

KEY POINTS

- The key features of the gig economy are that workers are paid per task or project, rather than on a time basis (hourly wages or monthly salaries), and they are typically matched to jobs using a digital platform.
- The rise of the gig economy in the Philippines accelerated during the coronavirus disease (COVID-19) pandemic.
- In July 2022, the Asian Development Bank collaborated with Grab to conduct a survey of 1,200 GrabFood two-wheeler drivers in Metro Manila, Cebu, and Davao in the Philippines.
- The surveyed drivers chose GrabFood mainly because of its flexible working hours. The average driver earned P5,699 per week, which is above the transportation industry mean.
- About 95% of them intended to continue working via GrabFood after the pandemic.
- About one-third of the drivers had an accident in the past 12 months. More than 70% of drivers are willing to pay for health insurance if affordable programs are made available.
- Among the 1,200 drivers, only 21 are women. However, 74% of respondents said they would recommend the job to their female relatives or friends.

Gig Economy Employment during the Pandemic: An Analysis of GrabFood Driver Experiences in the Philippines

INTRODUCTION

The global gig economy has expanded due to its flexibility in generating employment and providing services (Chen et al. 2020; Hall and Krueger 2018). Several empirical studies have shown that gig economy platforms are efficient in matching workers with clients, which reduces barriers to creating jobs for low-productivity workers (Schwellnus et al. 2019). The gig economy expansion accelerated in many countries during the coronavirus disease (COVID-19) pandemic.

Since the World Health Organization (WHO) officially declared the COVID-19 pandemic in March 2020, countries around the globe have gone through several cycles of restrictions on public movement and interaction (Tirachini and Cats 2020). Public transportation experienced severe restrictions (Shortall, Moutera, and Van Weeb 2021). In the Philippines, all public transportation was suspended at the beginning of the pandemic (Government of the Philippines 2020a). Urban mobility fell to as low as 26% of the pre-lockdown level in the first month of restrictions (Jiang, Laranjo, and Thomas 2022). Subsequent community quarantine policies gradually relaxed restrictions on public transportation while imposing safety conditions to reduce the risk of COVID-19 transmission.

The gig economy in the Philippines was limited before Grab's transportation and food delivery services kicked off in the country. Grab plays a similar role in Southeast Asia to Uber (which began as a ride-hailing service and expanded to include food delivery) in the United States. However, there is little evidence on the sentiment of Grab workers. The analysis of our survey of GrabFood delivery drivers suggests that the gig economy provides flexible employment and decent income for workers across the country. It also suggests policy reforms that could improve the welfare of gig economy workers.

Notes: This study was carried out under the Asian Development Bank (ADB) Technical Assistance 6585-REG Impact Evaluation of Financial Technology Innovations in Selected Developing Member Countries funded by the Republic of Korea e-Asia Knowledge and Partnership Fund. This brief was prepared by Takashi Yamano, principal economist, Economic Research and Development Impact Department (ERDI), ADB; Angelica Maddawin, consultant; Milan Thomas, economist, ERDI; and Lilibeth Poot, senior economics officer, ERDI. The brief was peer reviewed by Kelly Bird, country director, ADB Philippines Country Office. The authors appreciate the generous support from Grab in allowing them to interview the drivers. The study benefited from comments and suggestions of Carole Malenab, public affairs manager of Grab Philippines.

BACKGROUND

Before the advent of gig economy services, food delivery was done through telephone order, and food was delivered either to the home or to designated pick-up points (Melián-González 2022). Third-party platforms have transformed food delivery by facilitating transactions between customers, workers, and restaurants or “ghost kitchens” (also called virtual or cloud kitchens) (International Labour Organization 2021).

Third-party food-delivery platforms offer customers a range of food items from the restaurant’s menu without requiring customers to leave their physical location. Under the movement restrictions of the COVID-19 pandemic, these platforms helped restaurants and ghost kitchens survive and created jobs around the world (Charlton 2021).

GrabFood delivery drivers in the Philippines report positive feedback on their job experience due to three main reasons: flexibility in working hours, decent earnings, and independent working conditions.

DATA

In July 2022, a telephone survey was conducted among GrabFood delivery drivers in major regions of the Philippines.¹ The survey included 1,200 drivers covering the three major areas of operation: Metro Manila (43% of the sample), Cebu (30%), and Davao (27%). The coverage of Metro Manila included some drivers from neighboring areas such as Calabarzon and Central Luzon.

FINDINGS

Who are the GrabFood delivery drivers?

Demographic Characteristics

GrabFood delivery drivers in the Philippines are mostly male (98% of the sample) and mostly belong to the prime working age group:² 26–35 years old (56%), followed by 36–45 years old (25%). This indicates that GrabFood delivery in the Philippines is typically neither a retirement-age job nor a part-time job for students. This is in contrast to more developed countries, such as Japan, where food delivery is usually done by college students.

Only 21 female drivers were surveyed. However, the survey suggests that there is potential for more gender balance in GrabFood’s workforce. Most respondents said they would recommend the job to female friends or relatives (Figure 1), especially those looking for jobs, for a variety of reasons that vary somewhat by region (Table 1). The flexibility aspect of the job appears to be particularly important, perhaps because women typically have other demands on their time, including caregiving.

Table 1: Reasons for Recommending the Grab Job to Female Friends and Relatives (%)

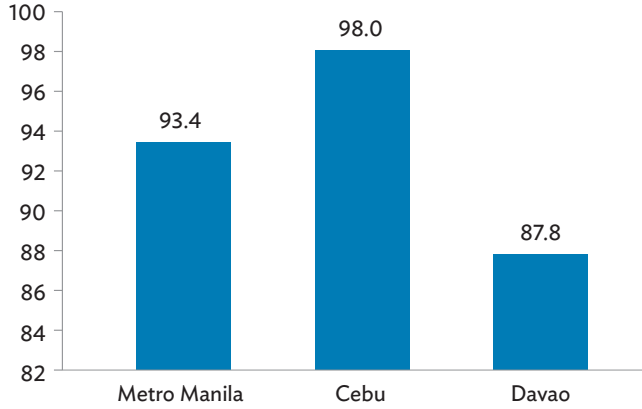
Reasons	Metro Manila	Cebu	Davao
“If she has a driver’s license, why not?”	56.1	48.3	32.3
“I know a female friend who works as a Grab food delivery driver.”	29.0	24.3	25.0
“If she can endure the heat, the sun, and the dust, why not?”	25.3	19.5	30.5
You own your time regarding working hours.	24.5	25.7	38.2
Earnings are good enough to cover the basic needs of the family.	19.5	36.6	30.0
No supervisor or superior breathing behind your ears.	8.7	16.1	11.8
Grab offers higher-than-industry-average delivery fees.	6.1	8.2	2.3
A worthwhile temporary job while waiting for things to normalize.	4.7	4.5	4.1
Not having many other job opportunities in the area.	3.7	5.5	3.2
Food delivery is done within a 15-kilometer radius only, unlike for parcel delivery.	0.8	0.3	0.9

Source: Authors’ calculations based on survey data.

¹ The survey was conducted by Resource, Environment and Economics Center for Studies Inc., a private consulting firm in the Philippines that provides survey data to government and international organizations for Philippine-related projects. The survey was commissioned under ADB Technical Assistance 6585.

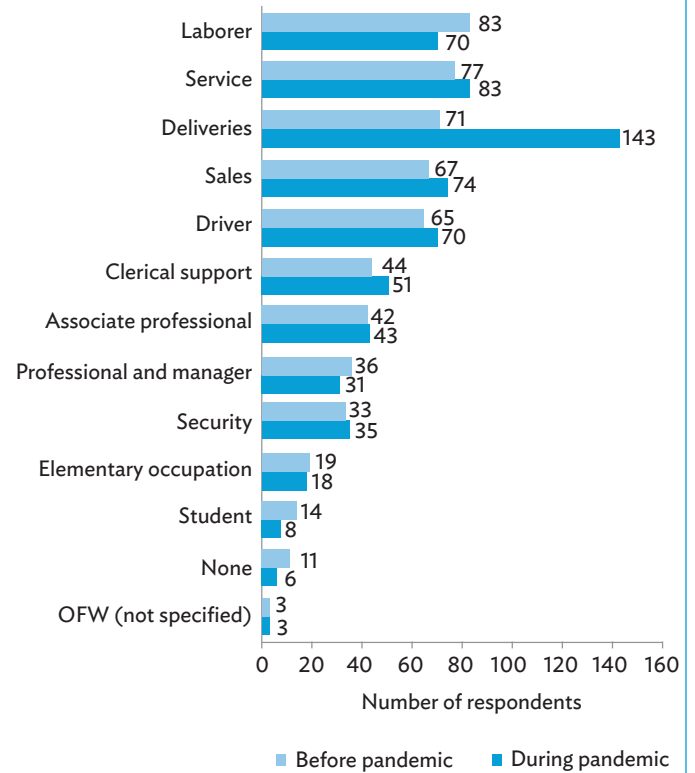
² Bernstein (2021) suggests that prime-age workers are workers between the ages of 25 and 54.

Figure 1: Share of Survey Respondents Who Would Recommend Delivery Work to a Female Friend or Relative (%)



Source: Authors' calculations based on survey data.

Figure 3: Previous Job of Grab Delivery Drivers in the Philippines



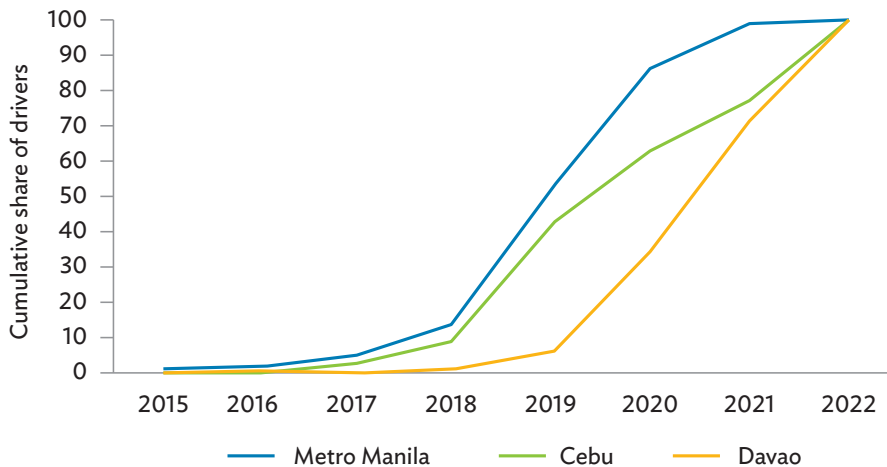
OFW = overseas Filipino worker.

Source: Authors' calculations based on survey data of 1,200 GrabFood drivers.

Employment Characteristics

More than half of respondents (53%) began their GrabFood delivery job after the pandemic started (Figure 2). Common previous jobs (whether the delivery driver started before or during the pandemic) included construction and factory work; service work (in restaurants, bars, and hotels); deliveries; sales work; and (non-delivery) driving (Figure 3). This means that most GrabFood delivery drivers had experience in related jobs before the pandemic and were familiar with service-oriented work. A little more than 1% of respondents were unemployed prior to the start of the pandemic.

Figure 2: Start Year of Grab Two-Wheeler Drivers in the Philippines (% of respondents)



Source: Authors' calculations based on data provided by GrabFood.

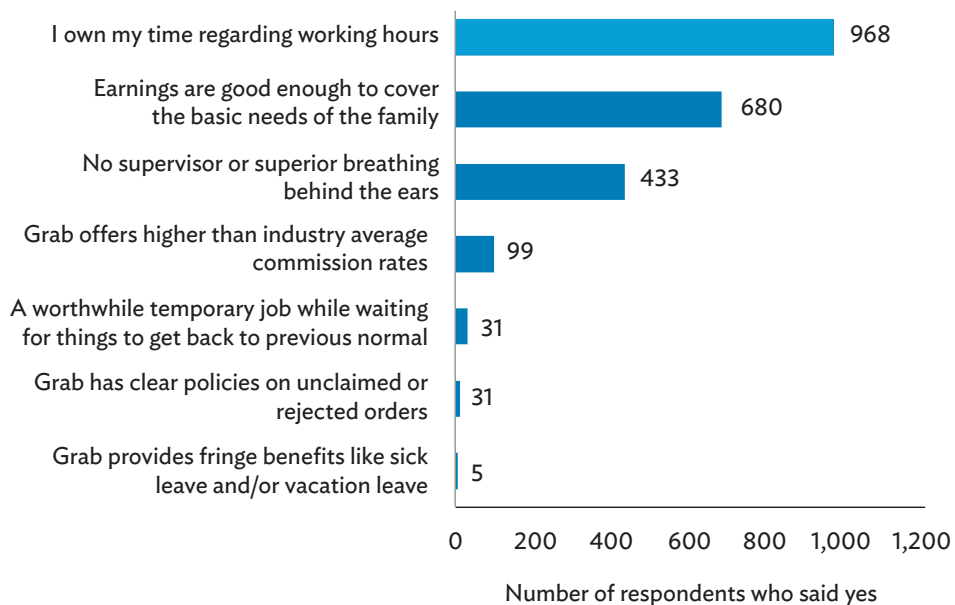
What is the experience of GrabFood delivery drivers?

Overall, GrabFood delivery drivers in the Philippines report positive feedback on their job experience due to three main reasons: flexibility in working hours, decent earnings, and independent working conditions (Figure 4). GrabFood delivery drivers can choose their own working hours. They do not have to start and end their working hours as required for office work. About 81% of the respondents considered this an important reason for choosing the GrabFood job. Adequate earnings was the second-most important reason, supported by 57% of respondents. This is confirmed in Figure 4. Thirty-six percent

of respondents enjoy independent working conditions, without supervisors closely monitoring their work.

Table 2 shows that the majority of drivers surveyed work more than 5 days per week. A plurality (48%) work 11–12 hours per day. More than a quarter of respondents (27%) reported working more than 12 hours per day. Although the hours are long, they are flexible, and the survey shows that this is a major incentive for drivers. Almost half of the respondents (49%) have another source of income, which could be the reason why they enjoy the flexibility of the job. They can allocate their time to their other source of income.

Figure 4: Reasons for Favoring Grab Two-Wheeler Job



Source: Authors' calculations based on survey data of 1,200 GrabFood drivers.

Table 2: Daily and Weekly Earnings of Grab Two-Wheeler Drivers in the Philippines

Location	Average Workdays per Week	Average Weekly Income	Average Daily Income	Minimum Daily Wage ^a
			(Pesos)	
Metro Manila	6.0	5,849	913	533–570
Cebu	6.3	5,971	927	382–435
Davao	5.8	5,169	853	438–443
All	6.0	5,699	901	570

^a National Wages and Productivity Commission, Department of Labor and Employment. <https://nwpc.dole.gov.ph/>; and GrabFood delivery survey 2022.

Note: Total number of respondents = 1,200.

Source: Authors' calculations based on survey data of 1,200 GrabFood drivers.

The average daily income of GrabFood delivery drivers is about twice the minimum wage in all three regions, with the difference largest in Cebu and smallest in Davao (where the number of days worked per week was also lowest). Thirty-two percent of respondents reported that income from this job is risk-mitigating in the event of income shocks, and 10% of respondents consider the income sufficient to generate savings.

In addition to income earned from GrabFood delivery, other household members' salaries, income from small businesses, social assistance programs such as the Pantawid Pamilyang Pilipino Program, farm income, and remittances from overseas Filipino worker (OFW) family members contributed to household income.

Were GrabFood delivery drivers vaccinated?

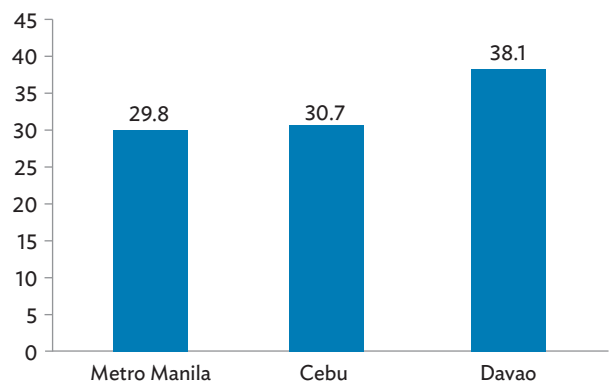
The uptake of vaccination by drivers was almost 100% (Figure 5). Most GrabFood drivers arranged the vaccinations themselves, including booster shots, rather than arranging for vaccination through Grab.

The type of vaccine taken by drivers varied by region. In Metro Manila, the majority took Sinovac, while in Cebu and Davao, the majority took Pfizer for both the first and second doses. Vaccination peaked in June 2021 in Metro Manila and a month later in Cebu and Davao. Vaccination continued throughout the year before tapering off in early 2022.

Are GrabFood delivery drivers insured?

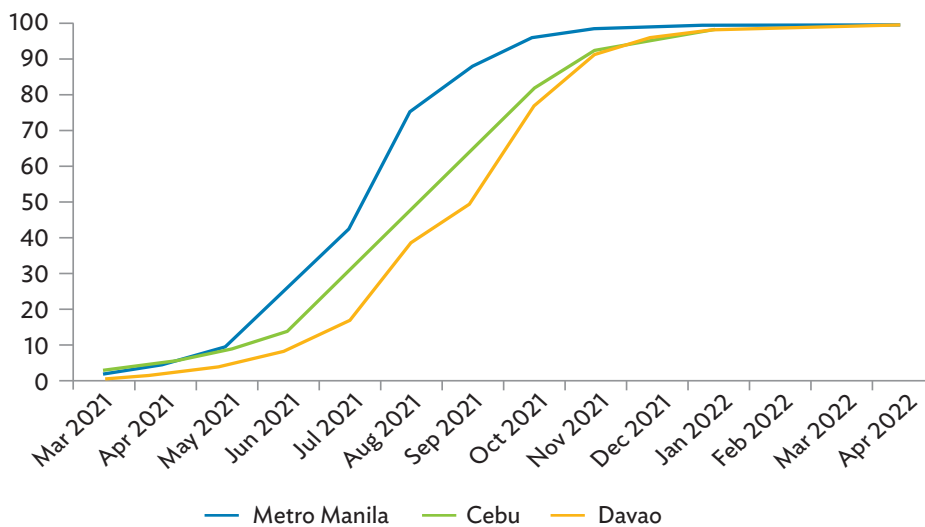
Accidents are common for GrabFood delivery drivers. According to our survey, between 30% and 40% of drivers were involved in accidents in the past year, depending on the region (Figure 6). Forty-one percent reported skidding as the most common accident. Davao is the region with the least traffic among the three regions but has the highest accident rate.

Figure 6: Share of Drivers Who Experienced at Least One Accident in the Past Year (%)



Source: Authors' calculations based on survey data.

Figure 5: Timing of Receiving COVID-19 Vaccine by City (%)



COVID-19 = coronavirus disease.

Source: Authors' calculations based on survey data.

The majority of drivers in each region are willing to pay for health insurance (79% in Metro Manila, 73% in Cebu, and 64% in Davao), indicating that the benefits outweigh the costs of keeping their jobs. Despite the relatively high accident rate for the region, drivers in Davao are the least willing to pay for health insurance. Willingness to pay is ₱400 for 88% of drivers, ₱600 for 42% of drivers, and fewer drivers are willing to pay higher amounts.

CONCLUSION

The availability of flexible, self-employed work through GrabFood delivery helped mitigate unemployment in the Philippines during the pandemic. GrabFood delivery drivers were able to earn a decent income and enjoy flexible work hours to cope with the economic shocks of the COVID-19 lockdowns. While delivery drivers were relatively well protected against COVID-19 by the vaccine, protection of worker welfare more broadly remains a key area for growth. Given the risk of accidents that drivers face on a daily basis, this can be supported by affordable medical insurance schemes. This would promote the sustainability of gig economy employment as an outlet for workers in times of economic crisis.

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