



# **Fairwork Colombia**

## **Ratings 2021:**

### **The Promise of Social Security Reforms in the Platform Economy**



# Executive Summary

The digital economy, and specifically the “collaborative economy”, has been framed as an important contributor to Colombian GDP, and it is estimated that it contributes up to 0.2% of it<sup>1</sup>. Experts and policymakers have celebrated the economic benefits of platforms’ innovation, such as the increased productivity of work by its digitalisation as well as its embedment into other digital infrastructures such as banking.

The present Fairwork report, the first for Colombia, explores the promise of social security reforms in the gig economy. It analyses eight platforms (Rappi, Ifood, Mensajeros Urbanos, Uber, Didi, Cabify, Beat, Hogarú) in three different sectors: food delivery, ride-hailing (private transportation), and domestic care. Digital platforms have become essential in recent these years, and during the pandemic lockdowns have sustained the remote working of professionals and office workers. At the same time, thousands of workers, who lost their job during the COVID-19 pandemic, have found in digital platforms a way of making a living during the crisis.

The Fairwork scoring process consists of desk research to analyse platforms’ public information about terms and conditions, regulation, reports, pricing, and internal policies. It also involves searching for relevant national legislation, interviews with platform managers to gather insights into the platforms’ operation and business models, and interviews with workers to understand the process of work and how it is carried out and managed. Final scores are collectively decided by the Fairwork team based on all three forms of evidence and reviewed by Fairwork researchers from other countries within the Fairwork network. By raising awareness of the conditions of workers in Colombia and across the world, Fairwork aims to assist workers, consumers and regulators in

making platforms accountable for their practices, and creating a world of fair platform work.

## Key Findings

- ▲ **Fair Pay:** Three platforms show evidence that workers’ gross pay is at least or above the minimum wage, which in 2021 was 3,785 COP/hour. One platform could demonstrate that workers earn a living wage (10,706 COP/hour for 2021). The scores took into account not only the amount paid by the platform to the worker for hours worked, but also the cost of providing task-specific equipment and paying for work-related costs out of pocket.
- ▲ **Fair Conditions:** Two platforms were able to provide evidence that they actively take action to protect workers from risks that arise in their jobs. These platforms were able to evidence some form of COVID-19 response, including providing personal protective equipment (PPE) to the workers free of charge and schemes of healthcare coverage and accident insurance. Only one platform provides social security, sick pay, and paid maternity leave.
- ▲ **Fair Contracts:** Seven platforms have clear and accessible terms and conditions. However, most

of them could not demonstrate that they provide a notification period when important changes are made. Three platforms could provide evidence about the resolution of disputes and controversies within the Colombian jurisdiction. However, only one platform was able to provide evidence that the employment status of their workers is clearly defined and that it does not unreasonably exclude liability.

- ▲ **Fair Management:** Only two platform provide evidence of fair communication and the existence of an appeal process. The general context for this process, however, is the increasing process of automation shaping interactions between workers and platform support as well as workers and managers. In this regard, workers have complained about the transformation of contact services from physical offices and face-to-face interaction to outsourced call centres, CPG (Complaints, Petitions and Grievances) and chat-bots. Different platforms have established campaigns to support equality, diversity, and inclusion, particularly in the relationship between customers and workers, but few could demonstrate a translation into concrete policies.



▲ **Fair Representation:** This is a critical matter in Colombia. Workers' organisations and unions have been historically stigmatised and have suffered political persecution and direct violence. They are also regarded with distrust by companies and the business sector, being considered obstacles in the relationship between employers

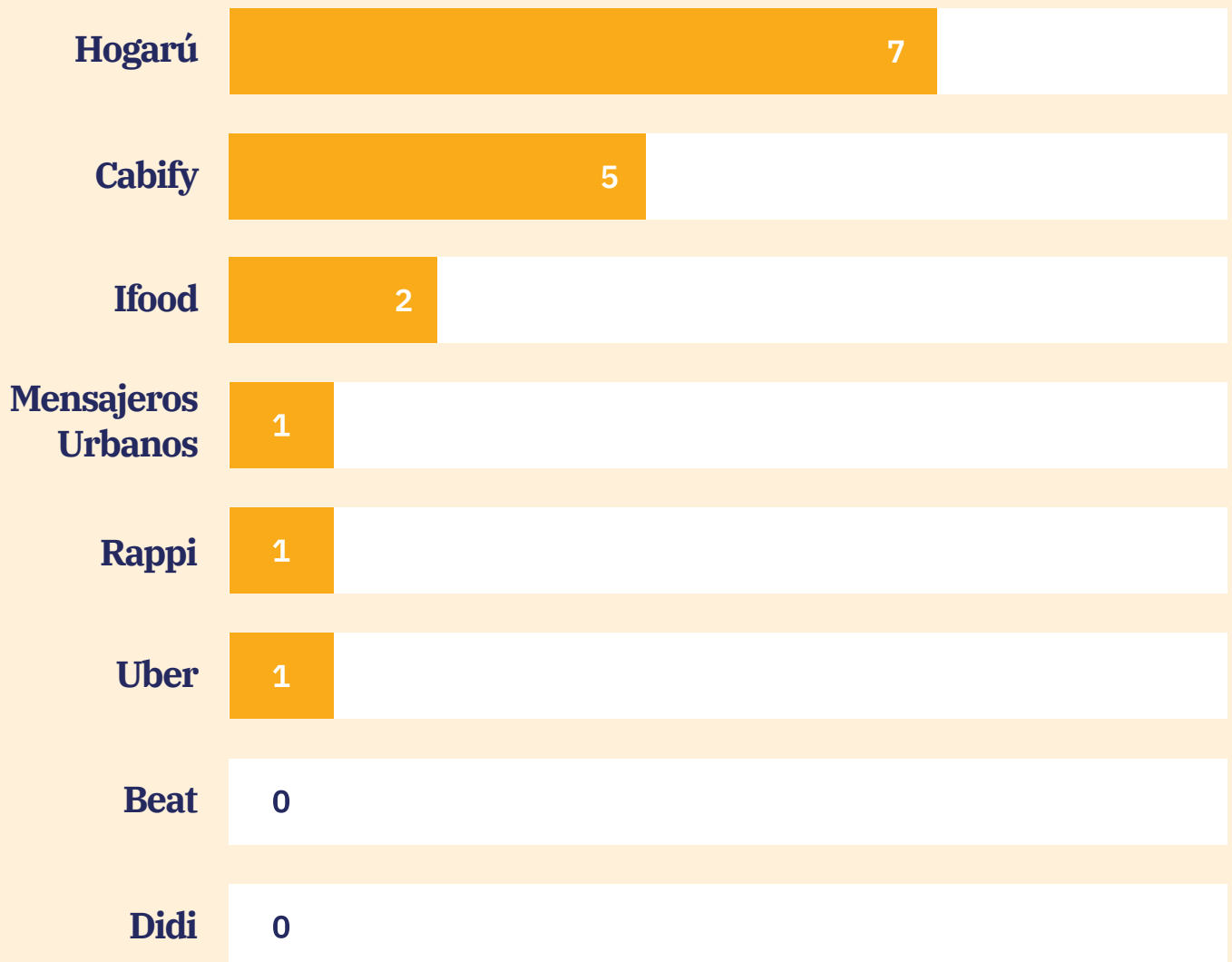
and workers. In the case of the digital platforms, there is a resistance to recognising any kind of representation because it is assumed to be a part of employer–worker relation, which platforms strongly deny. Despite this gloomy context, one platform scores the 5.1 principle. This is due to mainly to the platform's efforts to recognise workers'

collective representation as well as the right for them to choose their own representatives.



# Fairwork Colombia Scores 2021

Score (out of 10)



\* The breakdown of scores for individual platforms can be seen at: <https://fair.work/col>

## Editorial:

# Migration and Decent Work Standards in the Gig Economy

This report presents the first rating of working conditions of platform workers in Colombia. We have scored eight platforms (Rappi, Ifood, Mensajeros Urbanos, Uber, Didi, Cabify, Beat, Hogarú) in three different sectors: food delivery, private transportation, and domestic care. Our scoring occurs in extraordinary times both in Colombia and worldwide. There are two events that have shaped profoundly the digital economy and the social and economic landscape in which digital platforms operate: The Venezuelan migration in Colombia and the COVID-19 pandemic.

Colombia is the shortest escape route for Venezuelans who are moving to stronger economies such as Brazil, Chile, or Argentina. Given the massive migrant influx, most of the countries in South America have developed several entrance restrictions for this population and, as a result, the Venezuelan diaspora has been forced to remain in Colombia. At the beginning of the pandemic, more than 1.7 million Venezuelans lived in the country. There is a slight prevalence of men (51%), mostly between 18 and 39 years old (30%). As of 2019, approximately 327,000 Venezuelans live in Bogotá, the Colombian capital. Half of them had a PEP (Permit Entry) and around 55.4% a job, although 77.5% of them were employed in the informal economy

(Observatorio Proyecto Migración Venezuela, 2019).

The participation of migrants in courier and delivery digital platforms tends to be high, because of the low perceived access barriers. In the Colombian case, the participation of migrants in the workforce is 22% in delivery platforms, and just 5% in transport services<sup>2</sup>. Digital platforms have become a tool for integration for young Venezuelan migrants who, thanks to platform work, have gained access to banking and the formal economy. At the same time, they have been the target of discrimination by customers, police and sometimes by the platforms themselves.

In this context, Colombia was then hit by the pandemic. The first case of

COVID-19 in the country was identified on March 6, 2020 and, 10 days later, the government imposed a national quarantine and lockdown. Activities in many sectors, including construction, transport, tourism, non-food retail, and hospitality, came to a halt. An estimated 67 percent of the country's workforce (more than 15 million people) felt the economic effects, and many micro, small, and medium enterprises (MSMEs) had to close due to negative demand and financial shocks. The COVID-19 crisis caused the deepest recession in Colombia in more than a century. Between 2020 and 2021, at least 1.45 million people are estimated to have fallen into poverty, increasing poverty by at least three percentage points and largely



reversing the poverty reduction gains made in recent years<sup>3</sup>.

Digital platforms became essential during these years. During the lockdowns, they sustained the remote working of professionals and other white-collar workers, who could continue working, thanks to the efforts of couriers connected by the platforms. At the same time, thousands of workers who had lost their jobs found in digital platforms a way of generating income during the crisis. Particularly in the case of transport platforms, hundreds of professionals and college students have made their vehicles (cars and motorcycles) their work tools.

Some studies have estimated that approximately 200,000 people work in food delivery and transport platforms in Colombia<sup>4</sup>. In a recent study, Fedesarrollo found that platform work is an income generating opportunity that benefits those who are unlikely to find formal employment, such as migrants and people with low levels of education<sup>5</sup>. During the last 10 years

the Colombian State has tried to regulate the platform economy both in terms of business operation and responsibilities towards workers and collaborators. Regarding social security in platform work, many bills or projects of regulation have been introduced to Congress, but none have succeeded.

This report explores working conditions in digital platforms in Colombia.

Platform work has been a source of employment and inclusion for thousands, but it remains precarious in terms of social security protection, transparency, and workers' income.

Digital platforms, in general, must engage in improving working conditions for their workers. Nevertheless, we have found important efforts in that direction. Some platforms are actively pursuing fair contracts and pay, and the provision of a safety net for their collaborators. This report aims to encourage a public dialogue about the importance of advocating for better work for digital workers, and for all.

## Fairwork Colombia



**Oscar Javier Maldonado, Derly Sánchez Vargas, Laura Mantilla-León, Victor Manuel Hernandez, Sergio Daniel Sanchez, Julian David Moreno, Valentina Mayor Gutierrez, Mabel Rocio Hernández, Zully Bibiana Suárez, Alessio Bertolini y Mark Graham**

# Contents

02	Executive Summary
05	Editorial
08	The Fairwork Framework
10	Background: Overview of the Colombian Platform Economy
12	The Legal Context
14	Fairwork Scores
17	Platform in Focus: Hogarú
20	Workers' Stories
23	Theme in Focus: Promises of Social Security Reform in the Colombian Gig Economy
25	Moving Forward: Pathways of Change
27	Appendix I: Fairwork Scoring System
32	Credits and Funding
34	Endnotes

# The Fairwork Framework

Fairwork evaluates the working conditions of digital labour platforms and ranks them on how well they do. Ultimately, our goal is to show that better, and fairer, jobs are possible in the platform economy.

To do this, we use five principles that digital platforms should comply with in order to be considered to be offering 'fair work'. We evaluate platforms against these principles to show not only what the platform economy is, but also what it can be.

The five Fairwork principles were developed at a number of multi-stakeholder workshops at the International Labour Organisation. To ensure that these global principles were applicable in the Colombian context, we then revised and fine-tuned them in consultation with platform workers, platforms, trade unions, regulators, academics, and labour lawyers, mainly in Bogotá, Colombia.

**Further details on the thresholds for each principle, and the criteria used to assess the collected evidence to score platforms can be found in the Appendix.**

## 01 The five principles



### Fair Pay

Workers, irrespective of their employment classification, should earn a decent income in their home jurisdiction after taking account of work-related costs.



### Fair Conditions

Platforms should have policies in place to protect workers from foundational risks arising from the processes of work, and should take proactive measures to protect and promote the health and safety of workers.



### Fair Contracts

Terms and conditions should be transparent, concise, and provided to workers in an accessible form. The party contracting with the worker must be subject to local law and must be identified in the contract. Regardless of the workers' employment status, the contract must be free of clauses which unreasonably exclude liability on the part of the platform.



### Fair Management

There should be a documented process through which workers can be heard, can appeal decisions affecting them, and be informed of the reasons behind those decisions. There must be a clear channel of communication to workers involving the ability to appeal management decisions or deactivation. The use of algorithms is transparent and results in equitable outcomes for workers. There should be an identifiable and documented policy that ensures equity in the way workers are managed on a platform (for example, in the hiring, disciplining, or firing of workers).



### Fair Representation

Platforms should provide a documented process through which worker voice can be expressed. Irrespective of their employment classification, workers should have the right to organise in collective bodies, and platforms should be prepared to cooperate and negotiate with them.



## 02 Methodology overview

**Scoring platforms according to the Fairwork principles relies on a range of different data sources collected by the in-country research teams. These data include desk research, evidence submitted by the platforms and semi-structured interviews with both workers and management from each platform.**

### Desk Research

The process starts with desk research to ascertain which platforms are currently operating in the country of study. From this list the largest and most influential platforms are selected to be part of the ranking process. If possible, more than one platform from each sector (i.e. e-hailing or food delivery) are included to allow for comparisons within each sector. The platforms included in the ranking process are both large international ones as well as national/regional ones. Desk research also flags up any public information that could be used to score particular platforms (for instance the provision of particular services to workers, or ongoing disputes).

The desk research is also used to identify points of contact or ways to access workers. Once the list of platforms has been finalised, each platform is contacted to alert them about their inclusion in the annual ranking study and to provide them with information about the process. All platforms are asked to assist with evidence collection as well as with contacting workers for interviews.

### Platform Interviews

The second method involves approaching platforms for evidence. Platform managers are invited to participate in semi-structured interviews as well as to submit evidence for each of the Fairwork principles. This provides insights into the operation

and business model of the platform, while also opening up a dialogue through which the platform could agree to implement changes based on the principles. In cases where platform managers do not agree to interviews, we limit our scoring to evidence obtained through desk research and worker interviews.

### Worker Interviews

The third method is interviewing platform workers directly. A sample of 5-10 workers are interviewed for each platform. These interviews do not aim to build a representative sample. They instead seek to understand the processes of work and the ways it is carried out and managed. These interviews enable the Fairwork researchers to see copies of the contracts issued to workers, and learn about platform policies that pertain to workers. The interviews also allow the team to confirm or refute that policies or practices are really in place on the platform.

Workers are approached using a range of different channels. In 2021 this included using Facebook advertisements to recruit participants, direct dialogue with workers unions, and direct visits to workers' resting areas in the cities. In all these strategies workers were provided with an informed consent to read a short synopsis of the interview process and the Fairwork project and to submit their phone number to enable contact. In spite of the restrictions still in place in 2021 arising from the COVID-19 pandemic, some interviews were conducted face to face. However, the majority were online interviews conducted through Whatsapp, Zoom or Google meets.

The interviews were semi-structured and made use of a series of questions relating to the 10 Fairwork (sub) principles. In order to qualify for the interviews, workers had to be over the age of 18 and have worked with the platform for more than two months. All interviews were conducted in Spanish.

## Putting It All Together

This threefold approach provides a way to cross-check the claims made by platforms, while also providing the opportunity to collect both positive and negative evidence from multiple sources. Final scores are collectively decided by the Fairwork team based on all three forms of evidence. Points are only awarded if clear evidence exists on each threshold.

## 03 How we score

Each of the five Fairwork principles is broken down into two points: a first point and a second point that can only be awarded if the first point has been fulfilled. Every platform receives a score out of 10. Platforms are only given a point when they can satisfactorily demonstrate their implementation of the principles. Failing to achieve a point does not necessarily mean that a platform does not comply with the principle in question. It simply means that we are not – for whatever reason – able to evidence its compliance.

The scoring involves a series of stages. First, the in-country team collates the evidence and assigns preliminary scores. The collated evidence is then sent to external reviewers for independent scoring. These reviewers are both members of the Fairwork teams in other countries, as well as members of the central Fairwork team. Once the external reviewers have assigned their scoring, all reviewers meet to discuss the scores and decide final scoring. These scores, as well as the justification for them being awarded or not, are then passed to the platforms for review. Platforms are then given the opportunity to submit further evidence to earn points that they were initially not awarded. These scores then form the final annual scoring that is published in the annual country Fairwork reports.

**Further details on the Fairwork Scoring System are in the Appendix.**

# Background: Overview of the Colombian Platform Economy



The Colombian Platform Economy is embedded in the complexities of a middle-income country. First, its economy is dependent on exports that are highly concentrated in non-renewable commodities such as oil, which makes it vulnerable to external shocks. Second, the country has one of the highest income inequality and labour market informality levels in Latin America<sup>6</sup>.

Colombia's socioeconomic context has been marked by weak institutions, evidenced by rising unemployment, informality, and lack of job opportunities. According to the National Administrative Department of Statistics (DANE from here on), in November 2021, approximately 48% of the population of Colombia's main cities was employed in the informal economy, and the unemployment rate was 10.8% the same month, only dropping 2.5 percentage points since November 2020<sup>7</sup>.

It is worth mentioning that, in the last five years, Colombia has received an important number of Venezuelan migrants, approximately 1.7 million, who have also struggled to make

a living in the country under these circumstances. The COVID-19 pandemic heightened Colombia's unequal social structure and roughened working conditions, placing the platform economy as an alternative for the unemployed, migrants, and people with low education levels. In this context, platform work has turned into an income generating opportunity that benefits those who are unlikely to find formal employment.

Although it is difficult to calculate the exact number of gig workers in Colombia, according to a study by the Center for Economic and Social Research (Fedesarrollo), there are approximately 200,000 people working in food delivery and ride-

hailing platforms in Colombia. In fact, this study finds that platform work represents 0.2% of Colombia's Gross Domestic Product (GDP)<sup>8</sup>.

In recent years, the expression 'collaborative economy' has become popular in the media and policy arena, in order to refer to new forms of commercial exchange and business models developed within the framework of new information technologies. In Colombia, the gig economy comprises a diverse set of businesses, platforms, and ventures: from delivery platforms such as Rappi and Ifood, through transport platforms (Uber, Didi, Beat) to service intermediation (Hogarú, in the case of domestic work). However, in practice,



the most dynamic and visible sectors are delivery and private transport (i.e., ride-hailing platforms). In particular, food delivery has become a very dynamic market, attracting important international funding. Colombia is home to the headquarters of Rappi, one of the biggest unicorns in Latin America, and last year, Ifood, a multinational with headquarters in Brazil, acquired Domicilios.com, a local food delivery platform. The food and goods delivery sector has multiple players spread across different regions of the world. A common point is that

very few of these businesses are listed on the stock market, since most are in development phases, where they seek to expand and attract the attention of investors through different rounds of financing. In the case of Rappi, according to Crunchbase, the company as of the second quarter of 2020 had managed to collect close to 1.4 billion US dollars in Venture Capital<sup>9</sup>. Rappi has been receiving financing since 2016 and has been successful in accumulating the interest of different groups of investors, perhaps the most important being Japan's SoftBank,

which has included Rappi in its famous Vision Fund portfolio, the biggest investment Fund for the digital sector.

Regarding platform working conditions, Fedesarrollo estimates that delivery workers have a monthly average income of 867,000 COP for a 35-hour week, while platform drivers earn an average of 1,200,000 COP for a 44.6 hour week<sup>10</sup>. That said, these estimates do not include the time spent connected while waiting for orders or services.



# The Colombian Legal Context

## Many Bills but No Law

There have been many attempts in Colombia to regulate platform work, and several bills have been introduced to Congress over the last six years, but none of them has succeeded in becoming law. The first bills, Bill 110 of 2016 and Bill 082 of 2018, sought to regulate the platform economy as an independent and specific sector, with platforms defined as intermediaries through a mobile app. The Bill 110 of 2016 sought to legally define the digital economy as an economic model where a digital intermediation company (DIC) provides a service through an application or technological platform. It also defines the “digital worker” as a natural person who habitually, personally, directly, on their own account and in a field organised by a DIC, carries out an economic or professional activity for profit. This work should represent for the digital worker a monthly income of at least two monthly legal minimum wages. The two proposed Bills tried to encourage the direct hiring of workers by the digital intermediation company (i.e., digital platform) and made compulsory their affiliation as contributors to the social security system.

The understanding of platform work(er) changed from ‘digital worker’ in 2016 to an ‘independent autonomous but economically dependent’ individual in 2018 that should at least be affiliated as contributor of the social security system. This convoluted yet significant change of categories in 2018 marked the beginning of intensive lobbying by the syndicate of digital platforms “Alianza Inn”, to render visible the need of regulation. Six of the eight platforms we scored in this report are part of Alianza Inn, namely: Beat, Cabify, Didi, Ifood, Mensajeros Urbanos, Uber, and

Rappi.

A second generation of bills was introduced in 2019 and 2020. In this case, however, instead of aiming to regulate platform work in general, they focused on the sectors of private transport and food delivery, where most platform work in Colombia is concentrated. For instance, Bill 292 of 2019 attempted to create a new category of public transport service which was mainly carried out by individuals and mediated by platforms. The platforms covered by this proposed

legislation would be liable for the service provided and the associated risks. The same points were addressed in Bill 003 of 2020, with an additional focus on taxes and fair competition with other transport providers. All these Bills failed to pass into law.

This particular point is important to the Colombian context. In January 2020, Uber quit the Colombian market because of a decision by a judge at the industry’s market regulator which had found that Uber’s app violated competition rules<sup>11</sup>.





Gabriel Leonardo Guerrero / Shutterstock

Finally, other attempts at regulation have tried to address both the particularities of platform work in terms of flexibility, and the responsibility of platforms in relation to their “collaborators”. In particular, Bill 034 of 2020 focused on regulating collaborative economy work, advancing the “autonomous collaborator” category while stripping away categories like “work/worker” and “digital workers”. At the same time, the bill sought to guarantee workers’ access to a comprehensive social security system whilst keeping the platforms’ status as mediators and not employers. In the same fashion, Bill 085 of 2020 attempted to set key rules in the mediation between platform, customer, and worker. This bill included an article to protect the autonomy of independent workers from platforms’ impositions, such as penalties for refusing accepting services.

Despite all these efforts, none of

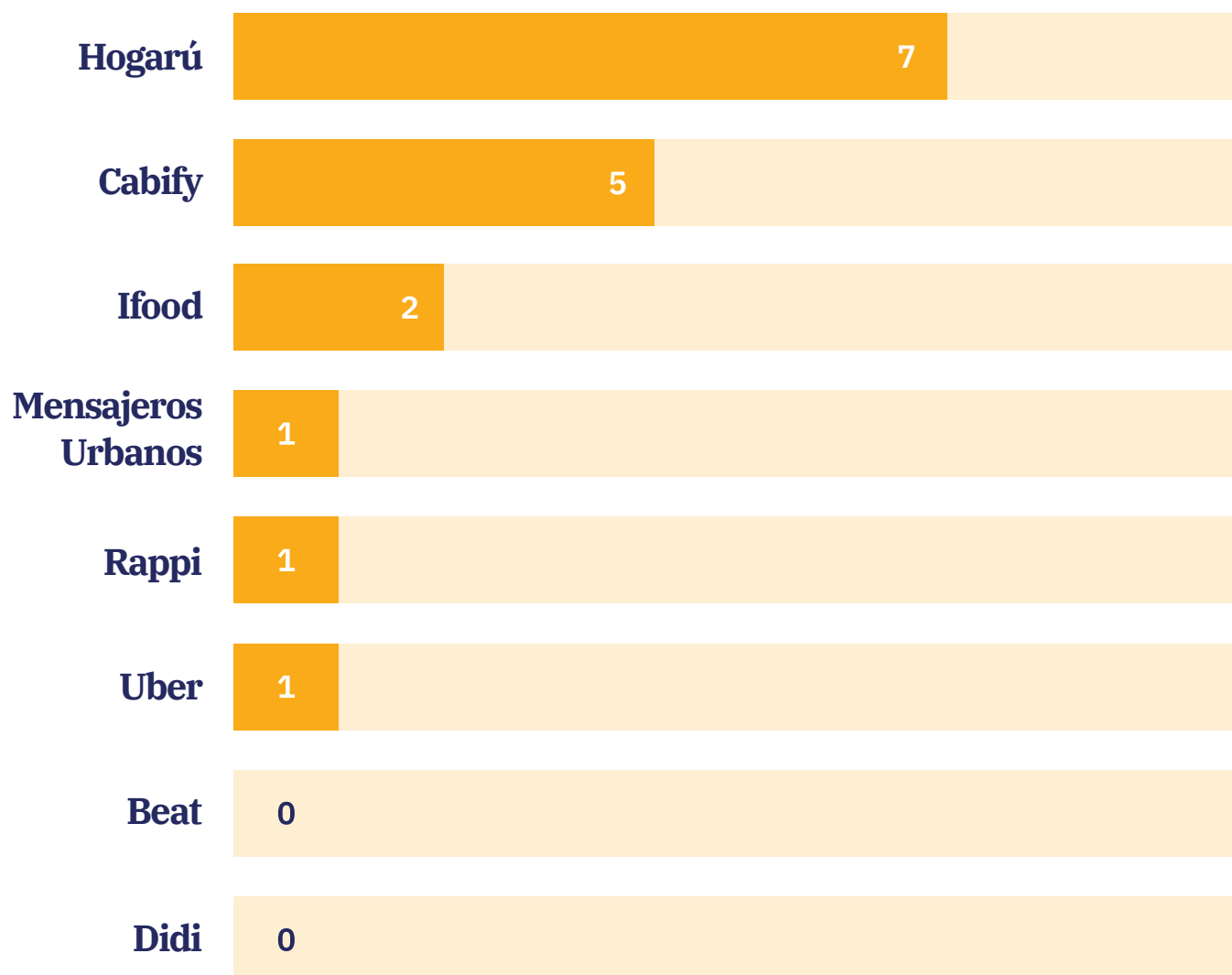
these bills were enacted in law, and the regulation of the digital platform in Colombia remains overdue. Despite the efforts of digital platforms and the bills’ drafters, there is no political will by Government and the Congress. There are, however, some key matters around the regulation of work that will continue shaping the political debate and normative efforts. The different bills converged in acknowledging that digital platforms are very specific business models based on flexibility and data-tailored services. They also acknowledge that they have become a very important source of income, particularly for those who face barriers of access to the “formal” economy. However, there is an urgency in advancing the formalisation of the workforce in line with the efficiencies of the digital economy market, by promoting access to social protection. We expand on this in the “Theme in Focus” section, later in the report.



“There is an urgency in advancing the formalisation of the workforce in line with the efficiencies of the digital economy market, by promoting access to social protection.”

# Fairwork Colombia Scores 2021

Score (out of 10)



\* The breakdown of scores for individual platforms can be seen at: <https://fair.work/col>

# Explaining the scores



## Fair Pay

Two of the platforms can evidence that workers' gross pay is at or above the minimum wage, which in 2021 was 3,785 COP/hour<sup>12</sup>. When assessing minimum pay, the scores took into account not only the amount paid by the platform to the worker for hours worked, but also the cost of providing task-specific equipment and paying work-related costs out of pocket. The scores also factored in waiting and log in times between tasks. Adding in these additional costs (i.e. unpaid waiting time, travel costs, vehicles, petrol, mobile phone data and insurance) meant that the 1.1 point could not unequivocally be awarded to the other four platforms. When extending this net calculation to consider living wage (currently assessed as 10,706 COP/hour for 2021)<sup>13</sup>, just one of the platforms could evidence that it pays its workers the equivalent of the living wage after costs.



## Fair Conditions

Two platforms, one of which was a transport platform, were able to evidence that they take action to protect workers from risks that arise on their jobs. In particular, the platforms were able to evidence some form of COVID-19 response, including providing personal protective equipment (PPE) to the workers free of charge and schemes of healthcare coverage and accident insurance. For the platform in the transport sector, workers could access car insurance, however, there were fewer options of insurance for the drivers themselves

Only one platform could show that it provides social security, sick, and maternity leave according to Colombian law. The other platforms identify their workers as independent contractors or collaborators, and therefore assume that it is not the responsibility of the company to provide a safety net.



## Fair Contracts

Seven platforms have clear and accessible terms and conditions. However, four do not provide a notification period when important changes are made. An important criterion for awarding points for fair contracts is that the platforms recognised Colombian law as the applicable law for addressing worker-related issues. As a result, some platforms applying the law of other countries were not able to gain this point.

Only one platform was able to evidence that the employment status of their workers is clearly defined and that they do not unreasonably exclude liability on the part of the platform.





## Fair Management

✎ Arbitrary termination or deactivation is a big concern for platform workers, who lack the recourse available to formal employees. Fairwork stipulates that platforms must include their policies for disciplinary actions and deactivation in their terms and conditions, as well as provide clear processes for workers to appeal decisions. Only two platforms provide evidence of fair communication and the existence of an appeal process.

✎ There is a clear process of automation in the management of interactions between workers and platforms. Many workers have complained about the transformation of contact services from physical offices and face-to-face interaction to outsourced call centres, Complaints, Petitions and Grievances and chat-bots.

✎ Fairwork also encourages platforms to ensure there is equity in the management process, and that steps are taken to be inclusive of marginalised or disadvantaged groups. These included a diverse range of activities, including internal review, active recruitment from marginalised communities and consciously extending income opportunities to the lowest-income communities. Different platforms have issued campaigns to support equality, diversity and inclusion, particularly in the relationship between customers and workers, but only one achieves a translation into concrete policies.



## Fair Representation

✎ This is a critical matter in Colombia. Worker's organisation and unions have been historically stigmatised and have suffered political persecution and direct violence. They are also regarded with distrust by companies and the business sector, being considered obstacles in the relationship between employers and workers. In the case of digital platforms, there is a resistance to recognise any kind of representation because it is assumed to be a part of the employer-worker relation, which platforms strongly deny.

✎ Only one platform scores the 5.1 principle. This is mainly due to the platform's efforts to recognise workers' collective representation, as well as the right for them to choose their own representatives.

✎ Some companies are opening spaces of dialogue with their workers and "collaborators", but these are not locations of collective representation.























Jair Fonseca / Shutterstock



# Platform in Focus:

## Hogarú

						Total
	<b>Principle 1: Fair Pay</b>		Guarantees workers earn at least the local minimum wage after costs		Guarantees workers earn at least a local living wage after costs	
	<b>Principle 2: Fair Conditions</b>		Mitigates task-specific risks		Provides a safety net	
	<b>Principle 3: Fair Contracts</b>		Provides clear and transparent terms and conditions		Does not impose unfair contract terms	
	<b>Principle 4: Fair Management</b>		Provides due process for decisions affecting workers		Provides equity in the management process	
	<b>Principle 5: Fair Representation</b>		Assures freedom of association and the expression of collective worker voice		Supports democratic governance	

Hogarú overall score

 **07/10**

Hogarú is a Colombian domestic service platform founded in 2013. Its goal is to simplify the hiring process for domestic and care services. Hogarú, formerly known as VOSAVOS SAS, was financed by Telefónica and at the time operated as an intermediary through a website where subscribers could access domestic workers' profiles rated by costumers. In 2014, the company launched its first digital platform prototype to facilitate the management and booking of cleaning services. Hogarú CEO noticed that clients not only requested punctuality from workers and better security measures from the company, but also wanted to reduce the paperwork and legal process that comes with hiring domestics under short term contracts (La República, 2015). Consequently, Hogarú came to be a digital platform

in 2015. The platform operates in three major cities in Colombia: Bogotá, Cali and Medellín, and it has hired approximately 600 domestic workers around the country (La República, 2021).

Hogarú aims to dignify and professionalise cleaning and caring services in Colombia (El País, 2018). According to DANE (2020), only 1 in 10 domestic workers in Colombia have a contract, 60.5% are affiliated to subsidised social security schemes, and it is estimated that 80% of domestic workers are informal workers (Nicanor Restrepo, 2021). Hogarú hires domestic workers to then assign them to clients. It takes responsibility in selecting and training its workers. The legal contract that the workers sign guarantees labour rights established by the Colombian domestic work Law

1788 of 2016<sup>14</sup>, including the right to access social security, work benefits, earning at least the Colombian legal minimum wage, and an eight-hour working shift. In 2018, Hogarú was the winner of the RSA Future Work Awards, which recognise initiatives around the world that use technology to provide people with new job opportunities in fair conditions. The platform has also received investments from key investment funds such as Wayra, Y Combinator and Velum Ventures to expand its service throughout Colombia and Latin America.

### Fair Pay:

In 2021 Hogarú guaranteed workers are paid at least the local minimum wage after costs (908,526 COP per month, approximately 230 USD).

Hogarú also pays a transport allowance which includes cost of travelling between shifts (106,454 COP per month, around 27 USD). Additionally, Hogarú covers social security as employer, which includes accident insurance, pension and compensation funds, such as a 13th Salary (prima) and severance pay. In our interviews, domestic workers stated how the company not only covers such benefits but is also punctual with the payment: “they pay every fifteen days, they always pay on time”. Workers also commented that if they have to work every single working day during a month, without failing or rejecting any service, they can receive an extra bonus of 75,000 COP. When we asked workers if the income was enough to support a decent standard of living, they stated that the minimum wage was not sufficient. However, it is important to highlight that Hogarú is working on guaranteeing a living wage according to living standards in Bogotá, based on the salary and benefits

provided.

Hogarú was not able to score the second point for Fair Pay. Hogarú workers pointed out that the amount of work they do is not reflected in their income, and they would like the platform to acknowledge length of service in the payments: “the work we have to do is very tough and the salary is not enough [...] the hierarchy in the company in length of service is not considered for promotion, we do the same, we have the same rank, the same salary and same benefits as the girl who entered a month ago, and we have been working for three years”.

### Fair Conditions:

Regarding fair conditions, Hogarú demonstrated a set of measures and policies to mitigate task-specific risks. This includes safety training, social security payment, labour insurance and personal protective equipment (PPE). Therefore, Hogarú could be awarded

point 2.1. The platform scored point 2.2 as well, as Hogarú compensates its workers in the case of sickness. Additionally, during the COVID-19 pandemic, Hogarú never stopped paying its workers, even if they were not working. As one of the workers noted in their interview with us, “we received half the minimum wage during that time”.

### Fair Contracts:

Hogarú provides sufficient and clear evidence about its contracts to its workers, which are written according to Colombia’s domestic service law. The workers we interviewed said they have a physical copy of their contract, which the platform carefully explained to them the moment they started to work. Workers also indicated that Hogarú notified them in advance of every single change in their contracts during the COVID-19 pandemic. Thus, the platform could be awarded point 3.1. However, since October 2020, the



Hogarú contract has included clauses that require workers to fulfil 80% of the demand services in order to receive a full-time contract. This worried many workers because their employment status could be affected: “if I do not have that 80% they can cancel my contract any time and leave me out”. Therefore, the platform did not score point 3.2.

willingness to recognise, or bargain with, a collective body of workers or trade union.

### Fair Management:

Hogarú has created different channels for workers to communicate with human representatives of the platform’s human resources team. These representatives are called “godmothers” and not only help workers solve problems with clients and services, among others, but also pay attention to their personal situations that may require additional help. Workers told us that Hogarú offers them technical assistance if they have problems using the app. We found that communications channels are documented and available on the worker’s app. There is also a clear appeal process for the workers. This is why Hogarú scored point 4.1. There is also a policy which ensures the platform does not discriminate on grounds such as race, social origin, caste, ethnicity, nationality, gender, sex, gender identity and expression, sexual orientation, disability, religion or belief, age or any other status. Hogarú, moreover, has committed to reduce the risk of users discriminating against workers from disadvantaged groups in accessing and carrying out work.

### Fair Representation:

Hogarú has documented mechanisms for the expression of collective worker voice, such as the Committee of Security in the Workplace, which has elected worker representatives. Most importantly, freedom of association is not inhibited, and workers are not disadvantaged in any way for communicating their concerns, wishes and demands to the platform. For this reason, it could be awarded point 5.1. However, the platform should also work on developing a formal policy of

# Workers' Stories



**Aura**

Hogarú

Aura\* is a 40-year-old domestic worker living in Bogotá, with her husband, parents and her two children. She started working at a very young age and has ample experience in the cleaning sector. Just after finishing high school, Aura was a street vendor. Then, while working at a small grocery store, she was asked to do the cleaning of the grocery owner's house: "they didn't pay much but it was a way of earning extra money while I found another job". After that Aura had the chance to work in cleaning at a culinary school, where she worked for nine years until the school decided to dismiss its older employees. She found another job at a cleaning company but soon after she was hired, she got pregnant and went on maternity leave. Aura had a hard time balancing home and work life: "imagine, my baby was only six months old, and I had to work seven days a week". Influenced by her husband, Aura decided to quit her job, but mounting debts and everyday expenses made her reconsider the decision. One day, while commuting to work, Aura met a woman who worked for an on-demand house cleaning app called Hogarú, who highly recommended it. "She said it was a good job, that it has bonuses and offers a full-time contract". Aura decided to apply and after a long process of interviews, health test and training, she was hired.

Aura has been working for Hogarú ever since. She works six days a week in four to eight hour shifts each day, earning the local minimum wage (around 1,000,000 COP) monthly. Even though Hogarú has lived up to her expectations she finds the job demanding. For instance, in order to arrive on time to the homes and offices in five

different locations that are scheduled by the app every week, she must leave home very early. Aura acknowledges that punctuality is a key feature of Hogarú's services, and that the app is quite rigid in this regard.

As result of the pandemic, the legal nature of the contract changed from full-time to part-time contracts and independent contractors in 2020, and some workers lost some of the benefits of having a full-time contract, such as full social security converge. Aura was not affected by this change, she was lucky.

Although the pandemic brought a substantial reduction in her monthly wage, Aura acknowledges that the company at least carried on with part of the payments, as well as facilitating the paperwork to access her payments with private insurance companies. Compared to her previous jobs, Aura has found stability and better working conditions in Hogarú. "This job has its good and bad days but at least I have medical insurance, a retirement plan and all legal benefits" she says. There are a few things Aura would like to change about Hogarú. She says it would be good if the platform assigned services closer to her home, so she does not spend so much time moving around the city. Also, she believes that clients ask for too many tasks that are difficult to achieve in her working hours, and that "they don't pay for extra hours". Despite these issues, Aura would like to continue working for Hogarú. She says there are not many companies like this for domestic workers in the country.

**\*Name changed to protect worker identity**





**Stella**

Rappi

Stella\* is a 56-year-old rider who joined the delivery platform Rappi four years ago. Before joining the delivery platform, Stella worked in domestic services, as a flower-picker, and as a waitress. She describes these jobs as tough and demanding. After earning her degree in accounting, she worked as an accounting assistant for different companies, but at the age of 36 she decided to quit her job to spend quality time with her children, who barely saw her at home. Once her children grow up Stella attempted to get back into the job market, but this proved to be difficult for a middle-age woman, so she went back again to flower-picking and waitressing, until she met a rider who advised her to try Rappi. Stella says that, at that time, she valued that Rappi offered independence and a decent income. Stella signed up to Rappi and intended to work only on her free time while she continued looking for a more stable job in accounting.

In the end this didn't happen, and Stella now works full-time for Rappi. During her time on Rappi, she has witnessed several changes in the platform's working conditions that affect riders, especially since the pandemic. To start with, the payment they receive per order has decreased over the years. She told us:

***"Four years ago, this company promised us at least 3,500 COP per order on weekdays, plus an additional 1,000 COP after 2 km covered. On the weekend the rate would go up to 5,000 COP, plus an additional 1,500 COP after 2 km covered. Rappi promised we could log in and out as we pleased, but the truth is that we do not see this. Nowadays, we get paid 2,000 COP for two orders."***

Her typical workday is around 10 hours, leaving home at 8 a.m. and returning at 7 p.m. Working conditions might not be safe at night, and she only works at night if she needs to find extra income, despite feeling more exposed to accidents and robbery. Rappi seldom provides riders with any kind of insurance.

Several changes have been introduced by Rappi that affect riders such as Stella. One involves an hourly booking system in which riders let the app know in advance the number of hours and time slots in which they are going to be logged in that week. Another significant change was the introduction of the "auto acceptance orders" button, which riders need to activate to get new orders. This button allows the Platform to allocate orders to the riders without their consent, with the App determining all the details. Over the years, Rappi has created metrics to measure riders' work. Stella notes that "there are a number of conditions that we have to meet to get new rides". One thing that worries Stella is that the Rappi app often fails, and its communication channel is automated. These issues, among others, have led Stella to join a riders' union. In her view, this allows her to better navigate the difficulties she faces every time she logs in: "I do not want to continue under these precarious conditions, I do not want to receive orders from someone who is not paying me to receive orders". Stella hopes to see some changes in riders' working conditions: "we are fighting. I have a lot of faith that we are going to make it, I do not know how long it will take but we will continue fighting either way".



## Fredy

*Didi and Beat*

Fredy\* is 27 years old and works for both the transport platforms Didi and Beat. He has been a platform worker for five years and has worked informally since he finished high school, when he decided not to carry on to college, because in Colombia “there are no guarantees of finding a good job after graduating”. Fredy worked as a waiter, in construction, even as an electrician and in a furniture factory. He did not have any insurance or access to any social security in any of these jobs, because they were informal. Right before working as a driver, Fredy worked for a call center where a coworker casually mentioned that platform drivers could earn a good income. Fredy, who was already bored of only earning the minimum wage, decided to go for it and signed up. He started first with Uber, but soon stopped working for it because of the high fee Uber was charging for of each trip. He then decided to move to other apps, including Didi and Beat.

The ride-hailing sector operates under different working and rental schemes, and Fredy has signed in with two different apps working with a car he rents weekly for 250,000 COP. Freddy covers the related costs like gasoline, car washing and parking. Although he enjoys managing his time, he starts his workday at 6 a.m. and works until

10 or 11 p.m. The main challenges he faces daily include insecurity, traffic, and police checkpoints. Since ride-hailing platforms are not legal in Colombia, Fredy is in constant risk of having his car immobilized. He complains that ride-hailing platforms have really changed over the years:

“they don’t pay attention to us much, platforms change fees, some incentives are very difficult to achieve, and you cannot cancel any trip even if there are times when you arrive to pick up a client and they never show up. Many things have changed.”

A common challenge for drivers is the interaction with the diverse clients who use ride-hailing apps: “once I picked up a man who was drunk, got sick in my car, but didn’t pay for the cleaning. I lost my time and my money. I informed the platform, but they never gave me an answer”. Because of the platforms’ absence, Fredy joined a drivers’ WhatsApp group where they help each other and try to reach platforms collectively. Fredy is not sure about continuing to work as a ride-hailing driver. He says that the “guarantees are no longer the same, you can get a good service and platforms take almost half of the fare, it doesn’t justify the time you spent, the gasoline you pay or the car’s wear and tear”.

## Theme in Focus:

# Promises of Social Security Reform in the Colombian Gig Economy

2021 was a year of social unrest in Colombia. The country witnessed thousands of young people taking their despair and frustration to the streets, formally protesting the latest economic policies that included a tax reform. This frustration was aggravated by the economic crisis caused by the COVID-19 pandemic, unemployment and lack of opportunity that is the destiny for thousands of Colombians and, more recently, for Venezuelan migrants.

In this context, digital platforms have been praised for their relatively high capacity to create jobs. The low barriers to entry to the platform economy are a key means of partial inclusion of vulnerable populations in Colombia into the ‘formal economy’, including young people and Venezuelan migrants. In this regard, discussions around the future of work and labour markets in Colombia have been influenced by the platform business model. A lack of guaranteed minimum hours and extreme flexibility are increasingly regarded by politicians and business as the key solution to chronic unemployment in the country.

In a more subtle fashion, however, a concern is emerging among technocrats and policymakers about

the long-term sustainability of platform work and the future of platform workers in terms of social security. For instance, how should platform workers access a basic pension in the future? And who is responsible for this? These concerns are not limited to platform work – Colombia’s aging workforce has made social security and pensions critical matters for the government. The apparent crisis of the pension system is not exclusive to Colombia. Indeed, at an international level there is talk of the need to reformulate pension systems due to, among other things, the aging of the economically active population, the increase in life expectancy, demographic contraction, and the growing precariousness of work and unemployment of the younger generations.

The current Colombian social security system was structured by Law 100 of 1993. Law 100 structures the Colombian pension system into two regimes: the average premium regime (APR) and the individual savings regime (ISR). To access a pension in the APR, it is necessary to have contributed for 25 years and be of retirement age. In the ISR there are no age requirements or weeks of contributions, but the minimum capital must cover at least 110% of a minimum wage pension. Regarding the income received after retirement age, the APR replacement rate ranges from 65% to 80%; and in the ISR, between 35% and 45%. Fedesarrollo (a Colombian social and economic policy think tank) estimates that 47% of platform workers have a retirement savings account<sup>15</sup>.

Nevertheless, this coverage is still very low considering that digital platforms are regarded as part of the formal economy. The main barrier is the low income that workers receive from digital platforms, with many workers earning less than a minimum legal wage, in the context of a social protection system that is designed in terms of contributions and premium for income above this threshold.

The current system is unfair for low-income independent workers, who earn between 1 and 2.5 times the minimum wage. This problem is caused because only 40% of a worker's income is taxed, under the understanding that independent jobs have operating costs that must be deducted from the contribution base. For those who earn less than a minimum wage, the government designed the Periodic Economic Benefits (BEPS in Spanish); which consists of a savings scheme with voluntary contributions for workers in the subsidized regime that grants a 20% subsidy to the balances that are withdrawn at retirement age.

Most platform workers, particularly delivery workers, earn less than 2,200,000 COP<sup>16</sup>. The different attempts to regulate platform labour conditions in the country have included proposals to provide a basic social security floor for digital platform workers or "associates". These proposals offer different solutions, from recognising the contract labour relation between worker and platform, to reinforcing platforms' challenging to acknowledge their "collaborators" as workers. Some projects established that for "collaborators" with incomes above 1 Monthly Minimum Legal Salary (SMLV), the contribution should be shared between workers and platform (50% each). Other legislative proposals exclude the platforms from any contribution to social security, but suggests instead that platforms should provide Labor Risk Insurance (ARL) for all their collaborators.

The latest proposal to a social security framework for platform workers has been developed by Fedesarrollo in a study on the platform economy

sponsored by a number of digital platforms<sup>17</sup>. The main assumption of the proposal is that collaborators are independent workers and that their status should be preserved. Fedesarrollo suggests increasing the minimum income to contribute to social security from 1 times minimum wage to 2.3 times. Below such a threshold, the workers should contribute 15% of their monthly income, in order to receive BEPS benefits. It also proposes the creation of a solidarity contribution from the digital platforms to a common fund to support the contribution of those "collaborators" who earn less than a minimum wage.

All these proposals are very limited in recognising the actual working conditions of the workers of the platform economy. However, this must be the starting point for finding ways of making their present better and providing a future with dignity. It is necessary to redefine both the legal and social contracts of the platform economy, ensuring more committed and generous actions from the digital platforms and the government. Some countries have advanced in including platform workers within universal social security benefits funded by platforms, worker contributions and governments. The problem of social security for platform workers should be considered in a holistic way, in connection with the rights of all workers to earn a decent living wage, where working condition practices are in place, contracts are transparent, platforms guarantee due process to workers, and more importantly, that platform workers can organise to negotiate for themselves any change that platforms might introduce.



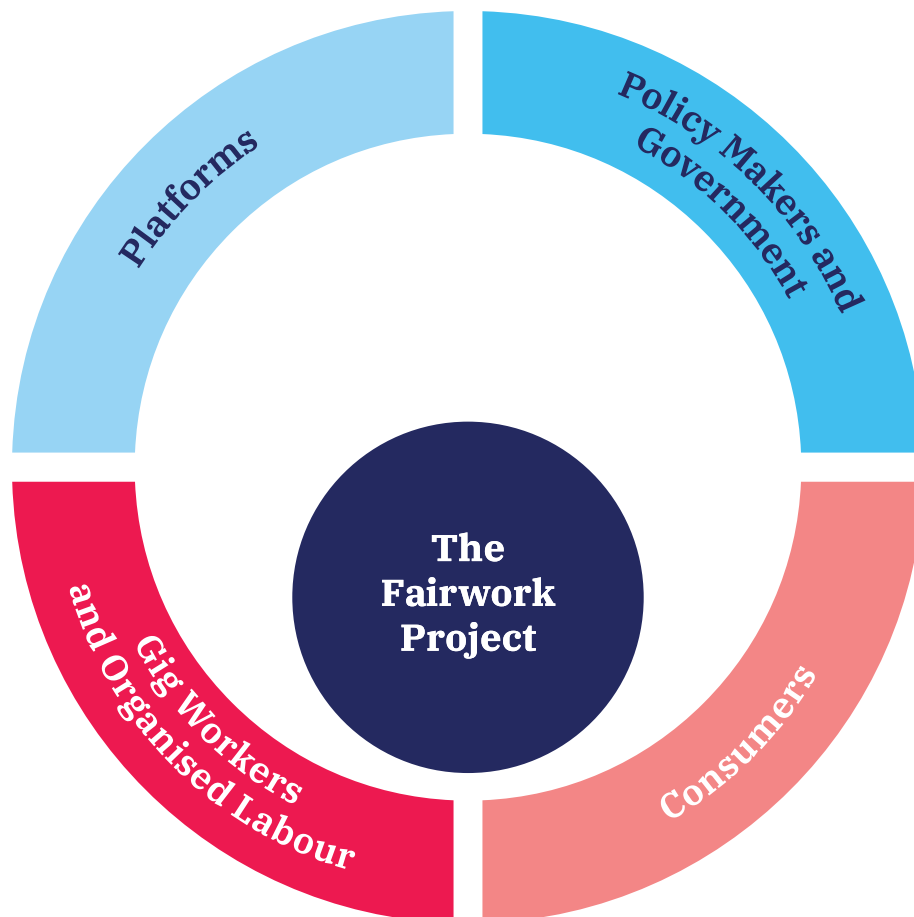
# Moving Forward: Pathways of Change

There is nothing inevitable about poor working conditions in the gig economy. Notwithstanding their claims to the contrary, platforms have substantial control over the nature of the jobs that they mediate.

Workers who find their jobs through platforms are ultimately still workers, and there is no basis for denying them the key rights and protections that their counterparts in the formal sector have long enjoyed. Our scores show that

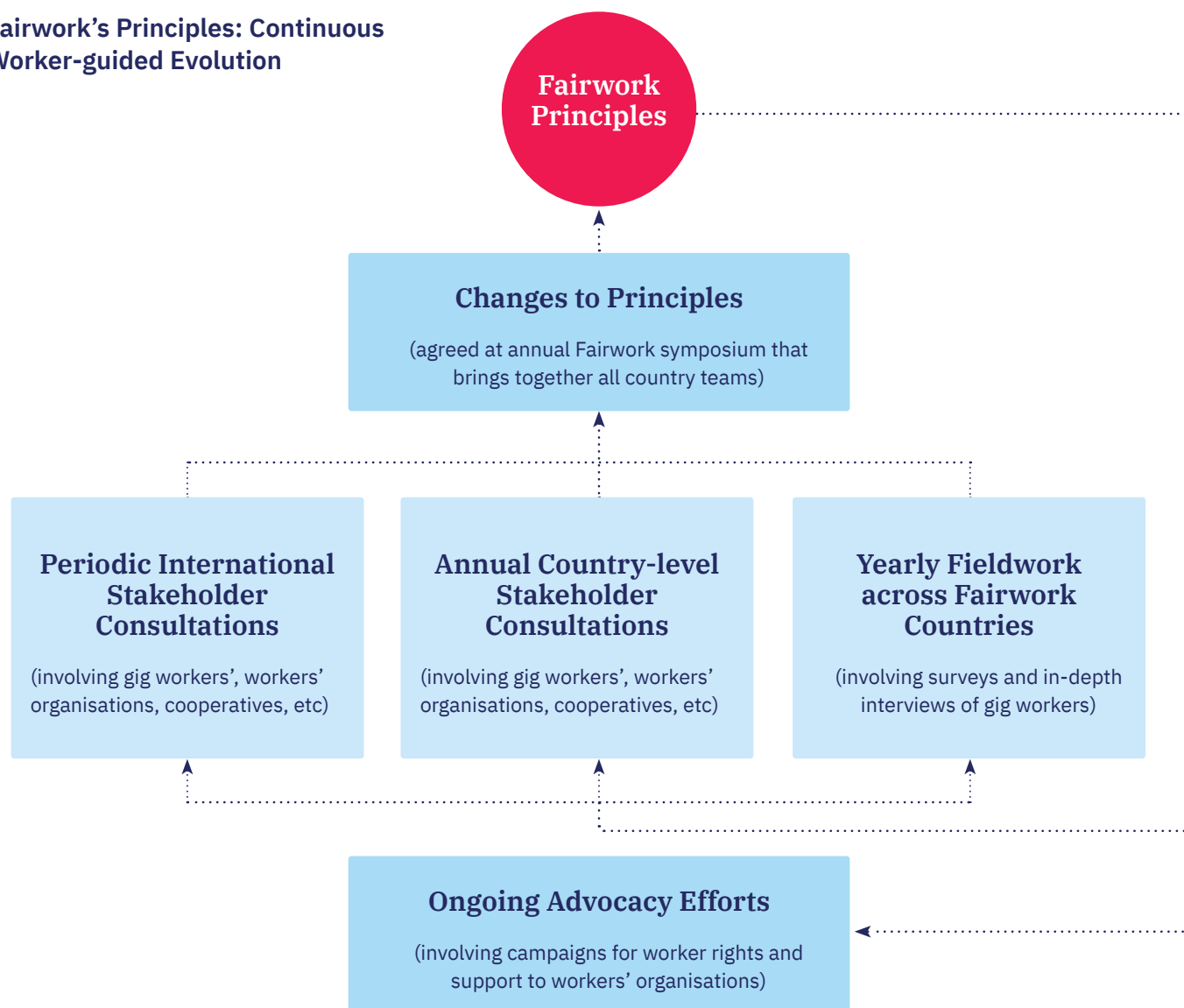
the gig economy, as we know it today, already takes many forms, with some platforms displaying greater concern for workers' needs than others. This means that we do not need to accept low pay, poor conditions, inequity, and

a lack of agency and voice as the norm. We hope that our work – by highlighting the contours of today's gig economy – paints a picture of what it could become.



Fairwork's Pathways to Change

## Fairwork's Principles: Continuous Worker-guided Evolution



## The Fairwork Pledge:

As part of this process of change, we have introduced a Fairwork pledge. This pledge leverages the power of organisations' procurement, investment, and partnership policies to support fairer platform work. Organisations like universities, schools, businesses, and charities who make use of platform labour can make a difference by supporting the best labour practices, guided by our five principles of fair work. Organisations who sign the pledge get to display our badge on company materials.

The pledge constitutes two levels. This

first is as an official Fairwork Supporter, which entails publicly demonstrating support for fairer platform work, and making resources available to staff and members to help them in deciding which platforms to engage with. A second level of the pledge entails organisations committing to concrete and meaningful changes in their own practices as official Fairwork Partners, for example by committing to using better-rated platforms where there is a choice. More information is available on the Pledge, and how to sign up at <https://fair.work/pledge>

# Appendix:

# Fairwork Scoring System






The five Principles of Fairwork were developed through an extensive literature review of published research on job quality, stakeholder meetings at UNCTAD and the ILO in Geneva (involving platform operators, policymakers, trade unions, and academics), and in-country meetings with local stakeholders.

Each Fairwork Principle is divided into two thresholds. Accordingly, for each Principle, the scoring system allows a

first point to be awarded corresponding to the first threshold, and a second point to be awarded corresponding to the second threshold (see Table 1). The second point under each Principle can only be awarded if the first point for that Principle has been awarded. The thresholds specify the evidence required for a platform to receive a given point. Where no verifiable evidence is available that meets a given threshold, the platform is not awarded that point.

A platform can therefore receive a maximum Fairwork Score of ten points. Fairwork scores are updated on a yearly basis; the scores presented in this report were derived from data pertaining to the 12 months between November 2021 and November 2022, and are valid until November 2023.

Table 1 Fairwork Scoring System

Principle	First point		Second point		Total
 <b>Fair Pay</b>	1	+	1	=	2
 <b>Fair Conditions</b>	1	+	1	=	2
 <b>Fair Contracts</b>	1	+	1	=	2
 <b>Fair Management</b>	1	+	1	=	2
 <b>Fair Representation</b>	1	+	1	=	2

Maximum possible Fairwork Score





## Principle 1: Fair Pay

### Threshold 1.1 – Guarantees workers earn at least the local minimum wage after costs<sup>18</sup> (one point)

*Platform workers often have substantial work-related costs to cover, such as transport between jobs, supplies, or fuel, insurance, and maintenance on a vehicle.<sup>19</sup> Work-related costs mean that workers' take-home earnings could fall below the local minimum wage.<sup>20</sup> Workers also absorb the costs of extra time commitment, when they spend time waiting or travelling between jobs, or other unpaid activities necessary for their work, which are also considered active hours.<sup>21</sup> To achieve this point platforms must demonstrate that work-related costs do not push workers below local minimum wage.*

The platform must satisfy the following:

- Workers earn at least the local minimum wage, or the wage set by collective sectoral agreement (whichever is higher) in the place where they work, in their active hours, after costs.

In order to evidence this, the platform must either: (a) have a documented policy that guarantees the workers receive at least the local minimum wage after costs in their active hours; or (b) provide summary statistics of transaction and cost data. In case of (b), the platform must submit:

- An estimate for work-related costs, which are then checked by the Fairwork team through worker interviews; and,
- A weekly earnings table for any three-month period over the previous twelve months, in the format shown below. This is a two-way relative frequency table, which should contain information on the percentages of workers whose average weekly take-home earnings and active hours are distributed as follows in Table 2.

### Threshold 1.2 – Guarantees workers earn at least a local living wage after costs<sup>22</sup> (one additional point)

*In some places, the minimum wage is not enough to allow workers to afford a basic but decent standard of living. To achieve this point platforms must ensure that workers earn a living wage.*

The platform must satisfy the following:

- Workers earn at least a local living wage, or the wage set by collective sectoral agreement (whichever is higher) in the place where they work, in their active hours, after costs.<sup>23 24</sup>

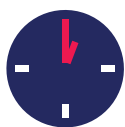
If the platform has completed Table 2, the mean weekly earnings minus the estimated work-related costs must be above the local minimum wage.

Table 2 Weekly earnings table<sup>26</sup>

		WORKER EARNINGS AFTER COSTS (E)			
		e < M	M ≤ e < 1.5M	1.5M ≤ e < 2M	2M ≤ e
ACTIVE HOURS (H)	h < 0.9F (part-time)	%	%	%	%
	0.9F ≤ h < 1.2F (full-time)	%	%	%	%
	1.2F ≤ h (full-time plus overtime)	%	%	%	%

Notes: h = Average active hours worked by worker per week; e = Average weekly earnings of worker; F = the number of hours in a local standard working week; M = the local weekly minimum wage, calculated at F hours per week. The rows represent workers who work part-time, full-time, and more than full-time. The percentages in each row should add up to 100 %; The table is to be filled with four columns of data: Column<sup>[2]</sup> with the percentages of part-time, full-time, and full-time with overtime workers who earn less than the minimum weekly wage (X), and so on until Column<sup>[5]</sup>.





## Principle 2: Fair Conditions

### Threshold 2.1 – Mitigates task-specific risks (one point)

*Platform workers may encounter a number of risks in the course of their work, including accidents and injuries, harmful materials, and crime and violence. To achieve this point platforms must show that they are aware of these risks and take steps to mitigate them.*

The platform must satisfy the following:

- There are policies or practices in place that protect workers' health and safety from task-specific risks<sup>34</sup>.
- Platforms take adequate, responsible and ethical data protection and management measures, laid out in a documented policy.

### Threshold 2.2 – Provides a safety net (one additional point)

*Platform workers are vulnerable to the possibility of abruptly losing their income as the result of unexpected or external circumstances, such as sickness or injury. Most countries provide a social safety net to ensure workers don't experience sudden poverty due to circumstances outside their control. However, platform workers usually don't qualify for protections such as sick pay, because of their independent contractor status. In recognition of the fact that most workers are dependent on income from the platform for their livelihood, platforms can achieve this point by providing compensation for loss of income due to inability to work.*

The platform must satisfy BOTH of the following:

- Platforms take meaningful steps to compensate workers for income loss due to inability to work commensurate with the worker's average earnings over the past three months.
- Where workers are unable to work for an extended period due to unexpected circumstances, their standing on the platform is not negatively impacted.



## Principle 3: Fair Contracts

### Threshold 3.1 – Provides clear and transparent terms and conditions (one point)

*The terms and conditions governing platform work are not always clear and accessible to workers<sup>25</sup>. To achieve this point, the platform must demonstrate that workers are able to understand, agree to, and access the conditions of their work at all times, and that they have legal recourse if the platform breaches those conditions.*

The platform must satisfy ALL of the following:

- The party contracting with the worker must be identified in the contract, and subject to the law of the place in which the worker works.
- The contract is communicated in full in clear and comprehensible language that workers could be expected to understand.
- The contract is accessible to workers at all times.
- Every worker is notified of proposed changes in a reasonable timeframe before changes come into effect; and the changes should not reverse existing accrued benefits and reasonable expectations on which workers have relied.



## Principle 4: Fair Management

### Threshold 3.2 – Does not impose unfair contract terms (one additional point)

*In some cases, especially under ‘independent contractor’ classifications, workers carry a disproportionate amount of risk for engaging in the contract. They may be liable for any damage arising in the course of their work, and they may be prevented by unfair clauses from seeking legal redress for grievances. To achieve this point, platforms must demonstrate that risks and liability of engaging in the work is shared between parties.*

Regardless of how the platform classifies the contractual status of workers, the platform must satisfy BOTH of the following:

- The contract does not include clauses which exclude liability for negligence nor unreasonably exempt the platform from liability for working conditions.
- The contract does not include clauses which prevent workers from effectively seeking redress for grievances which arise from the working relationship.

### Threshold 4.1 – Provides due process for decisions affecting workers (one point)

*Platform workers can experience arbitrary deactivation; being barred from accessing the platform without explanation, and losing their income. Workers may be subject to other penalties or disciplinary decisions without the ability to contact the platform to challenge or appeal them if they believe they are unfair. To achieve this point, platforms must demonstrate an avenue for workers to meaningfully appeal disciplinary actions.*

The platform must satisfy ALL of the following:

- There is a channel for workers to communicate with a human representative of the platform. This channel is documented in the contract and available on the platform interface. Platforms should respond to workers within a reasonable timeframe.
- There is a process for workers to meaningfully appeal low ratings, non-payment, payment issues, deactivations, and other penalties and disciplinary actions. This process is documented in the contract and available on the platform interface<sup>26</sup>.
- In the case of deactivations, the appeals process must be available to workers who no longer have access to the platform.
- Workers are not disadvantaged for voicing concerns or appealing disciplinary actions.

### Threshold 4.2 – Provides equity in the management process (one additional point)

*The majority of platforms do not actively discriminate against particular groups of workers. However, they may inadvertently exacerbate already existing inequalities in their design and management. For example, there is a lot of gender segregation between different types of platform work. To achieve this point, platforms must show not only that they have policies against discrimination, but also that they seek to remove barriers for disadvantaged groups, and promote inclusion.*

The platform must satisfy ALL of the following:

- There is a policy which ensures the platform does not discriminate on grounds such as race, social origin, caste, ethnicity, nationality, gender, sex, gender identity and expression, sexual orientation, disability, religion or belief, age or any other status.
- Where persons from a disadvantaged group (such as women) are significantly under-represented among its workers, it seeks to identify and remove barriers to access by persons from that group.
- It takes practical measures to promote equality of opportunity for workers from disadvantaged groups, including reasonable accommodation for pregnancy, disability, and religion or belief.
- If algorithms are used to determine access to work or remuneration, these are transparent and do not result in inequitable outcomes for workers from historically or currently disadvantaged groups.
- It has mechanisms to reduce the risk of users discriminating against workers from disadvantaged groups in accessing and carrying out work.



## Principle 5: Fair Representation

### Threshold 5.1 – Assures freedom of association and the expression of worker voice (one point)

*Freedom of association is a fundamental right for all workers, and enshrined in the constitution of the International Labour Organisation, and the Universal Declaration of Human Rights. The right for workers to organise, collectively express their wishes – and importantly – be listened to, is an important prerequisite for fair working conditions. However, rates of organisation amongst platform workers remain low. To achieve this point, platforms must ensure that the conditions are in place to encourage the expression of collective worker voice.*

Platforms must satisfy ALL of the following:

- There is a documented mechanism for the expression of collective worker voice.
- There is a formal policy of willingness to recognise, or bargain with, a collective body of workers or trade union, that is clearly communicated to all workers<sup>27</sup>.
- Freedom of association is not inhibited, and workers are not disadvantaged in any way for communicating their concerns, wishes and demands to the platform<sup>28</sup>.

### Threshold 5.2 – Supports democratic governance (one additional point)

*While rates of organisation remain low, platform workers' associations are emerging in many sectors and countries. We are also seeing a growing number of cooperative worker-owned platforms. To realise fair representation, workers must have a say in the conditions of their work. This could be through a democratically-governed cooperative model, a formally recognised union, or the ability to undertake collective bargaining with the platform.*

The platform must satisfy at least ONE of the following:

- Workers play a meaningful role in governing it.
- It publicly and formally recognises an independent collective body of workers, an elected works council, or trade union.
- It seeks to implement meaningful mechanisms for collective representation or bargaining.

# Credits and Funding

Fairwork is a project run out of the Oxford Internet Institute, University of Oxford, and the Berlin Social Science Centre, and draws on the expertise and experience of staff at Universidad del Rosario, Access to Knowledge for Development Center (A2K4D) at the American University in Cairo's School of Business, Audencia Business School, Centre for Labour Research, Chinese University of Hong Kong's Centre for Social Innovation Studies, CIPECC, De La Salle University, FLACSO-Ecuador, Humboldt University of Berlin, International Institute of Information Technology Bangalore (IIITB), iSocial, KU Leuven, Lagos Business School, Public Policy Research Center (CENTAR), Qhala, REPOA, Sapienza University of Rome, Solidarity Center, Technical University of Berlin, TEDIC, TU Wien, Universidad Adolfo Ibáñez, Universidad Complutense de Madrid, Universidade do Vale do Rio dos Sinos (Unisinos), Universitas Gadjah Mada's Center for Digital Society, University of California's Hastings College of the Law, University of Cape Town, University of Ghana Business School, University of Manchester, University of the Western Cape, Weizenbaum Institut and XU Exponential University.

## Authors:

Oscar Javier Maldonado, Derly Sánchez Vargas, Laura Mantilla-León, Victor Manuel Hernandez. Fairwork Colombia team: Oscar Javier Maldonado, Derly Sánchez Vargas, Laura Mantilla-León, Victor Manuel Hernandez, Sergio Daniel Sanchez, Julian David Moreno, Valentina Mayor Gutierrez, Mabel Rocio Hernández, Zully Bibiana Suárez, Alessio Bertolini and Mark Graham.

## Fairwork Team:

Daniel Abs, Pablo Aguera Reneses, Daniel Abs, Pablo Aguera Reneses, Iftikhar Ahmad, Gina Alaschkar, Maria Belen Alborno, Luis Pablo Alonzo, Moritz Altenried, Oğuz Alyanak, Branka Andjelkovic, Thomas Anning-Dorson, Marcos Aragão, María Arnal, Arturo Arriagada, Daniel Arubayi, Tat Chor Au-Yeung, Marina Benedine, Ariane Berthoin Antal, Alessio Bertolini, Gautam Bhatia, Virgel Binghay, Richard Boateng, Manuela Bojadzije, Macarena Bomhomme, Ameline Bordas, Maren Borkert, Álvaro Briaes, Joseph Budu, Callum Cant, Rodrigo Carelli, Eduardo Carrillo, Chris King Chi Chan, Henry Chavez, Aradhana Cherupara Vadakkethil, Andrea Ciarini, Matthew Cole, Antonio Corasaniti, Pamela Custodio, Olayinka David-West, Nadia De Jesus, Luisa De Vita, Markieta Domecka, Marta D'Onofrio, Darcy du Toit, Veena Dubal, James Dunn-Willimason, Trevilliana Eka Putri, Nagham El Houssamy, Haya El Zayat, Batoul ElMehdar, Elisa Errico, Fabian Ferrari, Patrick Feuerstein, Roseli Figaro, Milena Franke, Sandra Fredman, Jackeline Gameleira, Pia Garavaglia, Beatriz Garcia, Chana Garcia, Sharon Geeling, Navneet Gidda, Shikoh Gitau, Slobodan Golusin, Saúl Gomez, Mark Graham, Markus Griesser, Rafael Grohmann, Martin Gruber-Risak, Julieta Haidar, Khadiga Hassan, Richard Heeks, Mabel Rocío Hernández Díaz, Luis Jorge Hernández Flores, Victor Manuel Hernandez Lopez, Benjamin Herr, Kelle Howson, Francisco Ibáñez, Shahidul Islam, Tanja Jakobi, Athar Jameel, Hannah Johnston, Zeynep Karlidag, Lucas Katera, Srujana Katta, Mishal Khan, Maja Kovac, Martin Krzywdzinski, Amelinda Pandu Kusumaningtyas, Arturo Lahera-Sánchez, Joy-Eveline Leeuw, Sebastian Lew, Jorge Leyton, Tatiana López Ayala, Raiyaan Mahbub, Amruta Mahuli, Melissa Malala, Oscar Javier

Maldonado, Laura Clemencia Mantilla León, Claudia Marà, Paolo Marinaro, Ana Flavia Marques, Margreta Medina, Caterina Morbiato, Jamal Msami, Hilda Mwakatumbula, Baraka Mwaura, Mounika Neerukonda, Ana Negro, Sidra Nizambuddin, Thando Nkohla-Ramunenyiwa, Claudia Nociolini Rebechi, Kemi Ogunyemi, Caroline A Omware, Balaji Parthasarathy, Francesca Pasqualone, Obed Penu, Leonhard Plank, Valeria Pulignano, Jack Linchuan Qiu, Ananya Raihan, Antonio Ramírez, Juan-Carlos Revilla, Alberto Riesco-Sanz, Nabiyla Risfa Izzati, Nagla Rizk, Cheryll Ruth Soriano, Nancy Salem, Julice Salvagni, Derly Yohanna Sánchez Vargas, Maricarmen Sequera, Murali Shanmugavelan, Ruth Tarullyna Simanjuntak, André Sobczak, Shanza Sohail, Janaki Srinivasan, Zuly Bibiana Suárez Morales, David Sutcliffe, Pradyumna Taduri, Kristin Thompson, Kiko Tovar, Pitso Tsibolane, Wing Yin Anna Tsui, Funda Ustek-Spilda, Jean-Paul Van Belle, Giulia Varaschin, Eduardo Vargas, Paola Vidriana, Laura Vogel, Jing Wang, Robbie Warin and Nadine Weheba.

## External scoring reviewers:

Alessio Bertolini, Pia Caravaglia, Marcos Oliveira, Tatiana López, Patrick Feuerstein

## Editing:

Pablo Aguera y David Sutcliffe

## Please cite as:

Fairwork (2022) Fairwork Colombia Ratings 2021: Promises of Social Security Reforms in the Gig Economy. Bogotá, Colombia; Oxford, United Kingdom; Berlin, Germany.



*Please note that this report contains sections in common with other Fairwork reports, notably the Fairwork Framework, parts of the Moving Forward section, and the Appendix.*

#### Design and type-setting:

One Ltd. and Pablo Aguera

#### Funders:

This publication arises from research funded by the Federal Ministry for Economic Cooperation and Development (BMZ), commissioned by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).

#### Special thanks to:

Special thanks to UNIDAPP, the Union workers, and Universidad de Rosario for its immense support. We also thank Carlos Patarroyo, Iván Jaramillo Jassir, Juan Diego Castañeda, Mauricio Toro and Rodrigo Lara. Finally, we would like to acknowledge a very large number of workers and platform managers in Colombia for taking the time to help us build our platform ratings. Their roles are understated by a simple acknowledgement. All of the work in this project was shared not just amongst our research team, but also amongst the stakeholders who our ratings ultimately affect.

#### Conflict of interest statement:

None of the researchers have any connection with any of the platforms and the work undertaken received no funding or support in kind from any platform or any other company, and we declare that there is no conflict of interest.

## A collaboration between:



## Funded by:



# Endnotes

- 1 Arbeláez, M. A. & Fernández, C. (2021). Plataformas digitales y contribuciones a seguridad social. El caso de Colombia antes y después de la pandemia. Bogotá: Fedesarrollo, 54 p. accessed <https://www.repository.fedesarrollo.org.co/handle/11445/4159> (23th May 2022).
- 2 Arbeláez, M. A. & Fernández, C. (2021). Plataformas digitales y contribuciones a seguridad social. El caso de Colombia antes y después de la pandemia. Bogotá: Fedesarrollo, 54 p. accessed <https://www.repository.fedesarrollo.org.co/handle/11445/4159> (23th May 2022).
- 3 The World Bank (2022) Overview, The World Bank in Colombia, accessed <https://www.worldbank.org/en/country/colombia/overview#1> (9th May 2022)
- 4 Arbeláez, M. A. & Fernández, C. (2021). Plataformas digitales y contribuciones a seguridad social. El caso de Colombia antes y después de la pandemia. Bogotá: Fedesarrollo, 54 p. accessed <https://www.repository.fedesarrollo.org.co/handle/11445/4159> (23th May 2022).
- 5 Arbeláez, M. A. & Fernández, C. (2021). Plataformas digitales y contribuciones a seguridad social. El caso de Colombia antes y después de la pandemia. Bogotá: Fedesarrollo, 54 p. accessed <https://www.repository.fedesarrollo.org.co/handle/11445/4159> (23th May 2022)
- 6 The World Bank (2022) Overview, The World Bank in Colombia, accessed <https://www.worldbank.org/en/country/colombia/overview#1> (9th May 2022)
- 7 DANE (2022) Estructura del mercado laboral en 2021 con base en la nueva GEIH 2018. Accessed <https://www.dane.gov.co/index.php/estadisticas-por-tema/mercado-laboral/empleo-y-desempleo> (9th May 2022).
- 8 Arbeláez, M. A. & Fernández, C. (2021). Plataformas digitales y contribuciones a seguridad social. El caso de Colombia antes y después de la pandemia. Bogotá: Fedesarrollo, 54 p. accessed <https://www.repository.fedesarrollo.org.co/handle/11445/4159> (23th May 2022).
- 9 Crunchbase (2022) Rappi, investment profile. Accessed <https://www.crunchbase.com/organization/rappi> (9th May 2022).
- 10 Arbeláez, M. A. & Fernández, C. (2021). Plataformas digitales y contribuciones a seguridad social. El caso de Colombia antes y después de la pandemia. Bogotá: Fedesarrollo, 54 p. accessed <https://www.repository.fedesarrollo.org.co/handle/11445/4159> (23th May 2022)
- 11 Cotech S.A, a taxi-service platform, filed the lawsuit against Uber. Uber at that time had two million customers and 88,000 drivers in the country and it had been operating in Colombia for six years, with its presence generating several protests by taxi drivers. Sanchez, D.Y.et al., (2022) Technolegal Expulsions: Platform Food Delivery Workers and Work Regulations in Colombia. Journal of Labor and Society.
- 12 Decreto 1785 del 29 de Diciembre de 2020. Accessed <https://www.mintrabajo.gov.co/documents/20147/0/DECRETO+1785+DEL+29+DE+DICIEMBRE+2020.pdf/36376f0c-b8bd-1751-11d2-e9d61b81c186?t=1609259144033> (9th May 2022). The monthly minimum salary is divided in 192 hours (48 hours is the legal working week in Colombia).
- 13 We have followed the Living Wage Coalition standards to approach Living wage calculations. Specifically, we followed the Anker Foundation calculation of Living wage for Colombia (2021). <https://www.globallivingwage.org/living-wage-benchmarks/living-wage-for-caribbean-coast-of-colombia/> However, this calculation has been done only for the Caribbean Coast region. To project a living wage for the central region (Bogotá, Medellín and Cali), see <https://repositorio.banrep.gov.co/handle/20.500.12134/6336>, we have increased the Anker Living Wage 25%. The living Wage for the central region in 2021 was estimated at \$2,088,695. All the benefits such as primes, bonuses and severances fees are added to the salary and contribute as Living wage. The monthly living wage is divided in 192 hours (48 hours is the legal working week in Colombia).
- 14 In 2012 Colombia, as a member of the International Labour Organization (ILO), adopted Convention C189 on Decent Work for Domestic Workers. Thus, through Law 1595 of 2012, Colombian Congress approved the provisions of the ILO on the recognition of labour rights for domestic workers.
- 15 Arbeláez, M. A. & Fernández, C. (2021). Plataformas digitales y contribuciones a seguridad social. El caso de Colombia antes y después de la pandemia. Bogotá: Fedesarrollo, 54 p. accessed <https://www.repository.fedesarrollo.org.co/handle/11445/4159> (23th May 2022).
- 16 Arbeláez, M. A. & Fernández, C. (2021). Plataformas digitales y contribuciones a seguridad social. El caso de Colombia antes y después de la pandemia. Bogotá: Fedesarrollo, 54 p. accessed <https://www.repository.fedesarrollo.org.co/handle/11445/4159> (23th May 2022).
- 17 Arbeláez, M. A. & Fernández, C. (2021). Plataformas digitales y contribuciones a seguridad social. El caso de Colombia antes y después de la pandemia. Bogotá: Fedesarrollo, 54 p. accessed <https://www.repository.fedesarrollo.org.co/handle/11445/4159> (23th May 2022).
- 18 Correction (20/04/2022): The wording of the summary statement of Principle 1 was changed to clarify that the principle asks for a wage floor to be guaranteed by the platform.
- 19 Work-related costs include direct costs the worker may incur in performing the job. This may include, for instance, transport in between jobs, supplies, vehicle repair and maintenance, fuel, road tolls and vehicle insurance. However, it does not include transport to and from the job (unless in-between tasks) nor taxes, social security contributions or health insurance.
- 20 The ILO defines minimum wage as the “minimum amount of remuneration that an employer is required to pay wage earners for the work performed during a given period, which cannot be reduced by collective agreement or an individual contract.” Minimum wage laws protect workers from unduly low pay and help them attain a minimum standard of living. The ILO’s Minimum Wage Fixing Convention, 1970 C135 sets the conditions and requirements of establishing minimum wages and calls upon all ratifying countries to act in accordance. Minimum wage laws exist in more than 90 per cent of the ILO member states.
- 21 In addition to direct working hours where workers are completing tasks, workers also spend time performing unpaid activities necessary for their work, such as waiting for delivery orders at restaurants and travelling between jobs. These indirect working hours are also considered part of active hours as workers are giving this time to the platform. Thus, ‘active hours’ are defined as including both direct and indirect working hours.
- 22 Correction (20/04/2022): The wording of the summary statement of Principle 1 was changed to clarify that the principle asks for a wage floor to be guaranteed by the platform.
- 23 Where a living wage does not exist, Fairwork will use the Global Living Wage Coalition’s Anker Methodology to estimate one.

24 In order to evidence this, the platform must either: (a) have a documented policy that guarantees the workers receive at least the local living wage after costs in their active hours; or (b) provide summary statistics of transaction and cost data. In case of (b), the platform must submit: (1) An estimate for work-related costs, which are then checked by the Fairwork team through worker interviews; and, (2) a weekly earnings table for any three-month period over the previous twelve months, in the format shown in Table 2

25 The ILO's Maritime Labour Convention, 2006 (MLC 2006), Reg. 2.1, and the Domestic Workers Convention, 2011 (C189), Articles 7 and 15, serve as helpful guiding examples of adequate provisions in workers' terms and conditions, as well as worker access to those terms and conditions.

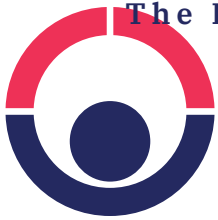
26 Workers should have the option of escalating grievances that have not been satisfactorily addressed and, in the case of automated decisions, should have the option of escalating it for human mediation.

27 For example, "[the platform] will support any effort by its workers to collectively organise or form a trade union. Collective bargaining through trade unions can often bring about more favourable working conditions."

28 See the ILO's Freedom of Association and Protection of the Right to Organise Convention, 1948 (C087), which stipulates that "workers and employers, without distinction, shall have the right to establish and join organisations of their own choosing without previous authorisation" (Article 2); "the public authorities shall refrain from any interference which would restrict the right or impede the lawful exercise thereof" (Article 3) and that "workers' and employers' organisations shall not be liable to be dissolved or suspended by administrative authority" (Article 4). Similarly the ILO's Right to Organise and Collective Bargaining Convention, 1949 (C098) protects the workers against acts of anti-union discrimination in respect of their employment, explaining that not joining a union or relinquishing trade union membership cannot be made a condition of employment or cause for dismissal. Out of the 185 ILO member states, currently 155 ratified C087 and 167 ratified C098.







Fairwork

## How to find us

 [fair.work](https://fair.work)

 [info@fair.work](mailto:info@fair.work)

 [@TowardsFairWork](https://www.facebook.com/TowardsFairWork)

 [@TowardsFairWork](https://twitter.com/TowardsFairWork)

 [@Towards\\_Fairwork](https://www.instagram.com/Towards_Fairwork)