



# THE CHANGING CONCEPT OF WORK IN GIG ECONOMY: CASE OF GO-JEK DRIVER AND ITS SOCIAL PROTECTION

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# BACKGROUND

- Gig economy became contemporary 'crisis' in labour law.
- 'Gig' : one-off task or transaction, without further commitments on either side.
- Growing number of start-ups setting up online platform and mobile 'apps' to connect consumer, businesses, and workers – often for jobs lasting no longer than a few minutes.
- Gig economy is a global phenomenon: Uber, Deliveroo, Helpling, Task Rabbit, etc.
- Indonesia? GO-JEK.



# GO JEK PROFILE

- **Launched in 2010**, as a call-centre for motor bike service for logistic delivery, food delivery, purchasing ticket etc.
- **In 2015** transformed to apps based.
- **In 2015**, started to recruit massive number of drivers, attract investment, and expand the operation in much more cities
- **Now** the apps has been downloaded by 98 million users, and Go-Jek is operating in 50 cities, claimed to have 1 million drivers.
- GO-JEK provide wide range of services: transportation (car and motorcycle/*ojek*), logistics, mobile payments, food delivery, even connects service providers such as beauty salon, spa and massage services, automotive services and house cleaning services directly to the consumers.



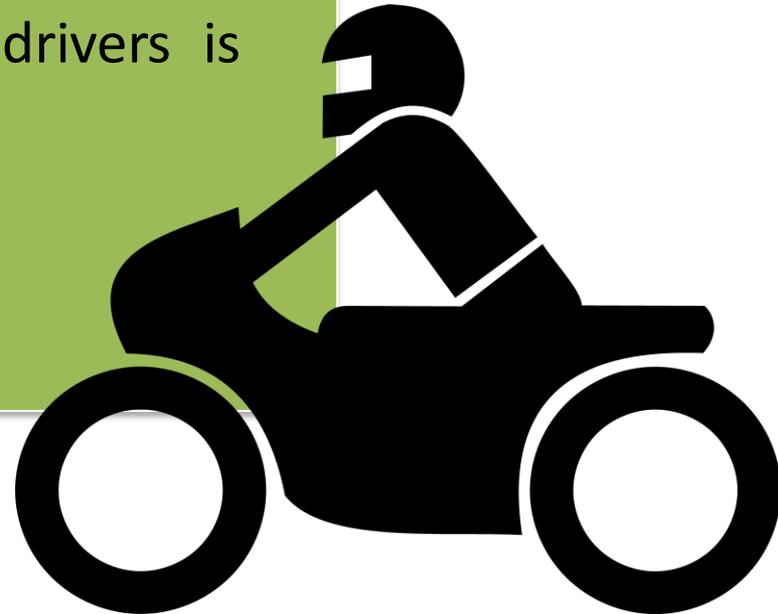
# GIG = PROBLEMS?

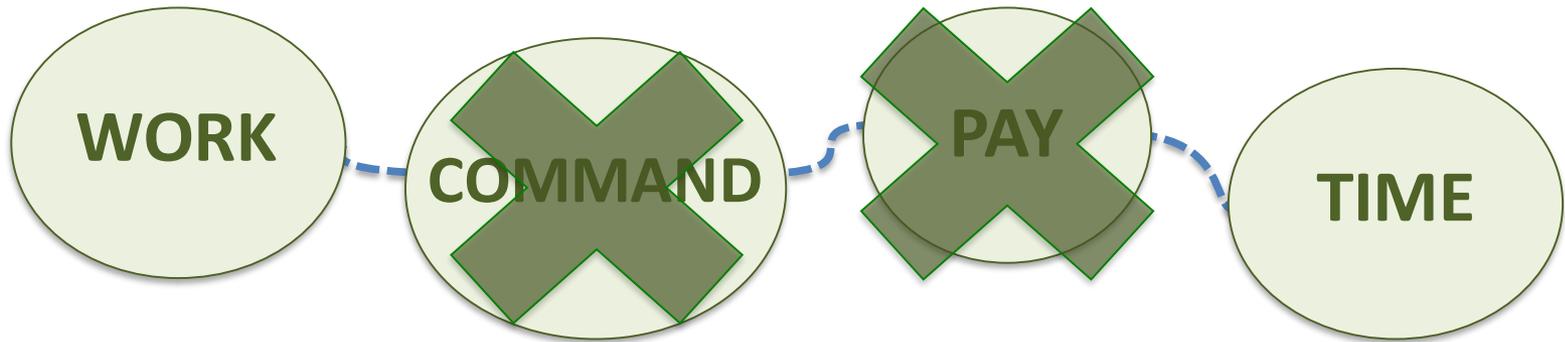
- No. GO-JEK is much admired to solved problems that lots of Indonesian face.
- For consumer, gig economy provide efficiency. For labour market, it provide jobs.
- From legal perspective, this new form has disrupted the long-established regulations and policies as well as scholarly understandings of work, especially in the transportation industry. Also, many aspects of GO-JEK's business arrangement could not be found in the existing regulations and policies in Indonesia.

# GO JEK CLASSIFICATION

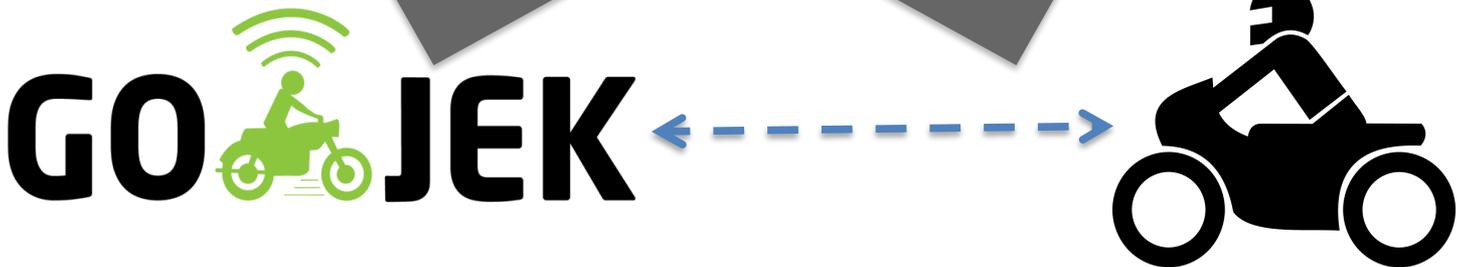
- **Not a transportation company.**
- Merely **connector** between drivers and consumers through their application.
- The **drivers is not their employee.**
- GO-JEK and drivers relationship is partnership, **not employment relationship.** The drivers is classify as 'independent contractor'.

WHY?





## Employment Relationship in Indonesian Labour Law

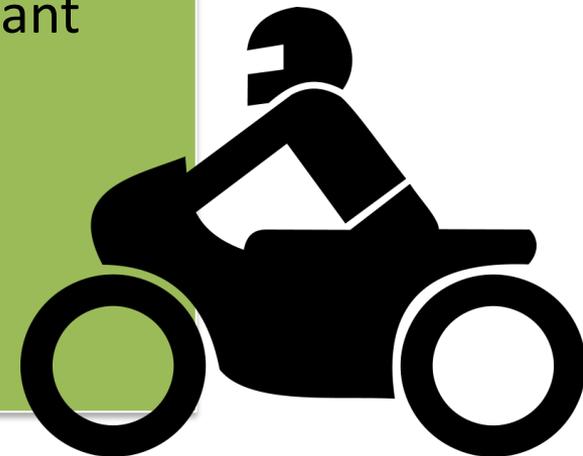


### Implications:

- No employment relationship = no protections.
- Minimum wages, work hours regulation, **social security**, union rights, etc.

# PARADOX OF GO JEK RELATIONSHIP

- ‘Humans as services’
- Drivers seen as entrepreneur, not workers. Thus, Company has no responsibility for their wellbeing.
- ‘Partners’ but unequal.
- GO-JEK offers much more than mere matchmaking services. They actively shape the entire transaction by means of close control over their drivers: from setting terms and conditions and checking relevant qualifications.
- Quality control = not passive matchmaking = platform paradox.



# THE BRIGHT VS DARK SIDE

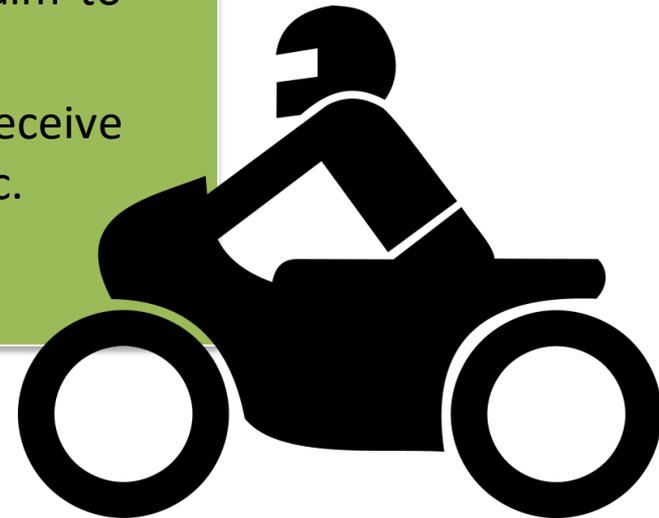
- Flexible work
- Chance to earn additional income
- Freedom
- Autonomy
- Lifeline to groups that traditionally struggled to find job

- Exploitative working conditions
- No employment security
- The boss is algorithm, no 'human touch'
- Exploitation from the consumer as well
- Social security?

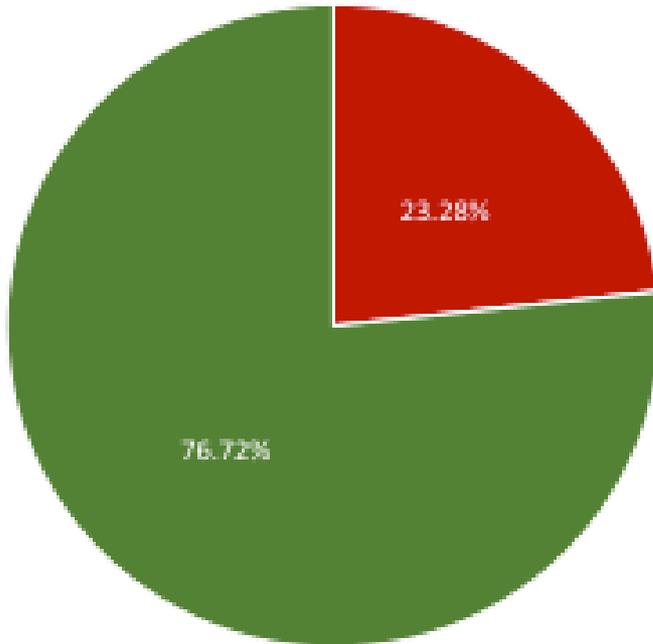


# GO JEK SOCIAL SECURITY

- Based on Law Number 24 Year 2011 regarding Social Security Agencies, social security for workers in Indonesia is handled by Workers' Social Security Agency or ***BPJS Ketenagakerjaan***.
- GO-JEK driver **CAN GET** the benefit of BPJS Ketenagakerjaan through ***Pekerja Bukan Penerima Upah*** scheme.
- Drivers pay for themselves, Rp16.800,00 months.
- GO-JEK have MoU with BPJS Ketenagakerjaan and claim to already promote this program to their drivers.
- Benefits such as protection from occupational risk; receive unlimited medical treatment, death compensation, etc.

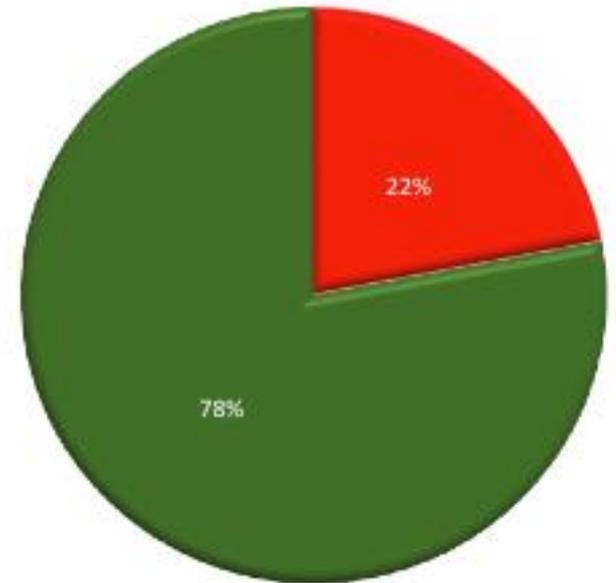


# GO JEK SOCIAL SECURITY



■ Yes ■ No

Drivers have *BPJS Ketenagakerjaan* membership or any other social security/insurance



■ Yes ■ No

Drivers ever experienced accident while doing their job

# CONCLUSSION & SOLUTION

- Definite need for change in labour regulation → rethink the concept of labour law for the future of work .
- Labour law should not be seen as the threat, an enemy for gig economy; instead, it should be seen as potential benefit of all involved.
- The premise of independent contractor should not detract from the urgency of ensuring decent working conditions.
- Making social security for independent contractor a must, not an option.



**THANK YOU!**

