Platformization of the Tourism Sector in Sri Lanka: Impacts on labour market and decent work opportunities
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Platformization of the Tourism Sector in Sri Lanka: Impacts on labour market and decent work opportunities
Acknowledgements

We would like to thank Simrin Singh, Balasingham Skanthakumar, Chamila Weerathunga and Sriyani Mudiyanselage from the ILO Country Office for Sri Lanka for their knowledge and help in facilitating research for this Issue Paper.

We are grateful to Thomas Kring and Jesse Mertens of the ILO for reviewing the paper and providing us with valuable insights.
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The tourism sector in Sri Lanka is key to economic growth and employment generation, contributing to 5.3 percent of GDP in 2017 and employing 11 per cent of the country’s workforce. The sector is projected to grow steadily in the coming years and the introduction of technological interventions to the tourism sector is likely to create market efficiencies.

Onlines travel agencies, accommodation sharing, and ride hailing platforms will cause significant disruption and restructuring in the tourism sector. Digital platforms will facilitate the entry of small and local businesses and provide competition to larger established enterprises, which could address some of the current shortcomings in the sector.

Platforms in the tourism sector will cause a restructuring of the labour market. The entry of smaller enterprises is likely to precipitate a shift of workers to non-standard forms of employment.

While platforms will facilitate access to new markets and opportunities, and lower barriers to entry, gains will be unequally distributed. However, digital platforms have the potential to improve some issues like low female labour force participation, high youth unemployment, and enabling access to newer markets.

In order to ensure that digital technologies are integrated into the tourism sector in an inclusive and sustainable way, Sri Lanka will need to create regulatory frameworks, certifications and standards, and labour protection policies taking examples from global practices and the nuances of local socio-economic context.

Key Insights
1. Introduction

In 2018, there was a 6 percent increase in global tourism with 1.4 billion international tourist arrivals worldwide. The tourism sector has grown at an unprecedented pace, having surpassed earlier predictions, which estimated that the 1.4 billion mark would be reached in 2020. Travel and tourism are vital for job creation - in 2018, employment in the sector directly accounted for 3.8 percent of total employment on a global scale. These numbers are expected to increase steadily over the next ten years. Travel and tourism contribute to direct employment in the hospitality industry, and create employment opportunities in allied sectors like transport, and food and beverage. Travel and tourism is a pivotal sector driving global GDP, accelerating allied industries, and creating employment, especially in developing countries.

The World Tourism Organization (UNWTO) categorises each step of the tourism process as “dreaming”, “researching”, “booking”, “experiencing”, and “sharing”. Digital platforms and Information and Communication Technologies (ICT) have come to play a significant role in each step of the process. The relative ease and speed at which tourism-related services can be accessed through ICTs has brought considerable change to international and local tourism. Consumers are increasingly using digital technologies at each step of the tourism process. Media advertising, social networking sites, information platforms and user-generated content websites enable the “dreaming” and “researching” phases. Online booking platforms for flights, transport, and accommodation facilitate the “booking” phase. Digital technologies enable travellers to identify home-stays or ‘authentic’ tourism experiences that encourage travellers to experiment with activities that are off the beaten path, thereby influencing the ‘experiencing’ phase. Finally, social media is used in the “sharing” phase - users share their experiences on social networking sites. This creates a feedback loop - the experiences shared on social networking sites and information sharing platforms prompt the “dreaming” and “researching” phases for others.

For tourism service providers, digital technologies offer access to new markets, lowered barriers to entry, and cost-efficient avenues for marketing and advertising. Integrating effectively with digital technologies will benefit tourism enterprises and service providers and in turn, the local economy. Tourism benefits local economies in a number of ways. First, foreign exchange earnings from tourism generates income in the host country and stimulates consumer spending and investment in other sectors of the economy. Second, tourism contributes to tax revenue. Tax receipts from tourism are directly generated from incomes earned by businesses and workers, and indirectly generated through duties levied on goods and services purchased by tourists. Third, the sector generates business opportunities for local entrepreneurs. This is especially pertinent in the age of the digital economy since business opportunities for small and medium size enterprises (SMEs) and local industries are expected to increase due to the affordances of digital technologies. Finally, tourism and allied sectors are pivotal to employment generation. Travel and tourism accounts for about 11 percent of the global workforce, making it one of the larger employment generators globally. When tourism is
well integrated into the economy, job creation prospects are improved.\textsuperscript{9}

While these benefits are accrued by tourism in any region, the economies of island nations are often the most highly dependent on tourism.\textsuperscript{10} Island nations often attract tourists due to their unique biodiversity and cultural richness brought on by mainland isolation, as well as a maritime environment. However their small size and remoteness also leads to significant pressure on resources making it difficult to establish industries because of the high costs involved in setting up infrastructure. In the absence of other industries citizens must rely on tourism to generate GDP in these regions.\textsuperscript{11}
2. Research Enquiry

This paper considers the impacts that digital platforms\textsuperscript{12} are likely to have on the tourism sector in Sri Lanka. In particular, it examines three sets of questions. First, how will platformization restructure the tourism industry; second, what impact will this have on labor markets - on employment and employment conditions?; and third, how are expected benefits likely to be distributed across social groups? Through this enquiry, we seek to identify the policy pathways through which digital platforms can contribute to a sustainable and inclusive growth within the tourism sector.

With many changes resulting from the platformization of work still at an emergent stage, and little primary or secondary material on the subject, this paper is meant to be exploratory; aimed at generating a set of initial insights, rather than an in-depth treatment of the subject. Because of the limited research on the subject in the Sri Lanka context, we draw from global trends on the impacts of platformization in the tourism sector, and Tandem Research’s previous work on the Future of Work in Sri Lanka\textsuperscript{13} to extrapolate potential risks and opportunities in the Sri Lankan context. We present our findings in terms of a set of propositions about the likely impacts of digital platforms on the structure of the tourism market; employment and employment conditions; and the distribution of technology gains. Importantly, propositions are statements of likelihood, not predictions, but can nonetheless help anticipate future policy needs. We believe that digital technologies can be leveraged to drive growth and employment in Sri Lanka’s tourism sector. However, barriers like inadequate infrastructure, skilled workers, and the costs of technology adoption will need to be addressed to enable an equitable and sustainable distribution of technology gains.\textsuperscript{14}
3. Tourism in Sri Lanka

Tourism is the third largest export earner in Sri Lanka, and has seen a huge increase in the number of tourist arrivals in the past five years. In 2018, Lanka received over 2.3 million international visits, generating a revenue of approximately 4.3 million US dollars. Travel and tourism contributed to 4.9 percent of the total GDP in 2018 and is expected to increase in the coming years. In 2018, it contributed 12.8 million rupees to public sector revenue. As of 2017, the tourism sector of Sri Lanka contributes 11 percent to total employment, and this is projected to grow sustainably per annum. A number of factors have helped drive increased demand in the tourism industry of Sri Lanka. The end of the civil war in 2009 and the ensuing political stability prompted increased investments in the sector. The country has also diversified its visitor markets, investing in infrastructure to attract business travellers, health and wellness hobbyists, and wildlife enthusiasts. The boom in Sri Lanka's tourism sector is still at a nascent stage and is likely to expand in years to come. Infrastructure is still under-developed and the potential of the tourism industry remains to be fully harnessed. Even so, Sri Lanka has been acknowledged globally as a top tourist destination. The country's Digital Economy Strategy and the Tourism Strategy Plan 2017-2020 both highlight the importance of channelling digital technologies to help the tourism sector flourish.

The tourism sector in Sri Lanka could drive the growth and diversification of the economy and economic participation among the population while aiding conservation efforts. However, the sector could be developed further to leverage its full potential. Currently, registered tourism establishments like accommodation, restaurants and tour providers are concentrated in certain corridors like the capital city, the south-western coast, Yala National Park, and the hills in the central part of the country. The Ministry of Economic Development and the Tourism Department have initiated a homestay programme to enable the economic participation of local communities while allowing tourists to experience authentic Sri Lankan culture first-hand. Through this programme, home-owners can register their home stays, bungalows or apartments and houses to rent to tourists. These initiatives that include the community are crucial to building the sector and setting higher standards.

While the majority of tourists who travel to Sri Lanka are those who travel for leisure, the sector has also diversified in recent years. The number of business travellers, while still small, is rising. Services catering to wildlife and nature enthusiasts also stand to profit from better pricing strategies and improvements in infrastructure and facilities. Other niche categories are also currently being promoted - the wellness industry for one is one that shows promise with Sri Lanka’s expertise in Ayurveda and the growing awareness among international travellers.
4. Digital Platforms in the Tourism Sector

Platforms at the most basic level can be defined as a digital infrastructure that enables interaction between two or more parties. For the purpose of this study, we define platforms as a digital infrastructure that enables interactions and transactions between tourism service providers and tourists, and between various stakeholders within the tourism industry, for example, hotels and job matching platforms that can assist with recruitment, or government tourism departments co-ordinating efforts with private service providers. Among the digital technologies prevalently used in the tourism sector, digital platforms have been a key driver of change. These digital platforms play a significant role in the “Smart Tourism” narrative. “Smart tourism”, much like “smart cities”, refers to the application of information and communication technologies to improve tourism. In many parts of Asia, smart tourism has been adopted to develop technological infrastructure for tourists that is sustainable and accessible. Emergent technologies like Cloud Computing, End-User Internet Service Systems, the Internet of Things, and other technological advancements that involve the integration of the digital with the physical world are used to build these infrastructures. This is a significant step forward from “E-tourism” which refers to the facilitation of tourism through ICT technologies. Smart tourism is a more advanced stage of tourism informatization. It leverages digital, intelligent, and virtual technology to provide highly integrated and updated information relevant to tourist activities, product consumption and social resources and in the process improves user experience.

Keeping in mind the growing centrality of technology to the tourism sector, and the importance of this sector to the economy, digital platforms are a focal point of analysis for labour markets. There has been a steady increase in the adoption of platforms, like accommodation sharing platforms and Online Travel Agencies (OTAs), in more developed tourism destinations. As consumer preferences change, these platforms could gain popularity and generate employment opportunities in SMEs that are likely to use these platforms.

Certain segments of the tourism sector, like transport and service staff- cleaners, cooks and waiting staff, are largely driven by informal enterprises, and part-time or independent providers. Digital platforms have made it easier for independent and informal providers to enter the sector in the last five years. Platforms for accommodation sharing or ride hailing have lower barriers to entry and the capital investment required to enter are fairly low compared to traditional tourism enterprises. They are now at a juncture where they provide stiff competition to large-scale, established tourism services. Erstwhile “idling assets” in the form of unused real estate space and cars are utilised through digital platforms and the collaborative economy, thereby promoting sustainability and enabling smaller scale entrepreneurs, by lowering the barriers to entry. Research suggests that tourists prefer booking on platforms for two primary reasons - cost-effectiveness, and a desire for authentic experiences. Price-matching and discounts offered by digital platforms are a major motivating factor for tourists to opt for booking through avenues. There is also a growing tendency to choose ecologically sustainable and authentic accommodation options, which can be located through digital platforms.
However, in many locations, locals have expressed resentment against the prioritisation of tourist activities over quality of resources for residents, and the sustainability of local ecosystems. It also has a direct correlation to increased prices for all services and amenities, including transport, food, and real estate.\textsuperscript{32} In the tourism sector, where the platform economy is rapidly increasing in size, avoidance of local laws and taxation, and imposition of costs are also emerging causes of concern for local governments.\textsuperscript{33} Across the world, digital platforms have come under scrutiny for the disruptive effect they have had on local economies. Platform workers have protested against falling wages and weakening social protection. Residents in popular tourist locations like Barcelona and Amsterdam have spoken against home sharing platforms which they claim have exacerbated existing issues around rising rent and the lack of quality housing. The inadequacy of existing regulatory frameworks to address new business models results in such platforms functioning in what can be termed as an “institutional void”. Existing regulations do not have the capacity to address the high uncertainty around platforms and governmental bodies are unable to immediately comprehend, accommodate or oversee actions required.\textsuperscript{34} This leads to a complex interaction between the platform and various actors - where actions and external events prompt platform providers to develop adaptive strategies, as well as governments to experiment with alternative instruments to cope with new changes.\textsuperscript{35}
5. Sri Lanka - Labour Market Context

Sri Lanka has a population of around 21 million, of which a little over 16 million people are of working age and in 2018 the country had a labour force participation rate of 51.8 percent.\textsuperscript{36} The labour force participation rate for women was significantly lower at 33.6 percent compared to men's 73 percent.\textsuperscript{37} In 2017, the unemployment rate for those aged 18 and above was at 4.4 percent.\textsuperscript{38} Around 25.5 percent are employed in agriculture, 27.9 percent in industries, and the largest chunk - 46.6 percent are employed in the service sector.\textsuperscript{39} The tourism sector of Sri Lanka reportedly provided employment to over 488,000 jobs, directly and indirectly.\textsuperscript{40} The sector contributed to 11 percent of total employment. This is projected to grow by 1.6 percent per annum, reaching 1,037,000 by 2028.\textsuperscript{41} With the tourism sector projected to grow steadily in the coming years, its importance to employment generation is significant.

Sri Lanka has achieved significant gender equality in terms of the sex ratio, access to education, and access to public health.\textsuperscript{42} However, data from the Department of Census and Statistics reports that in 2018, only 33.6 percent of women were part of the labour market.\textsuperscript{43} Despite high education levels, especially for the South Asian region, women have faced significant barriers in access employment.\textsuperscript{44} These include occupational segregation, income inequality, discrimination in employment, differences in the quality of jobs available to women, and a lack of entrepreneurship opportunities for women.\textsuperscript{45} In addition, marriage and paid and unpaid care work also factor as reasons that hinder women's access to employment.\textsuperscript{46}

Besides this, youth unemployment is a significant concern for the country. Youth unemployment is currently at 21.6 percent which is over four times the national unemployment rate.\textsuperscript{47} This is an especially crucial issue in the face of Sri Lanka's changing demographic structure and rapidly ageing population. By 2030, over 20% of the country's population will comprise of people aged 60 and above, leading to further slow-down in the labour force.\textsuperscript{48}

Even though Sri Lanka has a very high literacy rate of 92 percent as well as a high enrolment rate of 97 percent, the country's education and vocational systems have not been adequately leveraged to address development issues.\textsuperscript{49} For example, there is a lack of appropriate facilities for technical training, and a consequent lack of people available to meet the demands for technical skills.\textsuperscript{50} There are labour shortages in various key sectors such as the IT sector and healthcare, especially in high-skilled professions. Owing to the fact that Sri Lanka's economic growth has been concentrated in urban areas, there are several regional disparities in labour market access, unemployment, and education levels.\textsuperscript{51} A report by the Private Sector Tourism Skills Committee\textsuperscript{52} estimates that Sri Lanka will have to produce 25,000-30,000 trained employees and 20,720 registered rooms to meet projected demand by 2020. However, current initiatives have not been able to generate sufficient employees who meet industry standards. The report states that the inclusion of women and
young people to the tourism industry will be crucial to improve their participation in the labour force and to meet rising demand.
6. Digital Platforms and Sri Lanka’s Tourism Sector

Sri Lanka has gone through a significant degree of platformization - while comprehensive numbers are unavailable to describe the actual penetration of platforms, e-commerce, ride-hailing applications like Uber and its Sri Lankan alternative PickMe, and accommodation sharing platforms like Airbnb and Yoho Bed show that platforms have grown in popularity among locals and tourists alike. Currently, Uber has a little over 25,000 drivers and PickMe which has expanded into food delivery and parcel delivery reportedly has 90,000 drivers. The diversification of services also allude to its expansion in other regions such as Negombo in the north, Kalutara in the South and Kadowela in the East. Yoho Bed, with over 500 beds in Sri Lanka has become the largest online hotel network in Sri Lanka. These services are currently limited to some of the urban hubs of the country, but are rapidly expanding operations. However, even as location-based digital platforms expand across Sri Lanka, the scalability of their operations in remote regions and those located in the North and East is challenged by low demand and supply, as well as infrastructural constraints.

Based on a study of technology and work trajectories in Sri Lanka, and a review of digital platforms and tourism globally, this section presents three propositions pertaining to the likely impact of digital platforms for the tourism sector; employment and employment conditions; and the distribution of technology gains. This focuses on room sharing, ride sharing, and tour providers and not on online travel agencies due to the availability of data.
Proposition 1: A more efficient and sustainable tourism sector, but with risks for smaller players

Four key points are worth highlighting with regard to the impact on the tourism sector. First, digital platforms can help address long standing challenges in the tourism sector around coordination and resource inefficiency. Second, digital platforms can promote more sustainable and environmentally conscious tourism. Third, the data gathered on digital platforms has the potential to improve urban governance, if made available for public use. Fourth, while digital platforms can create new access to market opportunities, they also risk crowding out smaller businesses.

The Sri Lanka Tourism Strategic Plan 2017-2020 identified four major failures that have impacted the ability of the country's tourism sector to flourish - coordination, institutional, resource, and market failures. Coordination failures and poor communication between government ministries, tourism-related institutions, and stakeholders in relation to planning, management, and monitoring have adversely impacted the sector. New technology and algorithmic match making can provide a platform for certain essential tourism services that directly connect providers with consumers, making the process far easier and more convenient. For example, the government could set up a platform that allows tourists to book activities and tours. Data collected can then be used to monitor tourist movement for future planning. However, tourism services should be regulated to prevent over tourism.

The report identifies institutional failures like deficient and politicized leadership and management at all levels of government; lack of awareness and participation in tourism by local communities; and inadequate attention to cultural heritage and natural habitat preservation as challenges plaguing the tourism sector. In this respect, digital platforms, which provide access and technological solutions could allow local communities to participate with fewer bureaucratic restrictions. Inputs from the community can be crowdsourced through social media and integrated into decision making processes. Digital platforms could also promote sustainability by allowing under-used assets to be utilised efficiently without the need for new infrastructure.

The report cites the limited emphasis on human capital development in both public and private sectors, lack of comprehensive data collection and research, and lack of access to investment and finance, particularly in relation to SMEs and women as key resource failures. SMEs and women can be encouraged to use digital platforms which offer easier access to markets to participate. Comprehensive data collection on platforms can address the lack of reliable data to improve the situation and address the needs of SMEs and marginalised communities.

Market failures including the limited attention paid to product differentiation and destination development, and lack of effective mechanism to manage, standardize and enforce best
The four key points on the impact on the tourism sector are:

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2. Digital platforms can promote more sustainable and environmentally conscious tourism.
3. The data gathered on digital platforms has the potential to improve urban governance, if made available for public use.
4. While digital platforms can create new access to market opportunities, they also risk crowding out smaller businesses.
practices and market distortions have been reported as failures. Digital platforms like Yoho Bed are attempting to standardise and enforce best practices in the industry. Digital platforms also offer a huge range of choice not available in markets by aggregating several individual offerings.

The tourism sector has seen a sharp increase in the number of travellers seeking out sustainable experiences. This has been leveraged by Sri Lanka, which is offering more ecologically sustainable opportunities. The Tourism Strategy Plan 2017-2020 has made the development of ecotourism a priority area for Sri Lanka. This is especially relevant for Sri Lanka, which has an abundance of natural assets that require conservation and preservation, and is also at high risk of ecological damage caused by climate change events. A number of websites offer ecotourism experiences. Apart from rooms, AirBnB also offers ‘Experiences’ - activities curated and conducted by locals which can include daylong excursions, walking tours, cooking classes etc.

The platform economy allows for the use of “idling assets” - such as unused or underused real estate space, vehicles, and so on, thereby making it a prime choice for sustainable travel. AirBnB and Couchsurf - a platform that allows travellers to stay with locals with extra space - cater to this. Besides this, it also caters to the need for ecologically sustainable accommodation that is coming to be preferred over luxury accommodation and traditional hotels.

One of the purported advantages of digital platforms is their ability to gather data on a large scale. This can be leveraged in developing countries that may have difficulty accessing this kind of data through traditional means. Tourism, being an information intensive sector, can benefit greatly from large scale data collection so that emerging trends are identified and catered to making the sector more agile.

For example, big data in tourism has been used to predict tourist demand, enable better decision-making, manage knowledge flows and interaction with customers and provide better service in more efficient and effective ways.

In Sri Lanka, the Tourism Strategic Plan 2017-2020 identified a lack of data as a key challenge for the tourism sector. Thus, Sri Lanka could leverage digital platforms in the tourism sector to provide these gaps in data and further augment the tourism sector. However, this will lead to significant privacy concerns. A robust data protection framework will need to be put in place to ensure that basic human rights are protected.

Price-matching accommodation aggregating digital platforms have been established with the goal of providing a range of accommodation options, from budget to luxury homes. YohoBed in Sri Lanka has made attempts to expand its operations to include small-scale, independent establishments, and regulate and standardise their quality so as to bring more business to
them. However, the trajectory of Oyo Beds in India, which was established with more or less the same vision, shows that budget hotels have complained against the lack of clarity in the contract, high commission prices, and discounts offered by the platform that are not lucrative to them. Smaller businesses may feel obliged to stay on the platform for the visibility it offers. With a large number of consumers moving to platforms, it becomes difficult for smaller businesses with limited resources to gain visibility and business. While platforms may offer new opportunities they also risk crowding out smaller businesses.
Proposition 2: New employment opportunities will be created, but many will be in the informal sector

The tourism sector is a huge employer - employment in hotels and the hospitality sector accounts for a large proportion of formal employment in the tourism sector, especially for women. These include cleaning and housekeeping services, cooking services, as well as front-desk duties. The hospitality sector is a huge formal employer of a largely informal industry, especially in developing countries. In Sri Lanka, the hotel industry accounts for about 82 percent of employment in the tourism sector.

However, with the rise of digital platforms, it is likely that these services are either going to be done away with, or they will be delegated to informal employees and third-party service providers. Thus, there could be an increasing informalisation of work opportunities in this sector, and even a decrease in available jobs in the formal sector. For example, most workers employed in large hotels are in standard forms of employment. The shift to platforms, where workers are classified as 'contractors' or 'freelancers', will force them to work in non-standard employment, in the absence of social protection, and forced to take on increasing risks. This will happen for a range of workers - from mid-level managers to domestic workers, cleaners, cooks, and even drivers. While some segments of the tourism sector, especially those in low wage work, is largely populated by informal workers, the shift to platforms is likely to increase these numbers. In Sri Lanka, there are a large number of people (especially women) employed informally in the domestic work sector. There is likely to be a shift to more employment as informal workers, and a decrease in those formally employed in the hospitality industry.

Those in non-standard employment are more susceptible to exploitative conditions set by platforms and reports of protests by workers have increased. Workers have protested against falling wages forcing them to take on longer working hours often at the risk of their own safety. The rating system is often unfair. Low ratings put workers at risk of deactivation from the platform and they have little recourse to grievance redressal mechanisms. PickMe - the local Sri Lankan counterpart to Uber - was established with the aim of disrupting the mobility industry of the country. Although it provides a major challenge to Uber, and is also supported by the government due to it being a local platform (Uber is taxed as it is a foreign company), news reports show that PickMe drivers protest alongside Uber drivers against the unfair practices of ride-hailing for workers. Besides, constant competition leads to prices plummeting on each platform, further disadvantaging workers, forcing them to pay the price.
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The shift to platforms, where workers are classified as ‘contractors’ or ‘freelancers’, will force them to work in non-standard employment, in the absence of social protection, and forced to take on increasing risks.
Propositions 3: Distribution of technology gains will depend on access, infrastructure, and socio-cultural norms

Two major characteristics of Sri Lanka's labour market are a lack of female labour force participation and large scale youth unemployment. Globally, the tourism sector has been known to provide employment on a large scale to women and youth.\(^79\)

Women make up about 70 percent of the workforce of the tourism industry across the world.\(^80\) However, in Sri Lanka there are several barriers to women's participation in the tourism sector - which is also one of the most lucrative sectors for employment.\(^81\) While there are a large number of female graduates in the country, very few women specialise in tourism-related industries. Major barriers to their participation include the social and cultural stigma associated with working in the tourism industry, sexual harassment, discrimination in employment, and irregular working hours.\(^82\) The Sri Lanka Tourism Strategic Plan 2017-2020 also identifies the improved participation of women in the tourism sector as an important goal.\(^83\)

Digital platforms could enable the participation of women in the industry as they provide opportunities for flexible working hours, and lower barriers to entry - thus, women who have not pursued higher education in tourism may still be able to participate. Since most opportunities offered by digital platforms are self-employment opportunities, gender discrimination in recruitment is less likely to be a barrier to access to women. However, structural inequities like socio-cultural norms, unequal access to education, the digital divide in equal opportunity.

Digital platforms will also provide opportunities to youth in the tourism sector - who are currently under represented in Sri Lanka's tourism sector as well and form just 10 percent of the workforce.\(^85\) This will mitigate the problem of youth unemployment as well, as the tourism sector is highly aspirational for this section of the population.\(^86\) Several initiatives are currently underway in order to bridge the digital skills divide, especially for the youth - thus ensuring that they can take advantage of opportunities offered by digital platforms, for which basic digital skills are a prerequisite.\(^87\)

The ability for locals to take advantage of digital platforms will depend primarily on three factors - the availability of enabling infrastructure, a market for demand, and the level of digital skills among the population. In Sri Lanka, internet access is limited - the rate of penetration across the country is at 34.1 percent.\(^68\) Internet penetration in non-urban areas is significantly lower. Besides this, major regional disparities exist in digital literacy levels among the population. As of 2017, Colombo had the largest number of internet users at 28.1 percent, while the province of Nuwara Eliya had only 4.4 percent internet users.\(^89\) General trends suggest that the Northern and Central parts of Sri Lanka remain infrastructurally under
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However, to avail of other digital platforms that require individuals to set themselves up on their own (like AirBnB, Uber) will be difficult in areas with low internet penetration, and those with a lack of digital skills.
served. Thus, these regional disparities would indicate that the proliferation of platforms as well as their ability to advance economies will be regionally unequal.

Platforms like YohoBed, however, are keen to reach out to small scale and budget establishments in remote locations. It aims to bring them to higher quality levels and standardisation, and provides assistance for the same. They provide the requisite skills training and assistance to these establishments and help them set up, thus also making them visible on digital platforms and increasing their business. However, to avail of other digital platforms that require individuals to set themselves up on their own (like AirBnB, Uber) will be difficult in areas with low internet penetration, and those with a lack of digital skills - as both consumers and providers need to have digital skills to avail of platform benefits.

With youth unemployment as high as it is in Sri Lanka, it is likely that even middle to high skilled workers will turn to the platform economy for work opportunities leading to a shortage of opportunities for low skilled workers. Additionally, the platform economy offers little by way of career aspirations. Workers are expected to enter with a certain level of skill and the platform offers few opportunities to move up the ladder. In a traditional workplace, a worker would have the opportunity to learn new skills from colleagues and work their way up to higher wages and more opportunities. Platform workers, on the other hand, must depend on their own entrepreneurial skills to leverage the opportunities provided on the platform.
7. Ways forward

Policies for inclusive development of tourism platforms in Sri Lanka
The platform economy in the tourism sector and allied industries has demonstrated the potential to provide new employment opportunities, boost productivity and drive economic growth in other parts of the world. It has done so by lowering the barriers to entry, allowing more people to participate and compete with more established players in the field. While the platform economy may not be perfect as it currently exists, it is part of the longer trajectory of transformations in the world of work. The platform economy may be at its nascent stage in Sri Lanka but neighbouring countries in South Asia and South-East Asia can provide examples of the shape it may take. For example, in India which is grappling with severe underemployment and stunted job growth, the platform economy has created opportunities for work, giving respite to workers who may have otherwise remained without a source of income. Ride-hailing apps, food delivery services, home services, home-sharing platforms, and online work currently provide employment to over 15 million Indians. Sri Lankan workers in the tourism sector and the platform economy stand to benefit from learning from countries where the platform economy is at a more developed stage. The current moment is an opportune time for Sri Lanka to shape the platform economy into an opportunity for equitably labour force participation.

Regulation of platforms
Sri Lanka could do well to take examples from global cases in order to craft a regulatory framework within which platforms in the country should operate and comply with local laws. The platform economy may offer a number of opportunities for the people of Sri Lanka but unchecked growth can weaken existing institutions, and lead to the deterioration of worker rights, social protection, threats to privacy and consumer choice if unmitigated platform growth leads to monopolisation. The pushback from platform workers around the globe in recent years against poor working conditions and precarity have received significant attention. Ride-hailing drivers in the United Kingdom, South Africa, the United States, and India among others have taken platforms to court with varying results. In California, the recently passed Assembly Bill 5 (AB5) legislation was a crucial win for platform workers who must now be paid a minimum wage and provided with benefits like health insurance and paid sick days. Uber lost its license to operate in the United Kingdom in 2017 due to the what the courts termed its lack of corporate responsibility. With respect to accommodation or home-sharing platforms, pushback from residents and community members have had a number of positive results to check unmitigated growth - Amsterdam, Barcelona, Berlin and New York City have put limits on the neighbourhoods and areas where AirBnB can operate, and put in place stricter conditions for operation. These actions came after a long period of dissatisfaction among stakeholders, protests, and lengthy court cases.

Additionally, a robust data protection framework will be critical to ensure personal data is protected against misuse and cyberattacks. The data protection framework will need to address data sharing practices as well and provide guidelines for ethical data sharing and data
use. Having regulation in place at an early stage can help mitigate some of the risks of platform work to ensure a multitude of people can participate in it under fair conditions.

**Framework for platform accountability**

One way of ensuring that platforms comply is by setting standards and having a body for certification. The Fairwork Foundation, in its effort to improve conditions on the platform economy, compiles a list of platforms ranking them on 5 principles - fair contracts, fair pay, fair conditions, fair management and fair representation. Platforms all over the world have been ranked on these principles and given a score based on the company's policies and interviews with workers on the platform. The Fairwork Foundation's aim is to create a certification of digital work platforms in order to highlight best and worst practices in the platform economy. A ranking like this helps to create standards that can hold platforms accountable even if in a limited sense, aid consumer awareness, and maintain standards. A similar exercise among platform operators in the country could help establish standards for fair jobs across platforms.

**Market Regulation**

A handful platforms have become global behemoths. Backed by vast capital investments and a first mover advantage, they have started operations in Sri Lanka. They have the potential to usurp market share in the country at the expense of home-grown start-ups and innovations. Taxation laws on global platforms are unclear at best and in most cases profits remain with the companies with little contribution to local economies. National governments across the world have faced difficulty getting these global giants to comply with local laws. It is crucial that domestic start-ups are nurtured so that the market is not captured by global platforms. Market regulation, competition law, and investment in local infrastructure will play an important role in ensuring that there is a level playing field.

**Labour Protection**

Strengthening worker protections will be an especially pertinent issue as platform workers around the world face increasing precarity and little to no bargaining power. Workers who were previously working in the traditional hospitality industry may transition to non-standard forms of employment should they choose to take up platform work. National policies for social protections and benefits will need to be rethought to include this section of workers. However, such policies will have to recognise that different platforms operate differently and exert differential control over workers or ‘micro entrepreneurs’ on the platforms and expectations on platforms to provide social security benefits may have to be designed accordingly.

Workers with different levels of skill do not accrue benefits of the platform economy in the same way, with high skill workers able to leverage more benefits and in many cases higher wages. Risks posed by the platform to workers economy like deteriorating worker well-being, weakened social protections, falling wages, and growing precarity have been observed in most
countries. Emerging evidence of worker conditions on platforms may not be ideal, however, it does provide users with opportunities that were previously unavailable and access to markets that were previously inaccessible. Timely and careful policy steering will be required to ensure that gains are distributed equally.

Equitable access to digital technologies and infrastructure

Access to a platform for any worker or small business depends on access to internet connectivity and a certain level of digital skills to navigate the platform and the online space in general. The platform economy provides workers, entrepreneurs and small businesses access to markets that were previously unavailable to them. Equitable access to internet connectivity and digital tools should be ensured if access is to be inclusive and equitable. To navigate the platform economy effectively, the understanding of digital skills or digital literacy needs to be expanded to include security and privacy issues, data sharing, and financial management.
Endnotes

2. Ibid.
3. This includes employment by hotels, travel agents, airlines and other passenger transportation services.
7. Ibid.
9. Ibid.
12. Broadly, “platforms are digital infrastructures that enable two or more groups to interact.” They are intermediaries that enable the interaction of different users in order to provide services, objects, and other assets. (Nick Srnicek, “Platform Capitalism”, John Wiley & Sons, New Jersey, 2017).
17. ibid.
18. ibid.
20. Ibid.
26. Ibid.
28. Ibid
30. Ibid.
33. Ibid.
35. Ibid.
37. Ibid.
38. Ibid.
39. Ibid.
45. Ibid.
51. Ibid.
63. Ibid.
78. Ibid.
81. Ibid.
82. Ibid.
92. Ibid.
The world of work is undergoing major transformations. Complex drivers of change—technological advancements, shifting political economies, and changing patterns of consumption and production—are heralding profound changes for the way people work and live. This paper is a part of ILO’s Future of Work in Sri Lanka initiative in collaboration with Tandem Research as a knowledge partner.