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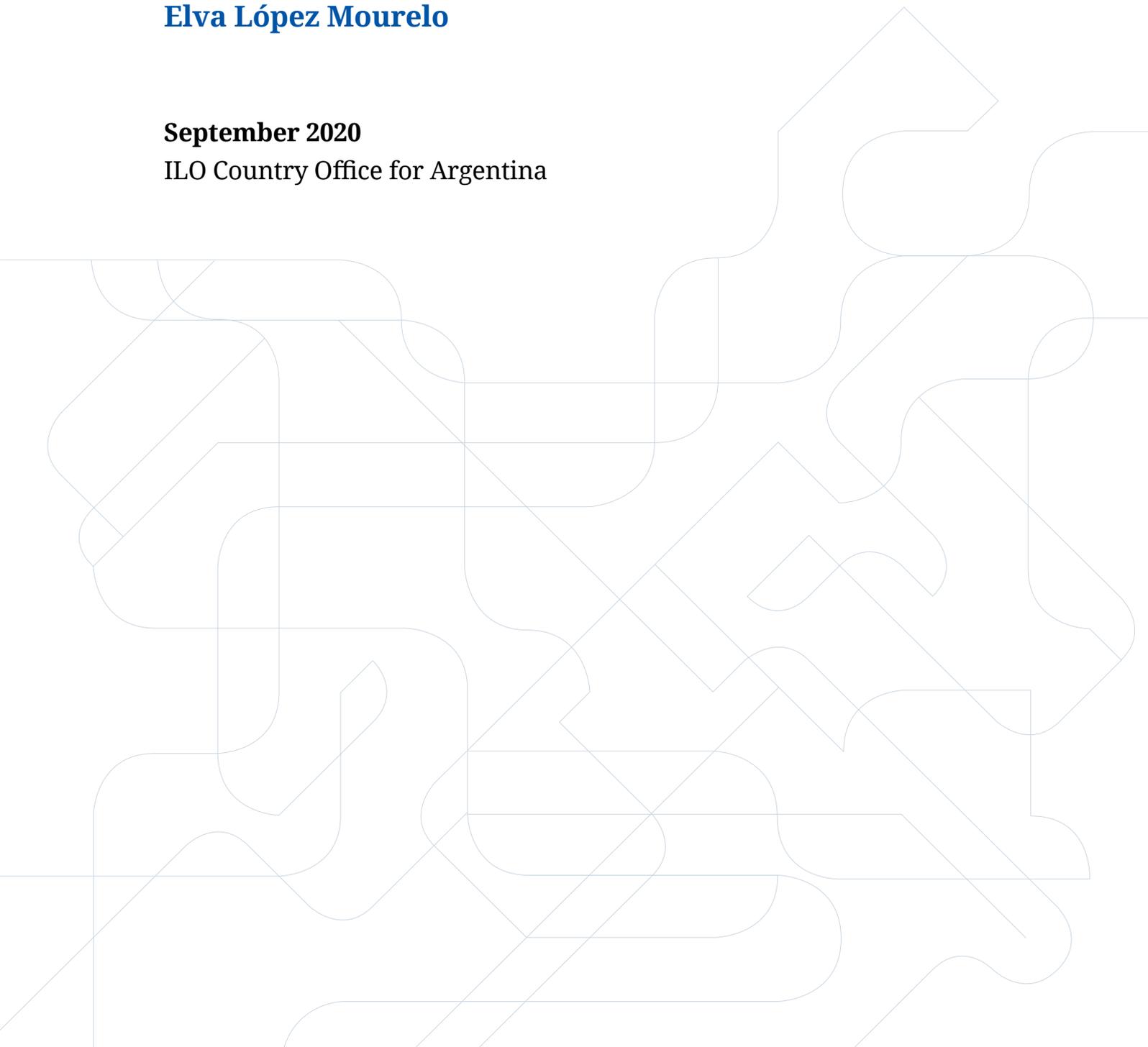
Work on delivery platforms in Argentina: Analysis and policy recommendations

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One of the greatest transformations in the world of work in recent years has been the emergence of digital labour platforms. These platforms serve as an intermediary between the supply and demand, and they encompass a wide variety of services involving specific tasks performed by providers, who are generally classified as “self-employed persons”.

The platform economy includes so-called “location-based platforms”, in which the work is managed online but is performed offline. Regarding the services provided through these location-based platforms, the tasks are performed locally, and frequently through apps that assign them to individuals in a specific geographic area. The most common types of tasks covered by this form of work include a wide range of services, but they generally involve little complexity, such as distribution, courier and home delivery services.

In fact, the delivery of products is probably one of the most socially visible service arrangements provided through apps. Three main platforms operate in the Autonomous City of Buenos Aires (CABA): Glovo, PedidosYa and Rappi¹. The rapid proliferation of couriers at these enterprises over the last two years has become particularly noticeable and recognizable, given the constant traffic on the roads by workers attired in the uniforms of each company.

Digital delivery platforms offer not only the delivery service to their users but also the courier service. Deliveries, consignments or arrangements are handled through a network of couriers who have access to an application according to the platform in which they are signed up. After a product has been ordered by a user or consumer, the activity of these enterprises consists in offering the available orders to couriers and then assigning them the task, after which the couriers provide the service.

There are basically two types of business arrangements. In one of these arrangements, the digital platform intermediates between the offeror and the buyer of a product, for which the offeror is included in the platform’s catalogue of member shops for direct sale through the platform’s mobile app. The other business arrangement allows the same search and delivery service for consumers, but any product from any establishment can be included, for which there does not need to be any agreement between the establishment and the digital platform. While the main activity of the three enterprises that operate in CABA is the direct sale arrangement, Glovo and Rappi also offer the general courier service.

Digital delivery platforms compete for the pre-existing market and demand, consequently going up against traditional business models for this business activity, but they are also introducing significant novelties and have certain competitive advantages with respect to traditional deliveries. The following are highlights of these novelties: i) contribution to the quantity and variety of the supply, given that establishments that were not previously offering the delivery service can now do so without requiring large investments, knowledge or resources; ii) through advertisements on the platform itself, publicity and visibility for the establishments that contract these services, consequently attracting new customers who periodically use the platform; iii) the service’s efficiency in assigning orders to the couriers who can take care of an order the fastest; iv) the supply of an unlimited service in which the production margins are only limited by the establishment’s actual capacity and not by the limits associated with its distribution; v) access to information about consumers and their behaviour, which is relevant for any market strategy.

1. At the end of 2019, after the field work for this study, Uber Eats also began operating in the Autonomous City of Buenos Aires. Furthermore, on 16 September 2020 Glovo announced the sale of its operations in Latin America to Delivery Hero (the owner of PedidosYa) and therefore the cessation of its operations in Argentina as of 1 October 2020.

While from an employment perspective there is great flexibility for accessing this type of work, couriers are normally considered self-employed workers, and they are registered under the simplified scheme of small contributors called “monotributo”. Workers gain access to a minimum threshold of coverage under this system, which in a single payment combines the social security component (contributions for retirement and to the health system through health insurance) and the tax component. The benefits obtained through the monotributo system are basic in nature, and workers classified under this scheme remain outside the umbrella of major components of the social protection scheme that governs for registered wage earners, such as unemployment benefits, sick leave and coverage for occupational accidents.

Couriers are responsible not only for providing the vehicle but also for covering the fuel and insurance expenses, for obeying traffic rules and for obtaining the safety equipment and the necessary authorization for the use thereof. When such equipment is given out by the enterprise in question, the cost is charged to the courier. Moreover, couriers must have and assume the cost of a mobile device that has a mobile service plan and that is compatible with the application used by each platform.

Platforms use a system whereby consumers who make use of the service can rate the courier. Thus, a better rating on some platforms will, for example, allow a courier to gain access to certain kinds of orders that have higher profit margins, or a courier could establish their preferred schedule for making deliveries. Conversely, if a courier rejects orders on several occasions, or does not connect to the application during the pre-established hours or does not deposit the accumulated money on time, then they could be blocked from the application for a certain period of time. The maximum penalty is the removal of a courier from the online platform, without any right to lodge a complaint or seek compensation.

The provision of services through digital platforms has generated diverse opinions about the relationship that exists between service providers and the platforms themselves. An analysis of the indicators of economic, technical and legal dependence based on observations of the terms of service made by these delivery platforms provides some orientation for determining the nature of the relationship established between these platforms and the service providers.

If we consider economic dependence, the following is observed: i) a courier lacks the means to organize the activity and depends on the application for making deliveries; ii) all the arrangements pertaining collection and payments are made by the platform, which even anticipates the payments made by consumers before they are transferred to the courier; iii) the rate per order is determined unilaterally by the platform, and it remains fixed and regular, varying only according to the quantity of services and the conditions under which they are provided. However, some aspects stray from economic dependence, such as the fact that the courier is the owner of some of the means of production and elements that are required to provide the service; the courier assumes the risks and liabilities of the activity itself, as well as those related to the platform and third parties; and the courier lacks any commitment of exclusivity to a certain platform.

Regarding the elements that establish legal dependence, it should be highlighted that the courier works only through the access offered by the application. Moreover, the courier joins the platform’s organization and adapts to its criteria, therefore performing the activity as instructed by the platform – even wearing apparel and elements with the image and logo of the platform, even though this may not be mandatory. Moreover, couriers are subject to systematized control of the service through the platform and by third parties unrelated to the relationship (such as the end consumer), and a courier could even be disciplined and penalized in the event of a breach of certain standards. However, there are some features of the activity that would distance it from legal

dependence: the service is not provided permanently and continuously; there is no obligation for a courier to follow a schedule or to show up daily to provide services; and a courier is not obligated to be at the disposal of the online platform.

Despite the fact that there are indicators of autonomy – couriers can organize how they provide the service, they work without being subject to intense orders or instructions and they assume the risks and responsibilities of their activity, as well as the expenses that are required for the task – there are aspects that point away from autonomy, such as having to comply with times and parameters that are the object of courier ratings and the impossibility of negotiating the clauses that govern the legal relationship.

Therefore, the indicators of dependence offer elements that do not point in merely one direction. Consequently, while there are no court actions on labour claims related to digital platforms for delivery services in Latin America, the case law of different European countries and other advanced countries is contradictory regarding their position with respect to the labour relationship between the platforms and couriers. A more detailed analysis of the labour conditions based on not only the recorded data but also the systematization of information about workers in the sector could shed more light on the subject.

The analysis presented in this report shows that workers of digital delivery platforms in Argentina are characterized by being a young group, with a notable predominance of males and a strong presence of migrant workers, to a large extent Venezuelan, among whom a considerable percentage has taken university or higher education studies. In the vast majority of cases, this work represents their main source of income, in which they are engaged an excessive number of hours to make it profitable. This time dedication in turn accentuates the labour risks they face, added to which are major limitations in terms of the social protection coverage to which they have access.

Regarding the flexibility offered by this type of labour insertion, the analysis shows that a flexible strategy towards the occupation has high costs. Thus, in order to be able to get the best schedules, orders and promotions that allow generating monthly income that is deemed to be sufficient, workers maintain a strenuous pace of work. The information gathered in the analysis indicates that the pace of work and how it is done are aspects that are evaluated through a mechanism for assigning scores, which in turn determine the future quantity and profitability of the orders that a courier receives.

With respect to access to social protection, a relatively high percentage of registered workers is assured by the fact that the enterprises that control the platforms require payment of the *monotributo* (single tax under the simplified scheme of small contributors), which furthermore leads to a minimum threshold of coverage. While the benefits are basic in nature, and some are even absent (including sick leave), the main topic of concern in this area is related to a lack of coverage for occupational accidents. In fact, 2 out of every 10 workers surveyed had sustained an accident while performing their job, and 22 per cent had been the victim of robbery or theft while making deliveries.

In any event, the economic urgency in which these workers are immersed means that their main claims have focused on the need to increase the basic rate for delivery runs. The capacity of platform couriers in Argentina to mobilize and lodge complaints – according to their interactions in the public space and their extent on social networks – tends to be notable with respect to other platform workers. The organizational drive of these workers constitutes an important step in terms of the possibility of establishing social dialogue bodies that allow discussing and laying the foundations for the necessary agreements to improve the working conditions of the sector.

The findings of this report suggest the need to introduce improvements targeted at these workers. Keeping these considerations in mind, 11 public policy recommendations are set forth below, with a view to guaranteeing decent work in the delivery service sector through digital platforms.

1. Be **clear and transparent** regarding forms of payment, fees and accepted terms and conditions.
2. Guarantee the **right to appeal** due to a lack of payment, negative evaluations and suspensions of accounts.
3. Establish rapid, substantive and amicable **communication** between workers, digital platform operators and customers.
4. Give workers an **appropriate status**, therefore classifying them accordingly by law.
5. Guarantee a **minimum level of protection** for workers, regardless of their labour status.
6. Adapt **social protection mechanisms** to ensure coverage due to any labour contingency.
7. Include **training** on online skills and data governance in training programmes for employment.
8. Recognize the **rights of unionization, freedom of association and collective bargaining**.
9. Build **official statistics** and analyse the working conditions in the sector.
10. **Raise the awareness** of citizens regarding their responsibility as consumers.
11. Finally, guarantee that action policies in the sector are the result of **social dialogue**.

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NOTICE

The use of language that does not discriminate or mark differences between men and women is one of the concerns of our Organization. However, there is no agreement among linguists about how to do so in Spanish. In this regard and in order to avoid the graphic overload that would be meant by using 'o/a' (male/female gender markers in Spanish), we have opted to use the classic generic masculine marker in the Spanish version, thereby understanding that all mentions in such gender always represent both men and women.

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