

FAIRWORK AND CHILE'S GIG ECONOMY

Arturo Arriagada, PhD
School of Communications & Journalism
Universidad Adolfo Ibáñez (Chile)

Principal Investigator
Fairwork Chile

Presentation prepared for UNU Wider
September 2020

General background of the gig economy in Chile

ACCORDING TO MEDIA REPORTS THERE ARE APPROXIMATELY 15.000 APP DELIVERY WORKERS IN THE COUNTRY AND 200.000 RIDE-HAILING WORKERS (CHILE'S POPULATION 19MM).

THE ECONOMIC EFFECTS OF THE PANDEMIC IN THE COUNTRY HAS INCREASED THE NUMBER OF PEOPLE WHO BECOME PART OF THE GIG ECONOMY.

ACCORDING TO CHILE'S NATIONAL STATISTICS INSTITUTE (INE), IN THE PERIOD BETWEEN MAY TO JULY, THE UNEMPLOYMENT RATE REACHED 13%

A RECENT MEDIA ARTICLE TITLED AS "HISTORIC" THE INCREASE IN THE NUMBER OF DELIVERY WORKERS, REACHING 20% IN THE CASE OF PEDIDOS YA (FOOD DELIVERY), AND 78% IN THE CASE OF CABIFY (HAIL-RIDING).



General background of the gig economy in Chile: the users

- THE MAJORITY OF CHILEANS HAVE USED AT LEAST ONCE A YEAR DIFFERENT APPS. MOSTLY ARE RIDE-HAILING (E.G. UBER) (82,7%), MARKET PLACE PLATFORMS (54,8%), AND GROCERY SHOPPING APPS (49,5%).
- ONLY 4% OF CHILEANS DECLARE NOT USING APPS FOR LEGAL CONCERNS.
- 65% CONSIDER THE LACK OF REGULATION AS AN INCONVENIENT FOR THE PROSPERITY OF THIS MARKET.

General background of the gig economy in Chile: the workers

- DATA AVAILABLE IS MOSTLY ABOUT RIDE-HAILING WORKERS. THERE IS AN ESTIMATED OF 200.000 APP-BASED DRIVERS IN CHILE.
- THOSE WORKERS VALUE FLEXIBILITY, BUT THEIR DECLARE VERY LONG WORKING HOURS.
- 30% OF DRIVERS OPERATING MORE THAN 50 HOURS PER WEEK, AND 20% OF DRIVERS MORE THAN 12 HOURS PER DAY.

The COVID-19 experience for gig workers

- DELIVERERS ARE UNPROTECTED AND FACE AN UNUSUAL DEMAND DUE TO THE QUARANTINE AND ISOLATION THAT IS RECOMMENDED TO THE POPULATION TO AVOID CONTAGION, A LUXURY THEY CANNOT AFFORD: THEY ARE AT THE FRONTLINES YET THEIR LABOUR STILL HAS NO RECOGNITION (BONHOMME, ARRIAGADA, IBÁÑEZ 2020).
- IN CHILE, PROTESTS BY FOOD DELIVERY WORKERS DENOUNCING THE WORKING CONDITIONS THEY FACE AND DEMANDING SAFETY AND DIGNITY AT WORK HAVE ALREADY STARTED (EL MOSTRADOR 2020); AND EVERYTHING INDICATES THEY ARE GOING TO PERSIST OVER TIME AS THE ECONOMIC RECESSION DEEPENS.
- ONLY THIS YEAR, THREE STRIKES TOOK PLACE IN APRIL, JULY, AND AUGUST, LED BY FOOD DELIVERY WORKERS. THEIR DEMANDS WERE IN RELATION TO FAIR PAYMENT, CONSIDERING THAT SOME APPS (E.G. RAPPI AND PEDIDOS YA) CHANGED THEIR FEES DURING THE FIRST MONTHS OF THE PANDEMIC (MARCH-JUNE), AND FOR THE PROVISION OF PROTECTIVE EQUIPMENT (E.G. MASKS, ALCOHOL GEL).

REGULATORY FRAMEWORK AND RECENT POLICY DEVELOPMENTS

RECENT POLICY DEVELOPMENTS

THE MOST COMPREHENSIVE BILL SO FAR WAS PRESENTED IN 2019 BY TWO MEMBERS OF CONGRESS FROM THE LEFT-WING COALITION FRENTE AMPLIO.

BY CLASSIFYING PLATFORM WORKERS AS EMPLOYEES, THE BILL INTENDS TO PROVIDE THEM WITH A RANGE OF RIGHTS (E.G. WORKING TIME AND RESTS, TRANSPARENCY IN SUBJECTS SUCH AS DECISION-MAKING, DATA COLLECTION AND SCORING).

TO THIS END, THE BILL CREATES A NEW FORM OF EMPLOYMENT CONTRACT WITHIN THE LABOUR CODE, RECOGNISING THE SPECIFIC CHARACTERISTICS OF THE PLATFORM ECONOMY'S WORKING ARRANGEMENTS.

Los pagos no son justos.

Como la App tiene la sartén por el mango, decide cuánto pagar, bajando los sueldos y comisiones, eliminando incentivos y decidiendo en muchos casos qué trayectos pagar y cuáles no. Muchas veces, pese a trabajar hasta 9 horas diarias, los y las trabajadoras terminan ganando menos del mínimo.

MI JEFE ES UNA App (CY ME EXPLOTA)

CONOCE EL PROYECTO DE LEY AQUÍ

PÍDELE A TU DIPUTADO SU VOTO

DESCARGA KIT E INICIA LA CAMPAÑA EN TU PAÍS

Giorgio Jackson

Maité Orsini



OUR RESEARCH TODAY

- Workshop with workers, executives, and the team (October 2019).
- 38 interviews with workers from 7 different platforms (May 2020).
- Now we started interviewing platform executives. We have initial meetings with platform executives asking for evidence before publishing our final scores.

FINDINGS

- In general we've been interviewing full-time workers (mostly of our sample).
- In the case of drivers they are worried about inspectors that fine them for working illegally.
- In the case of shoppers and riders they are worried for the lack of protection (during COVID-19).

POTENTIAL TOPICS FOR FURTHER DEVELOPMENT

- Migrants and their activities as illegal workers and gig workers (double identity, as undocumented and illegal workers).
- The role of informal online groups to share information with peers, and the role of spaces where communication between workers take place (e.g. outside restaurants).
- Algorithms, privacy and the organization of labor.

KEY IMPACTS/FURTHER ISSUES

- Facing an economic recession we don't know how the gig economy will be affected (e.g. increasing the number of gig workers, working conditions). We need more data, ideally national data about gig workers.
- There is an opportunity to talk about the gig economy publicly. Workers protests are gaining media attention.



Thank you!