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Grab, Gojek, Uber

# Unionising Indonesian drivers of ride-hailing apps

Thursday 26 April 2018, by <u>ALAMSYAH Andi Rahman</u>, <u>YASIH Diatyka Widya Permata</u> (Date first published: 18 April 2018).

Motorcycle taxi drivers for online ride-hailing services recently rallied in Jakarta demanding that the government protect the interests of workers engaging in precarious work in the growing sector.

The protest was held a day after Malaysia-based ride-hailing firm Grab announced it's taking over Uber's Southeast Asian operation. The acquisition makes Grab and Indonesian-based Gojek the leading players in the Indonesian market.

The drivers want the government to regulate ride charges, insurance and other matters related to their work. They also demanded the government push companies to set a higher basic tariff and increase drivers' income.

But their efforts to build an organised movement to advocate for their interests might run into formidable challenges, as the labour force in the sharing economy is fragmented. Workers work independently and are physically separated from each other. Furthermore, the drivers' protests occur in a context where labour and civil society organisations are struggling with the legacies of decades of demobilisation under authoritarianism.

Currently, apps-facilitated ride-hailing services run by well-funded start-ups are regulated under a 2017 decree released by the Transportation Ministry. This regulation enables the government to set a price cap on these services. Vehicles are now subject to minimum engine capacity and roadworthiness standards.

Under law no. 22/2009, however, motorcycles cannot be classified as public transportation. Therefore, the operation of these ride-hailing motorcycle taxis and their drivers' interests remains unregulated.

### Gig workers collective action

The rise of ride-hailing services in big cities in Indonesia is part of a global growth trend of so-called "gig", "sharing" and "on-demand" economy. The companies that are creating digital applications to bring various services – from transportation and cleaning to running errands – to customers rely on a temporary and flexible workforce.

In big cities around the world, the rise of the on-demand companies, such as Uber, has prompted drivers to take collective action.

In the US, protests against Uber have been mostly small and sporadic. These have yet to lead to the

sustained pressures needed to evoke a successful response to drivers' demands. Drivers have thus been represented by both traditional unions and alternative labor organizations in courts, legislative arena, and in private consultation with Uber

In Indonesia, ride-hailing drivers have also formed associations to represent their interests as a collective. They have taken to the streets to voice their concerns over low pay and companies' unfair policies.

## Challenges in building a solid union

The drivers work independently. Yet, collective grievances associated with payment and working conditions create the need for collective organisation. The recent drivers protests might indicate a move towards collective resistance against exploitative working condition and towards collective bargaining on wages and working conditions.

Whether the collective action can be transformed into a solid union, with a strategy and agenda able to influence progressive labour reform, remains to be seen.

Several social conditions that may challenge the drivers' efforts to transform collective action into a solid union.

### 1. Majority of online drivers do not feel exploited

Under the flexible employment system, the drivers are hired under short-term or one-off contracts. Furthermore, the advanced use of digital apps allows automated online control over work processes. This maximises workers' productivity.

Many of the drivers enjoy the flexibility and freedom and willingly consent to following the logic of capital. Although thousands of online motorcycle taxi drivers join rallies to protest, studies on Gojek and Grab drivers show that the majority of them are satisfied with their income and working condition.

The work process in the gig economy lures drivers to be self-reliant in maximising their productivity and earning more income. For many of them, consolidating a solid union with a clear strategy and agenda might consume too much of the time and energy they allocate to work. While drivers may unite with each other to address short-term problems, it would be more challenging for them to establish a solid union.

# 2. Driving for additional income

Studies on Gojek drivers show that many of them are not entirely dependent on incomes from the online ride-hailing service. With the pervasiveness of the informal sector and the unreliability of the social security schemes, it is not unusual for Indonesians to engage in multiple income-earning activities.

One of the requirements to establish a strong union is a sense of social solidarity. This may be challenged by the fact that online ride-hailing drivers are fragmented across different means of survival. Most Gojek drivers have other jobs. They join the online platform to earn extra income.

# 3. Traditional labour unions ineffective in representing gig workers

Support from broader organised labour and social movements may leverage the impact of the drivers' protest and support their transformation into a solid union. The Federation of Indonesian

Metal Workers Union has recruited online ride-hailing drivers as members. Yet unions have had limited infrastructures to organise outside their traditional base, the industrial workers.

This is partly due to decades of demobilisation of the organised labour movement and broader civil society organisations under the authoritarian regime. It has become even more challenging to organise workers now that the employment system has become increasingly flexible.

Even in the US, where unions and alternative labour groups have represented the atomised ridehailing drivers in the legislative and judicial arenas and in negotiation with the companies, little has been accomplished.

## 4. Limited engagement by civil society organisations

Society-based organisations appear to be detached from the drivers' protests. They seem to be absent from workers' collective action.

Meanwhile, workers in the informal sector, from which the online taxi services recruit most of their drivers, have been the target of mobilisation by different actors for various ends, including violent groups voicing reactionary agendas. This could further hinder the consolidation of a solid union.

#### What next?

Online ride-hailing drivers' protests represent the seed of collective organisation. Yet, as work is increasingly fragmented and atomised, and labour and civil society organisations are struggling with the legacies of authoritarianism. it will not be easy to transform the sporadic protests into a solid union.

We need to think of ways for the organised labour and broader civil society movement to strategically connect themselves with the drivers' protests, while acknowledging the formidable challenges.

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