

## **Working Conditions and Work Arrangements of Workers and the Employment Relationship in Two Digital Food Delivery Labor Platforms in Metro Manila, Philippines**

**Plinky Joy B. Galera<sup>1</sup>**  
**University of New Mexico**

### **Abstract**

This study explores the nature of work, employment, working conditions, and applicability of Philippine labor laws and policies to workers, along with the attainment of decent work using identified indicators in two food delivery platforms in the industry, particularly foodpanda and GrabFood.

Primary data gathered through a survey and focused group discussions established the existence of an employment relationship between the platforms and food delivery riders and bikers upon the application of the two-tiered test. Foodpanda and GrabFood own the applications and algorithms that are used to control the manner and means by which workers conduct their work, their behavior at work, and work output through methods which include, but are not limited to an incentives system and customer rating system. Riders and bikers are labeled as independent contractors so they do not have social security and cannot exercise their right to organize and bargain collectively. Thus, GrabFood and foodpanda riders and bikers suffer from decent work deficits.

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<sup>1</sup> Ms. Galera is the HR Tech at the University of New Mexico, Department of Neurology

The findings of the study point to the need to regulate platform work in the Philippines. The core of this regulation should be a legal presumption that an employment relationship exists where one or more relevant indicators is present, as adopted in various countries that have passed laws on platform work and the proposed directive of the European Parliament and the European Council on Improving Working Conditions in Platform Work. The continued expansion of digital platform companies and increasing number of platform workers in the country underscore the urgency of this regulation.

Keywords: control, algorithmic management, foodpanda and GrabFood riders and bikers, employment relationship

## Introduction

The European Foundation for the Improvement of Living and Working Conditions (Eurofound, 2018a) defines platform work as a form of employment wherein online platforms are used by individuals or organizations to complete pre-determined tasks or supply clearly defined services in exchange for payment. The main good traded in platform work is labor. The most common types of platform work that can be delivered online or personally include transport, professional, household, and micro tasks.

The two main types of platform-based work in the digital economy are (a) *pure web-based work* (i.e. crowdwork), and (b) *physical platform-based work* (i.e. food delivery service, Uber, courier, etc.) (De Stefano, 2016). In the case of *pure web-based work* such as crowdsourcing, a specific job or work is engaged in by a designated agent and outsourced to a large group of people or workers through an open call on the internet (International Labour Organization, 2018; Howe, 2006. Durward, Blohm, and Leimeister (2016) explain that in *crowdwork* or *crowdsourcing*, a *crowdsourcer* announces the task to be done through an open call online or in IT-based crowdsourcing platforms to an undetermined population of potential contributors, who are the *crowd workers*. Because of this, interaction of clients and platform workers in pure web-based work such as crowdsourcing is

only through the internet and does not happen in person. Examples of companies engaged in crowdwork are Amazon Mechanical Turk, Crowdfunder, Crowdfunder, and Clickworker (De Stefano, 2016).

On the other hand, *physical platform-based work* reorganizes the local labor market and facilitates the provision of services to clients located in specific locations. Through the digital platform, people seeking specific services or products within their area can be connected with those who are looking to complete a job or a task within the same locality. As such, the delivery of products and services occurs physically or in person and not online. (Drahokoupil & Piasna, 2017). Examples of physical platform-based work through apps or location-based applications are food delivery services as GrabFood and foodpanda in the Philippines and other Southeast Asian nations.

Workers in the digital platform economy (DPE) are controlled through algorithmic management involving the use of a variety of data collection, surveillance, and technological tools and techniques (i.e., consumer-sourced rating systems). It replaces management discretion in factors that affect working condition such as formulation of employee schedules and evaluation of workers. Additionally, algorithmic management involves data collection and surveillance of workers, automated or semi-automated decision-making, use of rating systems and metrics, and the implementation of nudges through incentives and penalties to promote desired worker behavior (Mateescu & Nguyen, 2019).

### ***Foodpanda and GrabFood***

Foodpanda is an online food delivery marketplace with headquarters in Berlin, Germany and present in over 40 countries across five continents. Through foodpanda, consumers can discover food in their vicinity and directly place their orders online or via mobile. It was established in the Philippines in 2014 and currently has more than 1,000 partners nationwide (foodpanda, 2019). According to foodpanda, partners are riders and bikers who are engaged in food delivery work using their food delivery platform (FDP).

On the other hand, GrabFood was launched in Metro Manila on November 7, 2018 as a subsidiary of Grab, Inc. which is involved in

transportation services as GrabCar, GrabTaxi, etc. (i.e. sedan, SUV, and AUV) and delivery services through GrabExpress (Grab, 2018). GrabFood is a platform-based food delivery service that enables consumers to place orders through Grab which will then assign a delivery partner to collect and deliver the orders to their respective consumers. Through GrabFood, restaurants, local and international food businesses and concessionaires can have their products delivered to customers even if their respective companies do not have a food delivery service (Grab, 2019). Unfortunately, data on the number of GrabFood riders and bikers is not readily available due to the flexible nature of the job where riders and bikers can apply and start working easily while also being able to stop working immediately should they wish to do so. Since foodpanda and GrabFood are relatively new companies in the Philippines, easily accessible data about these can be quite hard to find. Although foodpanda and GrabFood workers can easily be observed on the road, information on the nature of their employment as well as working conditions are not discussed as much as other platform-based work concentrating on transportation such as GrabCar and its former competitor, Uber. Because of this, it is necessary to conduct a deeper study on FDP-based work. Foodpanda and GrabFood also have a considerable consumer base due to people's busy schedules and their preference for the convenience of having food delivered to their locations. The primary stakeholders of foodpanda and GrabFood are their workers, partner restaurants or food and beverage establishments, and consumers.

## **Research Questions**

This study sought to analyze the nature of work in the platform economy and discuss the working conditions of workers involved in two companies—foodpanda and GrabFood. In particular, the study aimed to answer the following questions:

1. How is on-demand platform work organized by foodpanda and GrabFood?
2. What is the role of technology in the conduct and completion of work of foodpanda and GrabFood riders and bikers?
3. What differentiates on-demand platform work from standard work?

4. How do the working conditions of foodpanda and GrabFood riders and bikers compare with the decent work pillars (i.e., employment security, labor standards and rights at work, social protection, and social dialogue)?
5. What is the nature of employment of riders and bikers in foodpanda and GrabFood in relation to the economic reality test?
6. How do foodpanda and GrabFood riders and bikers respond to the realities of their working conditions and work arrangement?
7. How do current Philippine labor laws and policies apply to and protect workers in the platform economy, particularly foodpanda and GrabFood riders and bikers?

## **Study Framework**

### **Labor Process Theory**

The Labor Process Theory has two main strands – the Marxist application of the theory and the French Regulation School.

Citing Braverman (1974) and Zimbalist (1979), Kaufman (2002) suggests that the main thesis for the labor process theory is job deskilling or the use of Taylorism as a control system. Kaufman (2002) cites Littler (1990) that the labor process theory's theoretical perspective on work is "the conversion of labor power (the potential for work) into labor under conditions which permit capital accumulation." The four principles that support this are: (1) labor process generates surplus and the role of labor and labor-capital relations are privileged in analysis; (2) capital constantly revolutionizes the production of goods and services; (3) control imperative functions as systems of management to regulate the labor process; and (4) the social relations between capital and labor in the workplace are of "structured antagonism" (Edwards, 1990 as cited in Kaufman, 2004).

On the other hand, the French Regulation of the labor process theory describes the labor process through a capitalist point of view. Hein, Dodig, and Budyldina (2014) cite Michel Aglietta (1998) who describes the dynamism and the enormous productive potential of capitalism

as a blind force that does not have inherent self-limiting mechanisms and is not guided by the capitalists' dream of perpetual accumulation. Capitalism becomes a tool to mobilize human energy and transform it into economic and social growth. In relations, Hein et al., (2014) cites Boyer (2000, 2005, 2010, 2013) that the aim of the regulation approach is to explain "the rise and subsequent crisis of modes of development" which are labelled as the "accumulation regime" and the "mode of regulation" (p.2).

On the DPE, Gandini (2018), cites Cappeli and Keller (2013), that the labor process theory can be contextualized with the rapid growth of the 'new economy' where non-standard forms of employment are becoming the trend. Citing Thompson & Smith (2009), Gandini (2018) further explains that digital-based production transforms social relations of production because work is being decentralized from one physical site and conducted within any space if communication facilities are available. Because of this, digital online platforms are where capital-labor relations are implemented on the workers because gig workers log in or use the application or website to (a) work on the consumers' and clients' needs; (b) determine the tasks they have to do, the location they have to do it, and when the task must be accomplished, (c) ascertain their compensation for their work, and, (d) receive direct or indirect control on how the work is done and how they will be evaluated for the task they accomplish and outputs they were able to submit (Gandini, 2018).

### ***Scientific Management Theory and Taylorism***

Citing Taylor (1911), deWinter, Kocurek, and Nichols (2014) claim that the main objective of Taylorism is to create a new system where tasks could be broken down and actions taken by workers can be planned out to achieve maximum productivity. In relation to this research, scientific management theory's industrial process of breaking down large tasks into smaller ones is also the trend in the platform economy. These smaller tasks are then posted on online platforms for workers to take on. However, the main difference between the traditional and the current implementation of Taylorism is that work in a platform economy does not offer security of tenure and social protection from employers and loyalty from workers (Cherry, 2016; Scholz and Liu, 2010, as cited in Berg, J. et al., 2018).

Scientific management theory, as applied to the current context of technological changes brought about by information technology and the internet, is Digital Taylorism. Citing Brown et. al (2011), Vasquez and Purificacion (2017) define Digital Taylorism as a system based on the global organization of the knowledge which subject creative and intellectual tasks to the same process as chainwork. After codifying and digitalizing these tasks, human decision-making and judgement are replaced by automatic programs with computerized decision protocols. Hence, Digital Taylorism is applied through the breakdown of work into easier tasks done by gig workers as part of the new assembly line. Work in the gig economy is then managed, optimized, and incentivized by algorithmic management schemes of digital platforms. Furthermore, work in Digital Taylorism usually involves cheap labor of educated workers who are engaged as their own bosses with flexible working conditions. Meanwhile, employers transfer entrepreneurial risk to workers and manage them with algorithms that they communicate with via smartphones. Due to the phone-based and digital nature of the job, formal collective and individual labor contracts tend to disappear along with formal employment relationship (Dosi, 2017).

### ***Strategic Choice Theory***

The Fourth Industrial Revolution is bringing about considerable changes to the world of work. Introduction of new technologies alters the nature of work from the standard to more non-standard forms of employment such as those belonging to the DPE. On the part of the employer, the DPE can be beneficial to the company because crowdsourcing enables the accomplishment of tasks while saving enormous money since the company or organization will not need to provide employment benefits to crowdworkers who are not technically part of their company. In the context of foodpanda and GrabFood, strategic choice was applied in introducing a new market and using a digital app for delivering food more conveniently and expediently than regular food delivery methods from restaurants. These digital platforms created and gained a new market share not only for the FDP industry but also for restaurants and food concessionaires that are able to reach more consumers and customers.

As raised by Kelly Outsourcing & Consulting Group (Kelly OCG, 2020), the gig economy functions as a 'free agent economy' where organizations and firms are motivated to take part because of (a) reduced labor costs, (b) supplying required skills gaps, (c) faster onboarding of gig workers as opposed to fulltime employees, (d) introduction of new talents in the organization who have varied experience brought by gig work, (e) better product development and customer relationships, and lastly, (f) improved company network and branding. Kelly OCG (2020) added that gig workers mostly choose to work and engage in the gig economy by choice. To some, engaging in the DPE can be enticing because it provides more flexibility compared to a typical 8 am to 5 pm job, and possibly more income since income is based mainly on their output: if they have more output or more tasks accomplished in a shorter amount of time, the more they will earn. Furthermore, working in the gig economy can be instrumental for them in finding and achieving personal empowerment, more career opportunities, and a reimagined relationship between their work and all other aspects of their lives.

On the part of the government, the prevalence of work in the DPE can open the country to more investment from foreign companies, such as in the case of Grab and Uber, while also providing more jobs to people in need of work thus reducing unemployment. In a way, Uber and Grab were able to bring more revenue and investment in the country even if they were penalized by the government because of the increased presence of car companies, as well as the increase in purchase of cars by Filipinos who sought to use Grab and Uber as a full time source of income, or to increase their income while working full time jobs.

### ***Conceptual Framework***

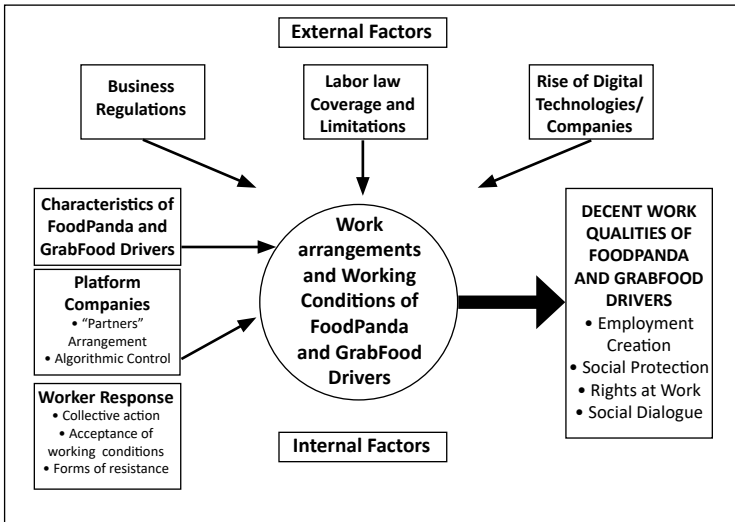
Figure 1 shows the framework of the study. To discuss work arrangements and working conditions of foodpanda and GrabFood riders and bikers, external and internal factors affecting them were first considered. These were (a) business regulations, (b) labor law coverage and limitations, and (c) the rise of digital technologies and companies. Limitations on enterprise regulations and labor laws facilitated the emergence and expansion of the digital online platform and gig economy because its market and niche were not covered by government laws and standards. Further, labor law coverage and



limitations must be analyzed since labor policies are relevant to the riders and bikers’ social protection, and work in the gig economy is non-standard in nature and relatively new. Since this industry is quite young, there are no set labor standards, jurisprudence, and policies to completely cover the needs of gig workers. The rise of digital technologies and companies must also be assessed to determine what motivated these companies into establishing businesses and entering the Philippine enterprise and labor markets.

Internal factors that affect the work arrangements and working conditions of foodpanda and GrabFood riders and bikers are: (a) characteristics of foodpanda and GrabFood riders and bikers, (b) the platform companies, and (c) worker response. To analyze the characteristics of the riders and bikers, this study considered their socio-demographic attributes and motivations. The nature of the platform companies, their policies, and the algorithmic control in managing and controlling them were also looked into.

Figure 1. Conceptual framework of the study



Considering all internal and external factors, the work arrangements and working conditions of foodpanda and GrabFood riders and bikers can then be analyzed and evaluated. These variables are used to

determine if riders and bikers have decent work or they experience decent work deficits in relation to the four pillars of decent work which are “(a) employment creation, (b) social protection, (c) rights at work, and (d) social dialogue” (ILO, 1998).

## Hypotheses

The conceptual framework is analyzed using different theoretical frameworks of the study. Labor Process Theory explains the growth of digital platform work in the context of FDPs by using technology and algorithmic control as a means of strengthening the accumulation regime and the capital accumulation of platform companies. Furthermore, this theory explains the use of algorithms and algorithmic management in the intensification of control towards FDP workers.

In support of the Labor Process Theory, the Scientific Management Theory and Digital Taylorism explain how digital platform workers, particularly in food delivery, are deskilled as riders and bikers through an outsourcing process where they would deliver food orders, compared to how restaurants would have their own delivery personnel in the past. As such, food delivery becomes fragmented from restaurant operation to achieve efficiency.

In relation to the Strategic Choice Theory, the deregulationist stance taken by the government in the economy and the labor market, manifestly expressed in its open-door policy towards foreign investment with minimum rules, encouraged FDP companies to set up digital businesses freely. Critical in the operations of these businesses is the investors’ ability to organize and manage work processes flexibly and freely, using algorithmic control measures with limited government regulations and labor rules, including possible union intervention. Workers choose to be part of the foregoing digital work arrangements because of higher income possibilities and more flexible working conditions.

This study postulates the following hypotheses:

**Hypothesis 1:** There is a relationship between work arrangements of foodpanda and GrabFood riders and bikers and the state of their working conditions.

**Hypothesis 2:** Technology (i.e., mobile applications, digital online platforms, social media, and the internet) affects the conduct and completion of work of foodpanda and GrabFood riders and bikers.

**Hypothesis 3:** The state of government regulations concerning platform enterprises and the extent of coverage of labor laws have influenced the working conditions of platform workers.

**Hypothesis 4:** There are elements of control by the platform company (i.e., foodpanda and GrabFood) over their riders and bikers, suggesting the existence of an employment relationship.

## **Methodology**

### ***Research Design and Sources of Data***

Given the nature of the questions the study sought to answer, a mixed research method was adopted where both quantitative and qualitative data were collected. According to Wisdom and Cresswell (2016), mixed research method involves the “systematic integration or ‘mixing’ of quantitative and qualitative data within a single investigation or sustained program of inquiry” with the basic premise that it will provide more comprehensive and complete data than if separate quantitative and qualitative data collection methods and analyses are employed. Advantages of mixed research method include opportunities to compare and/or validate quantitative and qualitative data, methodological flexibility, and the creation of a rich and comprehensive database.

The study was conducted in Metro Manila, Philippines in year/s. Primary data was collected through in-person surveys and FDGs with foodpanda and GrabFood riders and bikers. The study gathered 54 respondents composed of 16 riders and bikers from foodpanda, 35 from GrabFood, and three riders who were simultaneously foodpanda and GrabFood riders. Additionally, an FDG with foodpanda riders and

bikers who took part in the November 2021 Unity Ride, and the key informant interview with an officer and leader of KAGULONG were conducted online as COVID-19 limited in-person data gathering. The primary data was substantiated by secondary data from published/unpublished studies by various individuals and organizations obtained from libraries and the internet. Convergences and differences from the primary and the secondary data were used to help shape the framework and the discussion of the study.

## **Research Findings**

### **I. Working Conditions**

#### **A. Work Schedule**

On average, foodpanda riders and bikers work seven to nine hours a day and five to six days a week. In the case of GrabFood, riders and bikers work around nine to 12 hours a day and five to six days a week. On the other hand, 81.3% of foodpanda riders and bikers disclosed that they personally determined their work schedules. Additionally, 91.7% of GrabFood and 66.7% of riders and bikers working for both foodpanda and GrabFood stated that they also determined their work schedules (hours worked per day and days worked per week). Because of this, it can be said that majority of foodpanda and GrabFood riders and bikers generally select and personally determine their working schedule.

GrabFood respondents could start and stop working at their own volition or decision since they are not assigned any set schedule and location. This also means that they can work anywhere in Metro Manila if they have their (a) capital, (b) food delivery vehicle, and (c) GrabFood gears.

Conversely, foodpanda riders and bikers pre-select their schedules for an entire week. Should they be unavailable on their selected schedule, they can “swap” schedules with fellow foodpanda riders and bikers or else they would be tagged as “no show” and penalized. A rider/biker tagged as “no show” will receive a warning and their foodpanda “batch” downgraded (Batch 1 is the highest and Batch 6 is the lowest).

Belonging in a lower batch would mean lower income and incentives, and less priority for selecting work schedules.

## **B. Work Equipment and Materials**

### ***1. Food Delivery Vehicle.***

All the respondents personally own the vehicles they use for food delivery. All GrabFood respondents use a motorcycle whereas 56.3% of respondents from foodpanda use a bicycle or a bike. On the other hand, 33.3% and 66.7% of respondents working in both foodpanda and GrabFood use a motorcycle and bike respectively.

On the average, riders using motorcycles for food delivery work spend ₱259.22 on gas per day out of their pocket. GrabFood and foodpanda riders spend an average of ₱1,183.70 per month for the maintenance of their vehicles. However, some foodpanda riders indicated that they have been regularized and that foodpanda regularized some of its riders who have been working with them since the company opened in the Philippines in June 2014. Unfortunately, there is no available data on how many foodpanda riders were regularized apart from the information from a very small number of riders.

### ***2. Mobile Phone and Data.***

Survey results showed that 98.1% of foodpanda and GrabFood riders personally own the mobile phones they use for food delivery work. Only one rider regularized by foodpanda stated that his phone was provided by the company. Likewise, all the GrabFood riders and bikers who were interviewed stated that they personally pay for their mobile data.

Conversely, only two foodpanda “regular” riders or 3.7% of the total respondents stated that they were provided a minimal amount for mobile data while the rest of foodpanda riders and bikers claimed that they must personally pay for the mobile data they use for delivery work.

## **C. Income in FDP Work**

Foodpanda and GrabFood riders and bikers typically receive ₱15,001 to ₱20,000 as gross monthly compensation. However, this computation

does not include the tips they receive from customers. During the FDGs, the respondents said they typically receive ₱100.00 per day as tips. The biggest tip one received amounted to ₱500.00 for an order. Since most foodpanda and GrabFood riders and bikers received lower income in their previous employments for various reasons (e.g., bureaucracy, lack of tertiary education, etc.), working as food delivery riders and bikers offered them greater financial benefits as they receive income not only from the FDP but also from clients who give them tips.

In the case of foodpanda, Batch 1) receives the highest payment for each delivery and the highest priority in choosing shifts while the lowest, Batch 6 receives the lowest payment for each delivery and the lowest priority in selecting shifts. When starting out, a rider/biker starts at Batch 6 and can slowly work their way up to the higher batches. Respondents from the FDG stated that working full-time for foodpanda is usually required to reach Batch 1. In the case of GrabFood riders, they are paid per trip depending on the delivery, commission, and kilometrage of the delivery location. For each trip, GrabFood riders and bikers receive “gems” which are used as basis for the computation of their incentives. When they reach a certain number of gems, they are given monetary incentives. The required number of gems for incentives changes every week when GrabFood updates.

#### **D. Occupational Safety and Health**

The nature of work in the FDP economy exposes riders and bikers to numerous risks associated with being on the road. According to the survey and FDG with foodpanda and GrabFood riders, the biggest risk is their prolonged exposure to adverse weather conditions such as heat and rain, which can cause them to get sick. They said they cannot get sick since their bodies and good physical health are their main capital. Furthermore, they will not get paid on days they rest from work due to sickness. Being sick will only cause them to spend money on medicine and hospitalization since they generally do not receive medical benefits from the company. In the case of foodpanda riders and bikers, they can get tagged as “no show” on days they do not work due to illness which can cause a downgrade of their batch grouping and a decline in future income. As for GrabFood riders, they will not be able to get income from incentives and trips during the days they are sick.

## **II. Use of Technology in the Conduct of Work**

### ***A. Use of FDP***

Work in the DPE goes together with technology. Without the internet and the technological innovations that brought about smart phones, work in GrabFood and foodpanda would not be possible. Because of this, mobile applications are not only necessary in the conduct of work but are also pivotal in making the work easier and faster to complete. Sixty-six percent of the respondents indicated that they “Agree” that the FDPs of foodpanda and GrabFood are user-friendly and easy to use while 32.1% stated they “Strongly Agree” and “Agree” with the statement.

At the FDG, foodpanda respondents stated the company application has never crashed or caused them issues at work, apart from the expected lack of signal when entering certain areas (e.g. elevator, basement of the building, etc.). However, GrabFood respondents raised some issues regarding the application. One is that riders and bikers struggle to keep up with the application because its policies, including incentive schemes, change on a weekly basis. Another concern is the Grab app’s frequent crashes which causes them inconvenience. When the Grab app crashes, they are oftentimes required to restart their phones.

### ***B. Use of Navigation App***

The biggest number (38.9%) of respondents replied that they use the app Waze for navigation whereas 35.2% use Google Maps and the rest use both. The Waze app is usually preferred by motorcycle riders since its maps are always updated.

On the other hand, bikers prefer Google maps because it includes biking and walking options. It also shows bikers shortcuts and pedestrian locations they can take instead of the main road. Bikers have the option to carry their bikes when crossing pedestrian bridges and walking on sidewalks. On a related note, riders and bikers from the FDG confirmed that they are happy with the fact that they can use either GrabFood and/or Waze to reach restaurants and customers. According to them, phone navigation is much more convenient compared to the time when

people had to use physical maps to find locations. When Waze crashes, they also have the choice to use Google maps and vice-versa.

### ***C. Level of Ease in Using FDPs to Contact Clients***

Results of the survey showed that 71.7% of riders and bikers “Agree” that the FDP application is easy to use when contacting customers. As per the FDG with foodpanda riders and bikers, this is especially true because customers still receive notifications from the riders/bikers even if the application is running in the background. To be safe, they still purchase prepaid load for calls and texts in instances when they are unable to contact the customers via foodpanda chat.

On the other hand, GrabFood riders and bikers claimed they are unable to chat with and contact customers when the Grab application is running in the background. Because of this, they are often required to call or text their customers. Thus, they are required to have prepaid load for regular calls and text just to reach their customers.

## **III. Worker Response**

### ***Personal Responses to Working Conditions***

According to the survey, respondents are generally happy working as food delivery riders and bikers because of the higher income compared to previous their previous jobs. Other sources of happiness stem from enjoying food delivery work, providing service and helping other people, being able to spend more time with family, being their own bosses, meeting different people and exploring different places.

On the other hand, some foodpanda and GrabFood riders and bikers feel unhappy at work due to fluctuating or unstable income, exposure to adverse weather conditions, exhaustion, not having time for loved ones in order to hit targets for incentives, low market activity (*matumal*), and fake/bogus bookings. In relation to this, riders and bikers feel ambiguity towards foodpanda and GrabFood since they have no job security, and they are not provided with any social security benefits.



### ***Collective Organization and Collective Action***

Survey results showed that 96.3% of foodpanda and GrabFood workers have a group. Methods of communication in the digital platform industry include social media (e.g., Facebook, Instagram, YouTube), chatting apps (Facebook Messenger, WhatsApp, Telegram, Viber, etc.), group texts and calls. Approximately 66.7% of riders and bikers use group chats with their friends in foodpanda/GrabFood to discuss their working conditions. Simultaneously, 67.7% of respondents use social media to communicate and discuss working conditions with fellow riders and bikers. This may suggest that riders and bikers are organizing themselves into virtual informal groups or online communities, albeit loosely, with the primary objective of airing out their concerns and discussing their working conditions.

### ***The Foodpanda Protest and Motorcade***

To further pursue their worker voice, the foodpanda Unity Ride was held on November 28, 2020. An FDG was held on March 31, 2021 with leaders of the foodpanda Riders Association (FRA).

Leaders of the FRA indicated that majority of foodpanda riders and bikers' motivations and expectations in being a 'Ka-Panda' was to earn higher income, to increase provisions for the family as a breadwinner, and have an alternative source of income during the COVID-19 pandemic due to the absence of their regular livelihood. During the enhanced community quarantine, foodpanda riders and bikers had higher income as the fixed payment then was ₱70.00 per ride. However, the payment went down to as low as to ₱39 when COVID-19 restrictions were relaxed. Foodpanda riders and bikers indicated that the payment has been consistently going down and incentive schemes are constantly changing and decreasing in value. Foodpanda also treated riders and bikers well at the beginning of the pandemic, but such treatment changed and worsened progressively over time. They also claimed that they are not entitled to government benefits such as SSS, PhilHealth, and PAG-IBIG as foodpanda treats them not as employees, but as freelancers and independent contractors.

Riders and bikers felt that foodpanda's company policies and processes are unjust and do not contribute to better working conditions. Workers

expressed that they do not have decent work as they feel they have no voice in the company, no job security no career and personal growth, no social protection, no work-life balance as they work extremely long hours for six or six-and-a-half days a week, they are not treated equally, and their income is barely enough to cover their needs since foodpanda reduced the delivery fees and incentives.

For these reasons, the FRA decided to hold a unity ride on November 28, 2020 to express their frustrations and struggles with the government. Association members were able to share their issues with the Department of Labor and Employment (DOLE) where they filed a labor case against foodpanda regarding reduced income and that they should be considered as regular employees.

The FRA was established as the formal voice of foodpanda food delivery riders and bikers, but they are struggling to gain formal recognition as they do not have financial resources to pay for their formal registration. The FRA plans to continue organizing and meeting, and establish a formal labor organization.

### **Kapatiran sa Dalawang Gulong - KAGULONG**

On February 24, 2022, a key informant interview was conducted with the Secretary General of Kapatiran sa Dalawang Gulong (KAGULONG) to determine the organization's advocacy for motorcycle gig workers. KAGULONG was conceived and established by motorcycle riders on August 2, 2020 with *Partido Manggagawa* providing organizational guidance and capacity building. The organization came out to the public because of the riders' outcry against the policy of imposing barriers for motorcycle taxi platform services (particularly Angkas). KAGULONG currently has 400 members from Metro Manila (Rizal, Marikina, Pasig, Mandaluyong, Parañaque) and Olongapo, Zambales, Bulacan, Bataan, Cavite, Cebu, North Cotobato and Bukidnon. At least half of its membership work in digital labor platforms such as foodpanda, Lalamove, GrabFood, and Angkas.

KAGULONG joined the National Employment Recovery Summit conducted by the DOLE in April 2021. Because of KAGULONG's involvement and representation, DOLE committed to form a technical working group to investigate and evaluate the working conditions of

gig riders. Based on this investigation, DOLE committed to release a Department Order to set labor standards for delivery riders and a plan of action for gig riders.

In relation to the Motorcycle-for-Hire Act or House Bill 10571, KAGULONG advocated to allow multi-platforms wherein riders can use more than one digital platform as opposed to the Land Transportation Franchising and Regulatory Board's proposal to have gig riders use only one platform and have gig riders go to LTFRB to register to the digital platform.

KAGULONG plans to continue advocating and organizing for better working conditions of gig riders (i.e., Motorcycle for Hire Act, and discussions with DOLE). KAGULONG likewise seeks to form the parallel organization GRAPH – Gig Riders Alliance of the Philippines – to advocate for the needs of digital platform motorcycle riders.

#### **IV. Decent Work of foodpanda and GrabFood Riders and Bikers**

##### ***First Pillar - Employment Creation***

The International Labour Organization (2013) indicates that productive work is integral in the attainment of decent work. According to the survey, a 98.2% of GrabFood and foodpanda respondents “Agree” and “Strongly Agree” that their job is productive. This is because foodpanda and GrabFood riders and bikers contribute to society by providing food delivery service to Filipinos while also increasing the revenue of their partner vendors and merchants.

Majority of foodpanda and GrabFood riders and bikers believe that they achieve career and personal growth. According to them, foodpanda and GrabFood help them invest in themselves and their families and achieve their dreams in life (i.e., having a vehicle, home renovations, etc.). Furthermore, foodpanda and GrabFood provided them with an opportunity to leave their previous employment where they could not be promoted and they could not achieve higher wages for various reasons (i.e., bureaucracy, lack of tertiary education, etc.). Riders and bikers also indicated that they experience more personal

growth because they get to meet new people and they are exposed to other places such as high-end hotels and restaurants.

According to the Declaration of Philadelphia (1944), as cited by ILO (2013, p. 65), there should be “a just share of the fruits of progress to all, and a minimum living wage to all employed and in need of such protection.” Survey results showed that 96.3% of the respondents believed they receive fair income for the work they do. Related to this, 94.4% indicated that their income from FDP work is sufficient for personal and family needs. Results of the FDG also indicated that their income is higher than the minimum wage in Metro Manila and higher compared to their previous employment. However, the higher earnings are due to fact that majority of food delivery riders and bikers work more than eight hours a day at six days a week or more, as quantitative data in the study support that those who work longer hours and more days in a week receive more incentives than those who work less. However, GrabFood riders and bikers claimed they work less, work a shorter time compared to their previous work, and all hours they worked were compensated. Although this is what GrabFood riders and bikers claim, they did express they still spend a considerable amount of time in a high traffic areas close to restaurants and food and beverage places. It should be noted that the waiting time between deliveries is not compensated by the FDP companies, even if GrabFood and foodpanda riders and bikers indicated that they feel their hours are paid more and they receive payment for all their work hours.

Given the results of the FDG and the survey, it can be inferred that foodpanda and Grab meet the decent work standards on employment creation.

### ***Second Pillar – Social Security***

According to the International Labour Organization (ILO, 2020), social security in decent work “covers all measures that provide benefits, whether in cash or in kind, to secure protection, from (a) lack of work-related income (or insufficient income) caused by sickness, disability, maternity, employment injury, unemployment, old age, or death of a family member; (b) lack of access or unaffordable access to health care; (c) insufficient family support, particularly for children

and adult dependents; (d) general poverty and social exclusion”. However, foodpanda and GrabFood do not offer any form of social security benefits or insurance to the majority of their riders and bikers working as independent contractors (“Partners” arrangement of Grab) or freelancers (as labelled by foodpanda). In this regard, foodpanda and GrabFood both fail the social security indicator of decent work.

### **Social Security and Protection.**

**Government-Mandated Benefits.** In terms of social protection, 71.7% of the respondents indicated that they have SSS, PhilHEALTH and PAG-IBIG accounts. This percentage only indicates that the food delivery riders and bikers have the accounts, and does not necessarily mean their accounts are being paid regularly and are active. On the other hand, 17% of the respondents indicated that they have no SSS, PhilHEALTH, and PAG-IBIG accounts. Even if majority of the respondents have SSS, PhilHEALTH, and PAG-IBIG accounts, 32.1% either have no active SSS accounts (i.e., riders and bikers who have SSS accounts but do not contribute regularly) or do not own an SSS account, or do not know how to pay for an SSS account. On the other hand, 39.5% of respondents have no active PhilHEALTH account, do not own a PhilHEALTH account or do not know how to pay their PhilHEALTH account. Lastly, 43.4% of foodpanda and GrabFood riders and bikers either have no active PAG-IBIG, do not own a PAG-IBIG account or do not know how pay for a PAG-IBIG account. Riders and bikers who have active government-mandated benefits personally pay for their own SSS, PhilHEALTH, and PAG-IBIG (Refer to Appendices 21, 22 and 23 for respondents’ frequency of payment of SSS, PhilHEALTH, and PAG-IBIG) as foodpanda and GrabFood do not pay for the employer counterpart of government-mandated benefits. For foodpanda riders and bikers, 73.33 percent have active SSS accounts, 66.67 percent have active PhilHEALTH accounts, and 73.33 percent have active PAG-IBIG accounts. For GrabFood riders and bikers, 65.75 percent have active SSS accounts, 57.14 percent have active PhilHEALTH accounts, and 48.57 percent have active PAG-IBIG accounts. For riders and bikers engaged in both GrabFood and foodpanda, 66.67 have active SSS accounts, 66.67 have active PhilHEALTH accounts, and 66.67 have active PAG-IBIG accounts.

Majority of the respondents (79.6%) indicated that foodpanda and GrabFood have no employer counterpart for SSS, PhilHEALTH, and PAG-IBIG. In the case of GrabFood, Grab calls its riders and bikers “partners” and not employees. In the case of foodpanda, riders and bikers are called as “Ka-Panda” or freelancers. These labels from the FDPs show that riders and bikers are not treated as employees. More importantly, they are treated either as independent contractors or freelance workers which is accurate based on the tests on employment relationship. Since the riders and bikers are labeled independent contractors, foodpanda and Grab are not compelled by law to have an employer counterpart for SSS, PhilHEALTH, and PAG-IBIG. However, regularized foodpanda riders and bikers indicated that the company has an employer counterpart for government mandated benefits.

Riders and bikers who do not have active government-based social security benefits indicated that they do not contribute to SSS, PhilHEALTH and PAG-IBIG because paying for these will reduce their take-home pay. Foodpanda and GrabFood riders and bikers entered gig work knowing that they will not have a regular employment relationship with the FDP company. However, they wish for foodpanda and Grab to have an employer counterpart for SSS, PhilHEALTH and PAG-IBIG because they bring considerable income to the platform companies while bearing the brunt of risks and hazards associated with food delivery work (i.e., exposure to adverse weather conditions, vehicular accidents, etc.). During the FDG, respondents indicated they were “blinded” by higher income offered by foodpanda and GrabFood causing them to accept the arrangement where they will not be employees and they will not be granted any government mandated benefits.

**Insurance.** In terms of other benefits or insurance, neither GrabFood nor foodpanda offers free insurance to its riders and bikers. However, the FDPs suggest riders and bikers apply and personally pay for life, vehicle and/or accident insurance from third party companies such as Cebuana Lhuillier Insurance for life and accident insurance or Third-Party Liability for vehicular insurance.

### ***Third Pillar- Fundamental Rights and Principles at Work***

According to the International Labour Organization (2020), fundamental rights and principles at work are “(a) freedom of

association and the right to collective bargaining; (b) the elimination of forced and compulsory labour; (c) the elimination of discrimination in the workplace; and (d) the abolition of child labour.” Since food delivery work in foodpanda and GrabFood are based on the desire of riders and bikers, these companies pass the indicator on the “elimination of forced and compulsory labour.” On a related note, the FDP companies do not accept minors so they also pass the indicator on the abolition of child labour.

According to the *Decent Work Indicators Guidelines for Producers and Users of Statistical and Legal Framework Indicators* (ILO, 2013), decent work time arrangements are an integral part of decent work. A person’s work should not only provide him with enough income for his personal and family needs, but it should also enable him to spend enough time with family and have work-life balance. In relation to this, 96.7% of the respondents indicated that they have work-life balance while working as food delivery riders and bikers. These results are also consistent with the results in the FDG where most respondents indicated that working in foodpanda and GrabFood provided them with flexible work arrangements and working hours so they can spend more time with their families. However, they raised that getting addicted to delivery work and higher income can also become a hindrance to achieving work-life balance.

Results of the survey and FDG show that majority of respondents (68.8%) experienced discrimination working as foodpanda food delivery riders and bikers mainly from guards of buildings (i.e., residential, office, etc.) where they deliver food and beverages to their customers. According to the FDG, foodpanda and GrabFood riders and bikers indicated that sometimes, they are not allowed to enter the hotel or restaurant lobbies and they are asked to wait outside instead. They have mixed experiences with restaurants because some offer them drinks whereas others do not even allow them to enter and ask them to wait outside. On the other hand, most customers generally treat them with respect but there are also some who belittle them.

Survey results showed that riders and bikers are equally divided in terms of their perception on whether they have job security in GrabFood and foodpanda. Results of the FDG, however, show that riders and bikers believe that they have no job security given the lack of employer-

employee relationship between them and the company. Furthermore, they also asserted that working as riders and bikers is not sustainable in the long run. They also opined that, even if they want job security, they are blinded by the higher income offered by the FDP company. Based on the standards on job security and non-discrimination, GrabFood and foodpanda fail to ensure that their riders and bikers achieve their fundamental rights and principles at work.

#### ***Fourth Pillar – Social Dialogue***

Results of the survey show that majority (70.4%) of riders and bikers feel that they have a worker voice with foodpanda and Grab since they can raise concerns to the companies using their respective platforms and other digital forms of communication such as email, chat box, mobile calls, and in-app calls. In the case of foodpanda, they raise their concerns (i.e., road accidents, cancelled orders) to their respective dispatchers through the “chat” function of the foodpanda application. In the case of Grab, they can raise their concerns through email or a phone call to Grab on specific concerns like disputing a complaint against them or inquiring about changes in the gem system. Nonetheless, riders and bikers generally exercise their voice with FDP companies only on an individual basis and not as organized group/s of workers. The survey also showed that workers say that they have a voice since they can raise and discuss their concerns with their fellow food delivery riders and bikers. However, results of the FDG show that GrabFood riders and bikers unanimously feel that they do not have a worker voice and Grab does not listen to their concerns. For foodpanda, results of the FDG showed that riders and bikers feel they have worker voice since foodpanda listens and is responsive to their complaints and work-related concerns. When bikers and riders have concerns and/or complaints, area managers issue reports and thereafter take care of these concerns. Even though food delivery riders and bikers can share their concerns with the companies through email, call, and other applications, this does not necessarily mean that their concerns are addressed since the same issues still persist.

Riders and bikers generally raise and discuss work-related issues and problems through online platforms such as social media or group chats. In terms of social dialogue, the respondents stated that they cannot bargain equally with FDP companies since they do not have



a formal workers' organization. They want to have a formal workers' organization so that they will have a leader who will organize and unite them in bargaining and aiming for better working conditions. Furthermore, they want to have a formal workers' organization so they can compel foodpanda and GrabFood to listen to them and provide them with coverage in SSS, PhilHEALTH, and PAG-IBIG. However, the biggest impediment to having a worker organization is the fact that they do not know how to organize, and no one is taking the initiative to organize and unite them. Furthermore, efforts for social dialogue and collective action among the riders and bikers can be thwarted by their negative perceptions about labor unions. From these findings, it can be said that the social dialogue indicator is not met in the conduct of FDP work in foodpanda and GrabFood.

## **V. Nature of Work and Work Arrangement**

### ***A. Supervision***

According to food delivery riders and bikers, foodpanda and GrabFood mainly supervise and monitor their work based on customer feedback. Receiving positive customer feedback would result in higher incentives. On the other hand, they said foodpanda and GrabFood also track their location using the GPS of their mobile phones. This is beneficial for them because foodpanda and GrabFood would sometimes call them to ask about their situation, especially when there is an accident identified in their current location.

### ***B. Penalties and Disincentives***

**1. Negative customer feedback.** Majority (72.2%) of the respondents indicated that foodpanda and Grab issue them penalties and disincentives for negative customer feedback. These penalties include warnings, suspension, income deduction, withholding of incentives, and in worst cases, banning from the app and termination. Food delivery riders and bikers indicated that they are always compelled to maintain a "five star" or perfect customer feedback so that they can maintain the higher status that gives them better pay. To elude disciplinary action, riders and bikers do their

best to avoid any negative customer feedback, even at their own expense, since this can mean reduced payment, or even suspension.

- 2. Refusal to take order.** Most respondents (85.2%) claimed that foodpanda and GrabFood issue penalties and disincentives for refusing to take orders. For GrabFood, these penalties include warnings, suspension, income deduction, withholding of incentives, and in worst cases, banning from the app and termination. In the case of foodpanda, riders and bikers are issued forced breaks when they are not able to respond to the dispatchers and accept orders. Furthermore, they will be tagged as “no show” when they refuse to take on orders which will result in lower batches and less earning.

### ***C. Tests of Employment Relationship***

Algorithmic management can be observed at foodpanda because the FDP has strong control on the way work is conducted even if riders and bikers select their work schedules. Control is implemented by penalizing respondents who are tagged as no show, who fail to respond to the dispatchers while on duty, and who fail to remit cash-on-delivery payments. Furthermore, foodpanda nudges and influences riders and bikers into its desired behavior when those who “behave” the best (i.e., never tagged as no show, being responsive to foodpanda, not having negative reviews) are classified as batch 1 and receive the highest pay and have the highest priority for the selection of work shifts. Lastly, foodpanda exhibits its power by dismissing riders and bikers who continue to exhibit negative behavior such as being absent on their shifts, receiving negative reviews, and the like.

GrabFood’s implementation of algorithmic management is through penalties when riders and bikers receive negative customer feedback and refuse to take orders. These penalties show that the company has control on the manner riders and bikers to conduct their work. Furthermore, use of “nudges” through earning of gems for incentives shows that they directly influence not only work that riders and bikers do but also the number of days they work in a week and the number of hours they work in a day. The company also has the power to dismiss and ban GrabFood riders and bikers who consistently receive negative reviews from customers.

Table 1. Application of the Two-Tiered Test to Foodpanda and GrabFood riders and bikers

Indicators	Food Delivery Platform	
	Foodpanda	GrabFood
<b>Economic Reality</b>	<p><b>Applies</b></p> <p><b>1. An Integral part in the business - Applies</b></p> <p><b>2. Relatively investment to the business</b> -Applies because riders and bikers are in the business for themselves since they were the ones who invested on the mobile phones, food delivery vehicle and gears.</p> <p><b>3. Worker’s opportunity for profit and loss</b> -Applies because foodpanda determines the rates per delivery of order and commission per delivery. Foodpanda also gives better schedule and compensation for riders and bikers who select to work longer hours more days of the week</p> <p><b>4. Permanency and duration of the relationship between the worker and the employer</b> -Loosely applies because the riders and bikers are engaged to work indefinitely by foodpanda but they also have the option not to take any shifts or stop should they wish to.</p> <p><b>5. Degree of dependency of the worker upon the employer for his continued employment in that line of business</b> It is more likely that foodpanda riders and bikers are dependent on the platform for their continued work. Although there are other competitors and foodpanda riders and bikers can work simultaneously as GrabFood riders and bikers, there is some degree of dependency on the platform company for continued work as the company determines how riders and bikers will be rated. This rating system determines a rider’s continuing use of the app. A low rating or negative feedback from customers, and the absence of an appeal process, may result in suspension or blocking from using the app. Moreover, most riders/bikers are engaged in one platform company.</p>	<p><b>Applies</b></p> <p><b>1. An Integral part in the business - Applies</b></p> <p><b>2. Relatively investment to the business</b> -Applies because riders and bikers are in the business for themselves since they were the ones who invested on the mobile phones, food delivery vehicle and gears.</p> <p><b>3. Worker’s opportunity for profit and loss</b> -Applies because GrabFood determines the rates per delivery of order and commission rates per given number of gems gained by riders and bikers for completion of delivery orders. Riders and bikers who work longer hours more days of the weeks gain more gems and thus, gain more income.</p> <p><b>4. Permanency and duration of the relationship between the worker and the employer</b> -Loosely applies because the riders and bikers are engaged to work indefinitely by Grab but they also have the option to stop should they wish to.</p> <p><b>5. Degree of dependency of the worker upon the employer for his continued employment in that line of business</b> It is more likely that GrabFood riders/ bikers are dependent on the platform for their continued work. Although there are other competitors and GrabFood riders and bikers can work simultaneously as foodpanda riders and bikers, there is some degree of dependency of riders and bikers on the platform company for their work to continue as it is the platform company that determines how riders and bikers will be rated. This rating system determines a rider’s continuing use of the app. A low rating or negative feedback from customers, and the absence of an appeal process, may result in suspension or blocking from using the app. Moreover, most riders/bikers are engaged in one platform company.</p>

<b>Controlling manner and means of conducting work</b>	<b>Applies</b> -Requiring foodpanda riders and bikers to wear uniform -Issuing of forced breaks -Suspension of riders and bikers who receive complaints and negative reviews -Lowering of batches of riders and bikers who are tagged as “no show”	<b>Applies</b> -Requiring GrabFood riders and bikers to wear uniform and use GrabFood gears -Suspension of riders and bikers who receive complaints and negative reviews -Revoking the issuance of gems to riders and bikers who receive negative reviews and fail to complete delivery
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Results presented in Table 1 indicate the existence of an employment relationship as GrabFood and foodpanda use different mechanisms to control how food delivery riders and bikers conduct their work. Furthermore, GrabFood and foodpanda display control over the schedule of food delivery riders and bikers since they give incentives to those who consistently take on more hours. Control can also be observed in how foodpanda and GrabFood possess unilateral control over the pricing of the work performed (i.e., price for the delivery service and the commission per delivery order), compensation (i.e., net pay per order, incentives), performance, discipline, and the voice of riders and bikers.

Another notable issue raised in this study is how foodpanda regularized the earliest food delivery riders who joined in 2014 when it was just starting in the Philippines. These riders have been afforded benefits that come with regular employment. The regularization shows that foodpanda does recognize its employment relationship with food delivery riders. According to one of the regularized riders, foodpanda stopped regularizing after it became a “big company” and an established business in the Philippines. The rider did not give a period when or a reason why foodpanda stopped regularizing riders and just stated that he was regularized, and the others were not. Foodpanda chose to provide regularization arbitrarily and without proper consideration to the law and the riders and bikers. Because of this, foodpanda’s action shows that the company can and should be able to regularize its workers. Its claim that foodpanda riders and bikers are independent contractors are contrary to their previous action and set precedence.

## Conclusions

This study sought to differentiate on-demand platform work from standard work by determining the role of technology in the conduct of work of foodpanda and GrabFood riders and bikers, how FDP workers organize, their working conditions, work arrangements, the nature of their employment, and how Philippine labor laws and policies apply to workers in the industry.

Key findings in the study show that food delivery riders and bikers engage in the platform economy to support their families and financial needs. There is a strong relationship on how foodpanda and GrabFood riders and bikers conduct their work and the work arrangements dictated by FDP companies. The platforms determine their compensations based on different ranking methods, their previous performance, and customer reviews received through algorithmic control. Because work arrangements are determined predominantly by foodpanda and GrabFood, the state of their working conditions proves to be precarious as they receive no social protection, hardly any insurance, and no social benefits. Therefore, these findings affirm the hypothesis that there is a relationship between the work arrangement of foodpanda and GrabFood and their riders and bikers and the state of their working conditions.

Results of the study showed that work arrangements of foodpanda and GrabFood riders and bikers directly affect the state of their working conditions. As a component of work arrangements, the lack of an employment relationship between the FDPs and their riders and bikers directly affects their working conditions. In relation to the hypothesis *“There is a relationship between work arrangements of foodpanda and GrabFood riders and bikers and the state of their working conditions,”* it can be concluded that decent work deficits are present in FDP work, and foodpanda and GrabFood riders and bikers neither experience nor possess decent work. Foodpanda and GrabFood riders and bikers have precarious working conditions and work arrangements as on-demand platform workers who are treated by FDPs as independent contractors and are not afforded any benefits or social protection, compared to standard workers who have a traditional employment relationship and are thoroughly protected by law. In relation to the Strategic Choice Theory, digital platform businesses in the Philippines

such as foodpanda and GrabFood are incentivized to engage in online food delivery business not only because of the high demand in the country but also because of the lack of government regulations dealing with digital platforms. This makes business operations cheaper for these companies. These findings affirm the hypothesis that, *“The state of government regulations concerning the platform enterprises and the extent of coverage of labor laws of platform workers have influenced the working conditions of platform workers.”*

Even if the *First Pillar: Employment Creation* is achieved satisfactorily, foodpanda and GrabFood still failed the three pillars of decent work namely *Social Security, Fundamental Rights and Principles at Work, and Social Dialogue*. Decent work is compromised in lieu of higher income and flexible working conditions. This shows that the labor of food delivery riders and bikers are commodified and exploited. Moreover, decent work is even harder to achieve given the landscape of current government business regulations and labor law where there are no check-and-balance mechanisms for platform companies to ensure that their workers have decent work. Workers will also neither fight for nor strive to achieve decent work because they do not know what it is. Unless the government updates its business regulations and labor laws to cover platform workers, they will continue to be exposed to exploitation. As such, it can be concluded that on-demand platform work, particularly in food delivery, vastly differs from standard work because there are no mechanisms to ensure social protection, voice, representation, proper working conditions, and attainment of decent work for its workers. As such, they experience precarious working conditions that nonstandard work entails. These findings affirm the hypothesis that, *“There is a relationship between work arrangements of foodpanda and GrabFood riders and bikers and the state of their working conditions”*.

Furthermore, business models of platform companies must be updated and reconstructed to adhere to principles of social responsibility and accountability to ensure that workers achieve economic growth without sacrificing social protection and security. Continuous lack of decent work and exploitation of workers in the DPE will only grow and persist if current business regulations, labor policies and business models of companies are unchanged and do not seek to protect its workers. Hence, it can be concluded that workers do not enjoy

decent work in the platform economy. These findings also support the hypothesis that there is a relationship between work arrangements of foodpanda and GrabFood and their riders and bikers and their state of working conditions. This is because the lack of policies for the protection of platform workers makes them vulnerable to continuous exploitation and lack of decent work.

Additionally, technology directly affects the conduct and completion of work starting from the provision of customers up to the evaluation of work performance through customer reviews. The stability of the foodpanda application made the riders and bikers' work easier to complete whereas the tendency of the Grab application to crash hindered riders and bikers from completing their work properly. Furthermore, the existence of navigation apps facilitated faster and easier delivery of food and beverages to customers. In light of these findings, the hypothesis that technology affects the conduct and completion of work of foodpanda riders and bikers is affirmed and accepted. The use of technology or apps enabled the outsourcing of food delivery which was formerly part of the services provided by restaurants and other food establishments. Simplification and fragmentation of work process and division of labor to attain efficiency are the key principles of the Scientific Management Theory. The business model of foodpanda and GrabFood facilitated the emergence of a "new" assembly line wherein restaurants prepare orders that riders and bikers deliver. These findings affirm the hypothesis that, *"Technology (i.e., mobile applications, digital online platforms, social media, and the internet) affects the conduct and completion of work of foodpanda and GrabFood riders and bikers"*.

Food delivery riders and bikers air work concerns with their peers using social media and chatting apps – particularly Facebook and Messenger. Because of hardships, vulnerability, exposure to risks, long working hours, discrimination, and changing remuneration, food delivery riders and bikers organized by being involved in unity rides, holding dialogues with the DOLE, and working on establishing a formal riders' association with the help of labor unions in the country. Foodpanda delivery riders and bikers established the *FRA* to represent them. Organized by motorcycle gig workers with the help of *Partido Manggagawa*, the *Kapatiran sa Dalawang Gulong* or *KAGULONG*, also advocates for their rights and interests to be properly represented. In

the future, KAGULONG aims to establish GRAPH – Gig Riders Alliance of the Philippine, an organization focused on the needs of digital platform motorcycle riders and workers.

After applying the two-tiered test, it can be concluded that an employment relationship exists between the FDP companies and its riders and bikers. The test of employment relationship determined that foodpanda and GrabFood strongly control the manner and means by which riders and bikers conduct their work, their work schedule, their voice, and their involvement in the FDP industry. Although FDPs in the Philippines and internationally attest that its riders and bikers have greater control of their work schedule compared with regular employees from other sectors, (especially in the case of GrabFood riders and bikers who can select their schedule for the week and can turn on and off online status on the food delivery app should they wish too), this can still be contested since FDP workers are given incentives for taking on long work schedules as a means of control. Foodpanda riders and bikers possess a limited level of control over their work schedule since they can pre-determine their schedules for the week, but they will be penalized should they fail to follow the schedules they set for themselves. Absence of employment relationship in the agreements with the platform companies compelled FDP workers to function as independent contractors which require them to capitalize on their own work equipment.

Results of the study showed that foodpanda and GrabFood control the manner and means by which food delivery riders and bikers conduct their work by issuing penalties and disincentives and by giving “nudges” or incentives to promote desired worker behavior. Platform companies control their workers by using algorithmic management, such as the foodpanda and Grab apps. These findings support the hypothesis that there are strong elements of control between the platform company (i.e. foodpanda and GrabFood) and their riders and bikers. The application of the economic reality test indicated the clear existence of an employer-employee relationship because the digital platform companies such as Grab and Uber dictated particular requirements in selecting and recruiting riders and bikers, determined their level and extent of compensation, controlled and supervised them through algorithms, implemented penalties and disincentives, and had the power of dismissal through the deactivation of their accounts. In



short, these platforms determine the manner and methods by which riders and bikers behave and conduct their work. These findings affirm the hypothesis that *“There are some elements of control between the platform company (i.e., foodpanda and GrabFood) and their riders and bikers, suggesting the existence of an employment relationship.”*

Considering these findings, and following the Labor Process Theory, (mis)classifying food delivery riders and bikers as independent contractors while at the same time using algorithms to manage and intensify control over them enabled foodpanda and GrabFood to attain huge revenues and achieve exponential growth. Results of the study support that platform workers, especially food delivery riders of foodpanda and GrabFood, are misclassified because platform companies exhibit high levels of control through algorithmic management. These results also affirm literature from Keane (2021) and Palimariciuc, (2021) who stated that algorithmic management implements misclassification of workers in the platform economy. Hence, these findings affirmed the Labor Process theory and further support the hypotheses *“There is a relationship between work arrangements of foodpanda and GrabFood riders and bikers and the state of their working conditions;”* and *“There are some elements of control between the platform company (i.e., foodpanda and GrabFood) and their riders and bikers, suggesting the existence of an employment relationship”*.

According to the Philippine jurisprudence and Supreme Court Ruling from *Sumifru (Philippines) Corp. Vs. Nagkahiusang Mamumuo Sa Sayupa Farm* (G.R. No. 202091, June 7, 2017), control is the most important element in determining employment relationship. This is supported by the proposed European Commission Directive (2021) on improving working conditions in platform work which expressly states that the legal presumption on the existence of employment relationship is when control of the platform worker is established. Results of the two-tiered test show the existence of an employment relationship between the platform companies (i.e. foodpanda and GrabFood) and the food delivery riders and bikers. As such, foodpanda and GrabFood riders and bikers should be recognized and treated as employees by the FDP companies and the Philippine government so that they may be entitled to social protection and employment benefits that regular employees enjoy.

Further, government regulations involving platform enterprises and the extent of labor laws do not apply to and cover the realities and working conditions of platform workers. Platform workers are exposed to exploitation and occupational safety and health risks and hazards. They are also not entitled to social security and protection and government-mandated benefits because they are not treated as employees and companies outrightly inform them that they are independent contractors and freelancers. However, foodpanda and GrabFood exhibit great control on the means and manner that riders and bikers conduct their work and based on the two-tiered test, they should be covered by the statutory benefits as employees. Given that the FDPs exhibit great control over the riders and bikers, contracts should reflect that an employment relationship exists between the two. However, FDP companies use loopholes in current Philippine labor policies to indicate that riders and bikers do not have employment relationships with them. These findings affirm that the state of government regulations and the extent of coverage of labor laws on the platform enterprises influence the working conditions of workers. Given these findings, the government must update business regulations and labor policies to thoroughly cover and protect platform workers and ensure safe and decent working conditions. Updating labor policies is crucial to ensure that labor offered by platform workers will not be commodified. Lastly, this study recommends to pass a law for the protection of platform workers and possibly having them categorized as employees, as is the trend in Europe (i.e., the European Commission proposed directive on improving working conditions of platform workers) and the Americas; to review and adopt the European Commission Directive (2021) on improving working conditions in platform work which expressly states the legal presumption on the existence of employment relationship due to the control of the platform worker. This directive also ensures the protection and attainment of labor rights and social benefits of workers engaged in digital labor platforms through legislation, and compel digital labor platforms to be more transparent in using algorithmic control in managing gig workers.

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