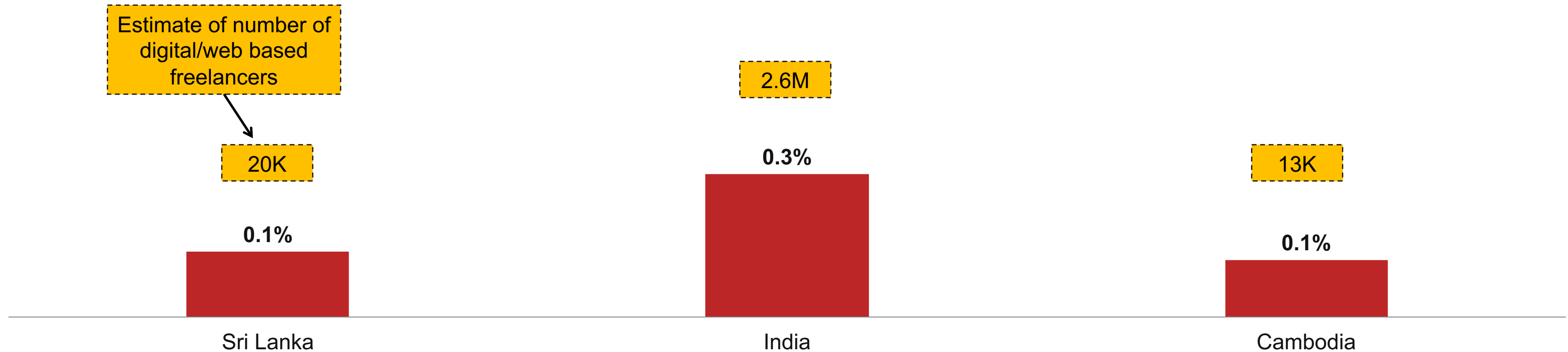
- Physically counted number of Sri Lankans registered **Fiverr does not report registered sellers by country. Number of Fiverr users estimated based on other platform numbers
- Base: All respondents (84)

Between 17,000 and 22,000 freelancers in Sri Lanka

In 2018 - 2019 we estimated that 0.1% of the age 15-65 population had engaged in digital/web-based free-lancing in Sri Lanka

Use of platforms for selling (% of aged 15-65 population)

■ Microwork/freelance (Upwork, Fiverr)



Q: Have you ever sold any goods or services through the Internet or apps? - Microwork/freelance (Upwork, Fiverr)

Base : Internet users who are aware of the Platforms	Sri Lanka	India	Cambodia
Microwork/freelance (Upwork, Fiverr)	244	202	288

Source: AfterAccess survey 2018-2019

Most gig workers live at home, and do this work part time, while studying or working elsewhere

With the exception of a few (highly successful freelancers who had moved up the value chain), all others engaged in freelancing/microwork part time

- Doing this work to earn **higher income**

“By working online, I can’t get a consistent salary but I can work comfortably and compared to full time, I think I can earn more.”

- R19, Female, Digital worker (cloud work platform), Yangon, Myanmar

- Do this to have **control** over when/where they work from

“I came from a broken family and so, normally, I live with my grandmother. I like to accompany her. Because sometimes, I need to travel and she’d be home alone and that’s the thing I’m troubled with right now. I chose working online to stay at home with my grandmother”

- IDI1, Female, Digital worker (social media platform), Yangon

- Do this **while doing other stuff**

“I work at night most of the time. I go to university and come home and do this work in the evenings”

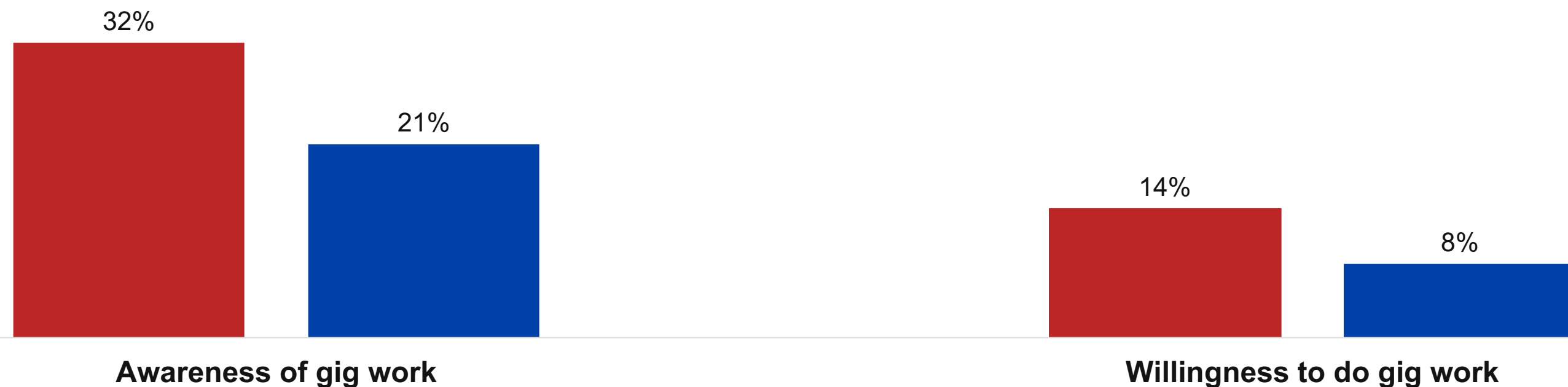
- R1, Male, Digital worker (cloud work platform), Colombo, Sri Lanka

Not seen as “real employment” that’s good enough for parents of males; Less awareness and willingness among women

- *“They are happy that we are not going out and working from home”*
- R66, Female, Digital worker (cloud work platform), Mumbai, India
- *“They think that I do not have a fixed income. This is something very new for them. This is something that they are not used to. They are not comfortable with this”*
- R7, Male, Digital worker (cloud work platform), Pune

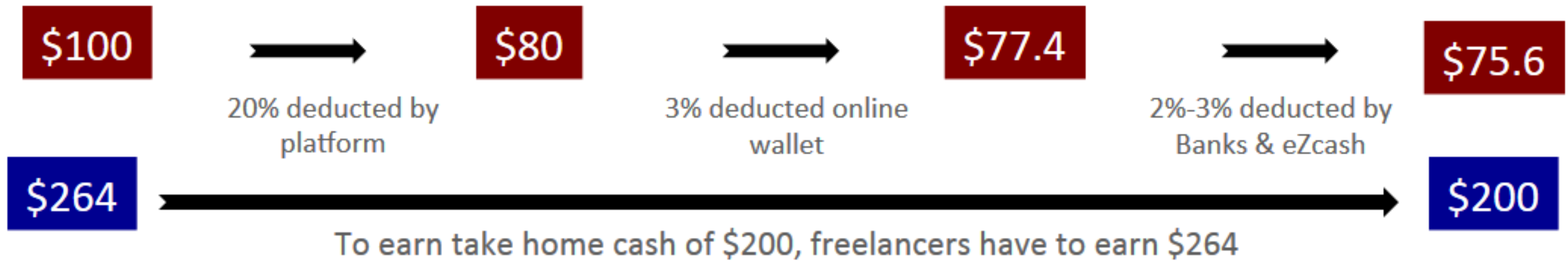
Online freelancing in Sri Lanka (% of age 16 - 40 population)

■ Male ■ Female



Dominant payment mechanisms PayPal banned in Sri Lanka. Result is huge charges paid to intermediaries

- Access to PayPal is a problem in Sri Lanka
- Margin deducted at every stage



Workarounds have been found...but require contacts, know-how, technical skills.

Result: many keep the money in PayPal and never cash out. Use it to purchase goods online (electronics mostly).

- *“I created [a Malaysian PayPal account] from [Sri Lanka]. [...] There is a little trick we should change the IP addresses and create the account. [...] The money goes to Malaysia and then comes to me. Although I have an account in Malaysia, I don’t withdraw from it there. I withdraw it from here.” - R6, Male, Digital worker (cloud work platform), Colombo, Sri Lanka*
- *“The paypal account that I use is in Singapore, it’s done by a friend of mine who is in Singapore. It’s because it cannot be done in Lanka”. - R4, Male Digital worker (cloud work platform), Colombo, Sri Lanka*
- *“The money goes to Malaysia and then comes to me. Although I have an account in Malaysia, I don’t withdraw from it there. I withdraw it from here.” - R6, Male, Digital worker (cloud work platform), Colombo, Sri Lanka*

3

Characteristics of location-specific gig work (limited findings)

Many claim that they are better off now than before, thanks to not having to drive-around searching for the next ride

- *“Everyone is safe to take a Grab ride. And back then, we had to check every standing pedestrian on the road so as not to lose customers among them. And now with this platform, I don’t have to do that, I don’t even have to roll down my side window. I need only to call the customer to inform them that I’ve arrived for pick up. And they can also see my car license plate number once I have accepted an order too. I love this job very much” - IDI14, Male, Online freelancer, Yangon*
- *“Well, by working with them, I suppose the practice of my taxi driving got more sophisticated and it’s less worrisome, you know. You don’t have to search customers that hard. Sometimes back then, I had to go to that Aung Minglar Highway Terminal without passenger so as to get customers there. And the next time, I had to repeat the process, that was a lot of hard work and sacrifice, you know “ - IDI10, Male, Online freelancer, Yangon*

But, researchers have found less empowering aspects

- First smart phone; don't know how to use; can't read [Ahmed, Bidwell et al 2017]
 - Poor digital literacy
 - Older drivers couldn't read system notifications
- Many have bought the car just to enter the Uber market
 - Influx of drivers + cars into Bangalore → algorithms drop price → driver earnings reduce → unable to pay the monthly lease on the car
- Platforms can change the rules of the game without warning
 - Ola in IN changed commission charged
- Many drivers have no idea how they are rated

4

**Risks and challenges for workers in
developing countries: what we
observed**

It works for workers in developing countries, but only up to a point

- Competing on price is not sustainable: Someone always will sell cheaper
 - Digital work: The market place is global; everyone with a cell phone thinks they are going to do gig work; governments promote it; Supply of labor growing faster than demand
 - Physical work: people moving to Bangalore to be drivers --> algorithms lowering price → drivers unable to pay car loans
- Inclusive but not always
 - Geographical discrimination still exists in a global labor market (Galperin et al)
 - “[Country] workers need not apply” and similar statements by buyers who post work/gigs
 - Reverse too – “I will never work for someone from [country]”
 - Difficult for people with low skills and no network of contacts to get on the ladder
 - Getting the first job is tough – tricks are needed as are friends on the same platform
 - Many platforms in English – registration is hard even if subsequent work is accessible with low English skills
 - Avoiding payment intermediaries (loss of earnings) hard unless highly skilled technically

Risks and challenges for developing country workers.....continued

- Many platforms (though not all) give more power to buyers
 - Often, buyers can rate seller's quality of work, but not vice versa
 - Many platforms offer no recourse of malicious bad ratings (buyers who want to avoid payment)
 - No recourse if buyer doesn't pay (wage theft)
- This is not "frictionless" labor; switching costs can be high
 - Most workers work across many platforms; yet worker's ratings, past work and reviews (by buyers) not portable across platforms
- Platforms can change rules without warning and hurt workers
 - Ride sharing platforms change % they charge of earnings
- Low transparency on platforms
 - Ratings are king; few workers understand how ratings work (not simply buyers rating; response times and other factors)

Risks and challenges for developing country workers.....continued

- Low incentive + opportunity for workers to organize themselves on digital/web-work platforms
 - Geographically dispersed workforce
 - Competing against each other on a given platform
 - Harder to develop collective identity → collective bargaining

5

**Other challenges: Rich people's problems,
or should we also care about them?**

Formal → informal (in the West) vs informal → formal (for us). But where are the benefits of formalization?

- Initially: formal IT sector workers who lost jobs → doing gigs, becoming ‘informal’
 - No benefits (compared to before) such as health insurance, unemployment pay, pension funds
- In countries we studied: the opposite
 - Informal workers, now with potential to become gig workers
 - Potential: ability to prove income, a digital trace of their work;
- Yet this potential is unrealized: e.g. No change in access to financial resources
 - *“Digital workers are not given loans from local banks. **The first question the officers ask us is whether EPF/ ETF 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”*
 - R4, Male, Digital worker (cloud work platform), Colombo, Sri Lanka

Employee vs. independent contractor is biggest debate. Often played out in courts in the developed countries.

- Gig work blurs this line by changing the variables which usually defined 'employment'

	Employee	Contractor	Gig worker
Commercial risk	Takes no commercial risk. Business is responsible	Takes risks and liable for rectifying their work	Takes all the risk. Can mitigate with insurance in some work
Independence	Not operating independently of business	Independent and can refuse or accept other jobs	Often, drivers not free to refuse a job without penalty; Other platform workers can refuse a job/not bid
Basis of payment	Hourly, per job or on commission	Paid for results and deliverables	More like a contractor, but uber can penalize if minimum number of work hours per week are not done
Equipment, tools, assets	Provided by business; or business pays allowance for worker to acquire	Worker provides§	Most often worker provided; some instances of middleman providing car (for Uber)
Control over work	Business can direct the worker	Worker has control in how work is done but subject to contract	Similar to Contractor, often. But Uber can penalize driver for not following Uber's route if the customer complains
Ability to sub-contract	Worker can't subcontract	Can pay someone else to do the work (subject to contract)	Often, middlemen run the account and get work, then subcontract to workers

We may not care now because even some “employees” don’t have these benefits; but what about in the future?

- Today in our countries: most contractors do not have benefits.
- High unemployment → higher willingness to do gig work; Low unemployment → gig work may become less attractive [Katz, Kruger, 2019]
 - Many developing countries have high unemployment (still). So mix of permanent + gig?
- How to handle pensions, unemployment benefit/social security, health care?
 - Retirement and unemployment: Easily transferrable pension schemes; contributory; qualify with minimal number of working hours
 - Access to financial services: proof of income provided more easily than today, aggregated across platforms
- Do we also need ways for informal workers to organize more?
- Need to re-think skills too:
 - Learning to learn; transversal skills; rethinking life-long learning models

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