Food Delivery Apps and Fair Practices.

The Indian food delivery app market has grown 500% since its emergence in 2015. With the top 10 large cities in contributing more than 60%[1] of its business food delivery are an unmissable aspect of urban life in India. The combined fleet of the main two food delivery app companies - Swiggy and Zomato – is more than 500,000 delivery partners or 'riders'[2]. The market also has seen a recent major event with the sale of Uber Eats to Zomato in January 2020.

In such a scenario, this report seeks to understand the impact that food delivery apps have as a business and as a technology on the riders that depend on the apps for daily work and income. This report is a result of 3 months of research with - 27 interviews done with riders within the south Indian city of Chennai. The primary researcher also worked as a rider for 5 weeks to experience directly the apps being studied and the daily work within this sector. The report lists and discusses the major elements of unfairness identified in 4 broad areas: Pay & Costs, Working Conditions, Contract & Partnership, and Apps & Technology.

The issues raised here are in no way meant to be exhaustive but is an exploration of the details of food delivery work and the unfairness that are faced by the workers. It is meant to be tool for use by labour and digital activists, unions and associations and the workers themselves. While the research was conducted in Chennai the findings are generalisable to other cities within India and possibly globally as well.

Pay & Costs

- Fair payment must include pay for waiting time at restaurant and distance travelled by the riders.
- Every pick-up and drop must be included to calculate income per delivery and the targets for the riders.
- Due information on the schedule for peak hour or surge payment programs are needed by riders.
- Changes to payment structure need to be informed in advance and not done abruptly to reduce unfair impact on riders and not interrupt their progress towards targets.

The payment scheme for riders do not follow a standard across different food delivery companies. The riders are paid fixed amount for pick-up and drop in all cases. But pay for variable distance driven and waiting charge for time taken at restaurant is not a standard. Including these payments is considered by many riders to be fair - as only a model like this includes all pay for all physical tasks undertaken during food delivery.

Since the start of food delivery business, the income per delivery and incentive plans has been steadily decreasing despite the initial promises of high income. This is due to both a reduction in the payment per delivery made to riders by the platforms and by changing the way income is calculated. Platforms calculate multiple pick-ups or drop off as one action in a multiple or batched order in an outright unfair practice. Every order picked up or dropped adds more time and effort for the rider. But the pay is a low fixed extra amount – only Rs. 5 in

[1] https://www.ft.com/content/2d0acea4-33bd-11ea-9703-eea0cae3f0de

[2] https://timesofindia.indiatimes.com/business/india-business/swiggy-to-hire-3l-in-18-months/articleshow/71657065.cms

one example for an additional pick-up and if this additional stop even takes 2 KM extra travel then riders lose money as the extra payment maybe less than the fuels cost.

The schedule for peak hour or surge payments when extra payment per order is possible is not communicated to riders clearly. This additional payment is a fair measure to help riders who face heavy traffic. But many times, peak hour or surge payment is not available to some of the riders. Or some riders expect its available during peak hours and it is not made available. A clear indication of a schedule is needed to inform riders in a fair manner.

The targets for incentive are very high in many payment schemes – both the number of hours and number of deliveries routinely push riders to work 12 hours as a minimum. This exceed normal pattern of work expected for a safe workday. Some of the incentive for achieve targets start only after 10 or 12 orders are delivered making it difficult to progress once peak hours are over.

Most income considerations leave out the daily cost for riders. Fuel and vehicle usage costs work out quite high for riders. Assumed at Rs. 2 per KM fuel costs for average distance of 3 KM per order comes out to at least 20% of rider average income of Rs. 30. Vehicle maintenance and loan payments can drive the costs higher to a conservative estimate of one-third of the costs.
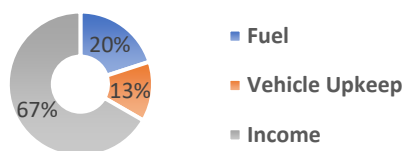
Finally, abrupt changes are made to the variable payment structure for riders - sometimes daily. This affects the rider in the middle of trying to achieve a weekly or monthly incentive. These changes are also done unfairly as unexplained disciplinary actions or a dispute is given as the reason without detailed information to the rider.

Working Conditions

- Road risk is unfairly considered only to be a problem of the rider and pressure is added on them by narrowly timed orders and impatient customers.
- Platforms need to actively liaison with local government and police to help improve and educate about riders road-safety.
- Dignity and respect at work for riders needs to be promoted among restaurants and customers.
- Customers and restaurants need to be regulated from imposing unpaid work on riders.

Time to deliver orders and the way it is presented induce panic using different loud alarm-like sounds from the app. Riders regularly get distracted by this while driving and this directly increases the risk of accidents. These constant timed alerts are not necessary, as long delays or disputes lead to deduction of payments made to riders. This should be enough motivation to lower delays in delivery.

Platforms meet customer demand by encouraging the riders to stay in busy areas. Many riders wait near busy roads and restaurants until orders are assigned. In places like this they run into problems with police due to issues like parking, road safety or traffic rules. There is a constant complaint that rider 'choose' to drive fast or ignore traffic rules. But the underlying issues of time pressure due to delivery targets must be acknowledged as a common problem. The risks on road which the riders face need to be owned and averted by all involved including the platform and the customers. Efforts on improving road safety are informally done within rider groups but platforms need to step-up in their efforts. This can be done by the platforms with proper

safety training, liaison with police and local government for road safety and to reduce issues for riders.

Customer demand is controlled by the platform by regularly showing restaurants with longer delivery distance – but with lower expected time of delivery at the time the order is placed. Information given to the customers about such orders in progress present the idea of a 'quick' delivery even when some of these target times are impossible to meet. Offers like 'free if not completed in time' also add on to this time pressure. Customers observing this tend to unnecessarily phone up the rider in the middle of riding, adding further risk of accidents.

There is a need to explicitly promote dignity and respect at work. Riders are treated as workers in restaurants by being asked to do extra work like packing their orders and customers ask for unreasonable things - such as waiting very long time at an office gate even before the customer arrives to the location, or asking riders to come to a different location than the one shown on the app. When riders question these problems, they are treated badly, and the customers or the restaurant threaten to raise a complaint which making it an unfair process on the riders.

The platform needs to recognise such issues and work on developing a culture of dignity at work. Restaurants need to be educated to treat riders with respect and not as if they are employees of the restaurant. Additionally, the ratings of the restaurant given by riders should be taken into account to show how restaurant treat riders – which does not happen now. Similarly, customer must be educated on treating riders with respect and to reduce their impatience to call the riders or ask for unreasonable requests.

Contract & Partnership

- Written contracts or terms & conditions are almost never provided.
- Middle-men handle sensitive financial and personal information putting riders at risk unfairly.
- Unequal power of platforms and restaurant removes the freedom of work and time that app-based work is supposed to provide the riders.
- Platforms unfairly restricts collective actions and strikes by taking disciplinary actions in return that impacts riders.

The issue of contract itself imposes unfairness on riders. When joining directly at platforms' recruiting office riders are refused a copy of the contract, even if the contract wording clearly says that it is an agreement made 'in duplicate'. The unfairness towards rider here is that their contract terms are unknown or unclear. But it can also be the case that the absence of a signed duplicate with the riders make it difficult for the riders to prove that they are in a contract with the platform, or evet that the actual contract may not be legally binding.

Many riders also join through middle-men who do everything from creation of login with temporary emails ids to setting up bank details of riders with the platform. Here personal and financial details become are shared easily over WhatsApp even without physically meeting become prone to misuse. The middle-men retain control of such data including passwords in some cases. Moreover, when joining through these middle-men the partnership contract does not actually get signed and the terms and conditions are not seen by the rider leaving them to enter the contract blindly.

Once within the contract the process for dispute resolution is without due process. Resolution takes longer time, but disciplinary actions like deduction or forced log-off from app are instantaneous. The platform routinely make the rider to use walk-in support centres as app based support is not well established or only in English. The time taken for resolution of such issues is time lost at work, unfairly affecting incentive of riders.

The relationship between rider and platform is defined as a 'partnership'. But the daily work of the rider has controls imposed making it a 'shift' job. Near regular timings are imposed as targets for login hours are closely monitored. Due to high targets many riders choose to be almost constantly logged in. Very restrictive paths to daily or weekly incentive income imposes a loss of riders' freedom in choosing their hour of work.

Further, much like a salaried job, riders face subordination to other stakeholders. The way in which platform's own employees and some restaurant employees engage with riders ends up being supervisory instead of a partnership. This is true on issues of scrutiny, micro-management of riders' tasks, or the loss of respect during daily interactions in many cases.

A main issue is the absence of the voice for riders. Drastic changes to payment structure did not involve representation from riders. When riders take steps to seek representation or collective action the platforms react adversely. This absence of representation was very clear during the recent takeover of one app by another. The riders were only intimated by a text in the morning when trying to login for the day's work. Evidence point to disciplinary action taken by platforms against riders who participated in organised protests, including of blocking login credential. Even though only protests and log-off strikes forces the local platform representative to have a dialogue with the riders, these efforts of riders can affect them negatively after the strikes are over.

📱 App & Technology

- There is a lack of training for riders in the use of apps beyond the core function of delivery, such as for support or reporting technical issues.
- Many inefficient intermediate steps are introduced which merely provide opportunities for technical failure.
- App estimates of delivery time shown to customers are unrealistic and unfairly increase risk for riders.
- App outages are not well managed leaving riders to face the impact during and after when the technical issues occur.

There is a fundamental issue is of training of riders in the usage of the food delivery apps. Limited training is done during on-boarding using videos which on only on the core functions such as navigating the maps, pick-up and delivery of orders. There is a lack of organised training for many important support features that benefit riders like raising dispute resolution request or reporting technical issues using tickets.

Even for the available training, there is language barrier as many sections of the apps have English as the only language in describing many specific functions. Trainings itself are bypassed by recruiting middle-men to quicken the joining process for the riders. Due to all this the time taken to learn the full usage of the apps while on the job affects the riders directly. Time taken to learn using the app affects time available to do delivery and achieve income and incentive targets.

The design of the apps work to achieve micro level control of the riders' actions using many intermediate steps between when riders accept an order to when they deliver it to.

Many of these steps do not always work as intended but merely provide an opportunity for technical failures. The time of the riders are wasted in navigating these additional steps even if it does not help the customer or the rider in anyway. For e.g. when rider arrives at customer location the option to send message to customer does not work in majority of the cases. Most customers do not get any information as the app still shows as 'food arriving'. This delay makes the customer call the riders or the riders have to call the customers even though the expectation is to keep all communication through only the app.

The estimates for delivery time shown to customers is an issue that affects the riders daily. The estimation of time works in a way that helps the platform and make it difficult for riders because issues such as traffic and road conditions or delays at the restaurant are not taken into accounts. For example, for distance of 1 km in a busy area apps routinely calculate a driving time of 2 minutes. But on the road, traffic conditions and even the presence of a traffic signal itself can make the time taken to be more than thrice the estimated time. If such issues occur the rider becomes responsible for the dispute that arises and unfairly affects their income.

If the apps go offline due to technical issues, there is no other means of information for the riders. All ongoing deliveries are affected as customer information is not available and can't even be contacted over phone. In such a situation the deliveries come to a halt and the riders are not trained or informed on how to act. While text messages are used by platforms for promotional messages, at such exigencies no updates are made to riders leaving them unaware. Even after normal function of the app returns no information is provided on how the outage will affect the riders. The missed deliveries and offline time may affect their weekly and monthly progress towards targets and information on that is unavailable. Riders consider this unfair as such issues are clearly beyond their immediate control.

Action needed

Based on the explored unfair practices in the app-based food delivery sector, 3 issues are recommended for immediate collective action or intervention by community practitioners, union/association leaders, labour activists and the riders themselves.

Organised representation: There is a fundamental lack of representation that riders face when seeking to negotiate with platforms. Ongoing efforts of unionisation of app-based workers in cities across India mainly include cabdrivers and food-delivery riders to only a lesser extent. So within the food-delivery sector protests and strikes are frequently organised informally without wider participation and usually only with one specific platform. This has reduced the bargaining power of the riders which needs collective involvement of and dialogue between workers across different digital platforms.

Data protection: There is urgent need to train and inform riders on protection of their personal and financial details. As middle-men and platform are in a position to easily exploit data given by riders, there is a need for both organised and informal training for riders in way to protect themselves and their information.

Defining wage: There is an absence of agreement on what a 'good wage' is for food-delivery work. Compared to app-based cabdrivers who can formally define their needs based on fare per kilometre, food-delivery riders income are left to the platform's own calculations. This needs to be challenged with a collective definition of work and wages emerging from workers themselves. This provides an opportunity improve working conditions and reduce the level of uncertainty they face in their daily work due to unpaid efforts.

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