

Fairwork **Ecuador** Ratings 2021: Labour Standards in the Gig Economy



Executive Summary

Latin America has been at the centre of recent debates about the precarious and unfair conditions of workers in the platform economy. The Fairwork project is now present in four Latin American countries - Chile, Colombia, Ecuador and Brazil. This report on Ecuador presents the first set of Fairwork ratings for the region. Six of the most prominent platforms in the country – Uber, Cabify, Glovo, Rappi, Encargos y Envíos, and Ocre – were evaluated against the five global principles of Fairwork.

The Ecuadorian economy is marked by a lack of infrastructure, a low-skilled labour force, and an unequal social structure. Although a relatively new phenomenon, the gig economy has gained increased momentum over the last four years, with both local and international platforms competing in the market. This trend was driven by the growth in internet connectivity and a large informal economy. Platforms operate in a regulatory vacuum, offering easy access to jobs to the unemployed and migrant population, but at the risk of exploitative and precarious working conditions.

While there are no reliable statistics, this report estimates that the platform economy employed 40,000 workers nationwide, representing about 1 percent of the underemployed population. With many losing their job during the pandemic, we expect the numbers to have increased.

The gig economy model poses several challenges to developing countries such as Ecuador, which struggle to catch up with the technological infrastructure and regulatory framework needed to deal with these new industries.

This report highlights how platform workers in Ecuador face many difficulties, including the absence of labour rights, volatile incomes, lack of social benefits, and precarious and

exploitative working conditions. The situation of these workers was further afflicted by an increase in labour and health risks associated with the COVID 19 pandemic. With the rise in demand for delivery services during this period, they became essential workers. However, the support received from platforms and the government has been insufficient to protect gig workers from the pandemic.

Both local and international platforms operate in grey zones regarding taxation and labour conditions. Gig workers in Ecuador are classified as independent contractors. As such, platforms are not legally obliged to protect them as they are not regarded as employees. Platform workers are also not covered by social security benefits unless they voluntarily contribute from their earnings. Platforms exercise substantial control over many aspects of the labour process and, therefore, have an obligation towards their workers. 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 enjoy.

Fuelled by the worsening conditions during the pandemic, gig workers in Ecuador, Brazil, Chile, and other Latin American countries initiated the first international gig workers' movement. These workers joined together to

organise multiple transnational actions in 2020, demanding better working conditions and employee status. These movements and networks of solidarity represent a counterbalance to platform power, pushing for collective negotiations not just locally but also globally. However, gig workers' associations in Ecuador face significant limitations as they are not recognised as unions by the law. Furthermore, platforms have so far failed to acknowledge and listen to the collective voice of workers.

Overall, our ratings reflect that there is much to be done to ensure fairness in Ecuador's emerging platform economy. In a context of insufficient local regulation, coordinated international action and incentives are needed to offset the unbalanced power of transnational platforms. A prominent example of this can be found in the growing organising power of gig workers' movements in the region.

This report is the result of a one-year pilot project in Ecuador. It establishes a baseline on the current situation of the country's platform economy that will be updated on a yearly basis. By raising awareness of the conditions of gig workers in Ecuador and across Latin America, Fairwork aims to assist workers, consumers and regulators in making platforms accountable for their practices.

Key Findings

- ▲ The ratings achieved by the platforms operating in Ecuador are very low, with no platform scoring more than three points out of ten. Glovo, Encargos y Envíos, and Ocre scored three points, Uber and Cabify scored two points, and Rappi scored one.
- ▲ **Fair Pay:** Across platforms, gig workers need to work the equivalent of a full-time job to earn over the legal minimum wage in Ecuador, which is relatively low. However, once work-related costs are factored in, only two platforms could prove that their workers earn minimum wage.
- ▲ **Fair Conditions:** Only one of the six platforms could be evidenced to have adopted policies to protect workers from risks arising from their work. There was no evidence of platforms implementing measures to actively improve working conditions beyond mitigating task-specific risks.
- ▲ **Fair Contracts:** Two platforms provided terms and conditions in a clear, transparent and accessible form. Most platforms offer contracts governed by overseas jurisdictions, limiting workers' ability to assert their rights through local legal channels.
- ▲ **Fair Management:** No platform could be shown to allow due process for decisions affecting workers. Often workers do not have the ability to appeal deactivations or request information on why these happened.
- ▲ **Fair Representation:** There was no evidence of any platform having a documented process through which workers can express their voices collectively. None of the platforms was found to have recognised workers' organisations or be willing to acknowledge workers' collective voice, leaving them without institutional channels for representation.

Fairwork Ecuador 2021 Scores*

Encargos y envíos	3	
Glovo	3	
Ocre	3	
Cabify	2	
Uber	2	
Rappi	1	

* Scores are out of 10.

Editorial:

Towards Fair Work

As the new techno-economic revolution driven by data and automation spreads across industries and countries, new forms of management and organisation of work have begun to emerge. The so-called “platform” or “gig” economy has gained momentum in recent years, but new forms of organisation have also introduced new forms of exploitation and risk for workers.

The adoption of new technologies varies from country to country, as does their impact on the economy and society. Countries with a long history of industrial and labour organisation and strong social rights face different problems in dealing with new forms of economic and labour organisation than those with a weak industrial relations tradition, limited regulation, and high labour market informality. However, in both cases, the side effects of this new economy have triggered reactions from those directly affected by worsening working conditions and increasing exploitation.

Indeed, the last year has seen the emergence of a global gig workers’ movement that has managed to organise a number of international actions, demanding better working conditions in international delivery platforms. The movement originated with gig workers from Ecuador, Brazil, Chile, among other Latin American countries, who have been significantly affected by an increase in labour and health risks associated with the COVID-19 pandemic. Since 2019, the Fairwork project has been trying to raise awareness of the precarious and unfair conditions faced by platform workers in their everyday lives. In doing so, we aim to assist workers, consumers and regulators to make

platforms accountable for their practices.

The Fairwork project has already made evaluations of the platform economy in India, South Africa, and Germany. The CTS LAB of the Latin American Faculty of Social Sciences FLACSO Ecuador joined the Fairwork network in 2020, and developed this first evaluation of the platform economy in Ecuador in collaboration with the Oxford Internet Institute (OII) at the University of Oxford, the Center for IT and National Development (CITANDA) at the University of Cape Town (UCT), the Technical University of Berlin (TUB), and other academic institutions from more than twenty countries.

This report presents the results of a first evaluation of five core principles of fair platform work (Fair Pay, Fair Conditions, Fair Contracts, Fair Management, and Fair Representation) for a sample of six of the most visible platforms operating in Ecuador: Uber, Cabify, Glovo, Rappi, Encargos y Envíos, and Ocre. In the report, we evaluate each principle in two steps. We award scores out of ten to a platform based on whether they meet a minimum threshold (one point) and then achieve a higher threshold (one additional point) for each of these five principles. The first two principles

concern whether workers receive fair pay for their work and if their jobs are characterised by healthy and safe working conditions. The other three focus on whether the platform has engaged in a fair contractual agreement with the workers, whether there are clear and transparent management processes and communication channels, and whether workers can express themselves collectively through open worker representation.

We assessed evidence against each of these Fairwork principles through a combination of desk research, worker interviews in Quito, and semi-structured interviews with platform managers. The novelty and complexity of the platform economy make it difficult to obtain reliable information about it. We, therefore, only award a point when there is clear and sufficient evidence in support of a principle. We guarantee the independence and impartiality of the scoring process through a rigorous internal review of every score we award.

We found evidence that the majority of workers on these platforms receive an average monthly income slightly higher than the minimum legal monthly wage. However, this average hides a few practices that

should not be neglected, such as the existence of a black market of worker accounts, and other subcontracting practices that reduce workers' annual incomes. Unfortunately, in most of these platforms, we found little or no evidence of risk and health coverage; clear, transparent, and locally applicable contracts; fair and transparent management; and the right to be heard and represented collectively.

The economic turmoil triggered by the COVID-19 pandemic in countries like Ecuador will have long-lasting consequences for social conditions. Poverty and inequality will rise further, and informality will continue to shadow labour relations and access to work and income. In such a context, coordinated international action and incentives are needed to offset the lack of effective regulation of platforms' unbridled power. The Fairwork framework offers to workers, consumers, regulators and companies a way to create such incentives to build a fairer platform economy.



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The Fairwork Framework

The Fairwork project evaluates the working conditions of digital 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 Fairwork's five principles that digital platforms should comply with in order to be considered to be offering 'fair work'. We score platforms against these principles to show what the platform economy is, and what it could be. The five Fairwork principles were developed in multistakeholder workshops at the International Labour Organisation. To ensure that these global principles were applicable in the Ecuadorian context, we then revised and fine-tuned the criteria for measuring these in consultation with platforms, trade unions, regulators, academics, and labour lawyers in Quito.

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

01 The five principles



Fair Pay

Workers, irrespective of their employment classification, should earn the mandated minimum wage in their home jurisdiction after taking account of work-related costs.



Fair Conditions

Platforms should have policies in place to protect workers from 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 accessible, readable and comprehensible. The party contracting with the worker must be subject to local law and must be identified in the contract. If workers are genuinely self-employed, the terms of service 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 must be transparent and result in equitable outcomes for workers. There should be an identifiable and documented policy to ensure equity in management of workers 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

The Fairwork project uses three approaches to effectively measure fairness at work.

Desk Research

The process starts with desk research to ascertain which platforms are operating in each city, as well as noting the largest and most influential ones. This research provides the overall range of the platforms that are ranked, as well as identifying points of contact or ways to access workers. Desk research also flags any public information that could be used to score particular platforms, for instance the provision of particular services to workers, or ongoing disputes.

Platform Interviews

The second method involves approaching platforms for evidence. We interview platform managers and request evidence for each of the Fairwork principles. This provides insights into the operation and business model of the platform, while also opens a dialogue through which the platform could agree to implement changes based on the principles. In cases where platform managers do not agree to be interviewed, we limit our scoring strategy to evidence obtained through desk research and worker interviews.

Worker Interviews

The third method is interviewing platform workers directly. We aim

for a sample of 6-10 workers interviews for each platform. Workers are approached either through the platform directly or at known worker meeting points. These interviews do not aim to build a representative sample. They instead seek to understand the process of work and the ways it is carried out and managed. They allow us, for instance, to see contracts 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.

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 evidence from multiple sources. Final scores are collectively decided by the Fairwork team based on all three forms of evidence. The scores are peer-reviewed by the country team, the Oxford team, and two reviewers from other Fairwork country teams. This provides consistency and rigour to the scoring process. Points are only awarded if clear evidence exists for each threshold.

03 How we score

Each Fairwork principle is broken down into two points: a basic point and a more advanced point that can only be awarded if the basic 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 were unable to evidence its compliance.

See Appendix I for further details on the Fairwork scoring system.

Overview of the Ecuadorian Platform Economy



The Ecuadorian economy is highly dependent on extractive activities and commodities¹. The high volatility of prices in the production system has affected the country's economic cycles and undermined the development of other capital-intensive industries. This has resulted in a lack of infrastructure, a low-skilled labour force, and an unequal social structure. Unemployment and informal employment are widespread. This fact and the lack of appropriate regulation have created the conditions for a proliferation of gig economy platforms offering easy access to jobs and income, but at the risk of exploitation and worsening working conditions.

The platform economy is a relatively new phenomenon in Ecuador. Most international digital platforms operating in the country, such as Cabify, Uber, and Glovo, started operations within the last four years. Local platforms, like Mynkana, Ocre App, Encargos y Envíos, and Kiárame have emerged within the past two years. All of them have registered a growing number of users and workers during this short period, which can be explained by a number of structural factors.

More connectivity but with limitations

Despite its infrastructural deficit and socio-economic inequalities, Ecuador has experienced a growing internet penetration in recent years. By 2020, about 89 percent of the population of 17 million had a mobile phone, and 69 percent had access to the internet and social media (6.8 percent more than in 2019). Moreover, the average speed of internet connections increased by

83 percent between 2019 and 2020, to reach 24 Mbps². However, most of these connections are limited to accessing Facebook and its services, such as WhatsApp and Instagram. This is because Ecuador's mobile market hides monopolistic practices, such as pre-paid plans with free and unlimited access to these and other selected services but paid access to the rest of the internet. This has created a new divide between those who can afford a standard open internet connection and those whose connectivity is limited



to free services (74 percent of mobile connections are pre-paid).

Related to these limitations, various financial inclusion factors have created an even more restricted market for these kinds of online activities: only 55 percent of the population have banking services, 9 percent have a credit card, and about 10 percent use online payments³. These numbers reflect the limitations of the local financial system for the new economy.

These and other institutional factors, such as a lack of regulation⁴ and cultural issues like the general mistrust of online payments⁵, have slowed the expansion of users and workers of the platform economy.

Crisis, unemployment, and migration

As in many low and middle-income countries, Ecuador has a highly informal economy. By the end of 2019, only 38 percent of the economically active population of 8 million had a regular job⁶. About 4 percent were unemployed and the remaining 58 percent had unpaid, underpaid or part-time work⁷. Even if these numbers reflect a long-term feature of the

Ecuadorian economy, they worsened as a result of the economic recession that started in 2015 due to a drop in oil prices.

This shock reduced public revenues, and therefore the government's ability to maintain public spending. This led to the dismissal of many public employees and an increase in the under-employed population -which already accounted for 49 percent of the workforce before the crisis⁸. This deterioration of the labour market mainly affected the middle class, whose consumption is mostly sustained by credit. Hence, in the face of a shrinking labour market and being compelled to pay their debts in order to preserve their assets, many of these former employees have turned to gig economy jobs offered by platforms like Uber.

Finally, it is essential to highlight that Ecuador has received more than 630,000 immigrants over the last decade, many fleeing the challenging situation in Colombia and Venezuela⁹. Few of these people have found opportunities in Ecuador's shrinking labour market, and many have fallen into unemployment or underemployment, being exposed to exploitation and abuse because of

their vulnerable condition¹⁰. In such a situation, new digital platforms, with little if any entry barrier, appear to many as an easy, if not the only available source of income¹¹. In sum, the convergence of the arrival of these platforms to Ecuador with



“We estimate the platform market before the pandemic comprised around 1.5 million users and a gig labour force of around 40,000 workers nationwide. This represents about 1 percent of the underemployed population.”

the economic recession, the rise of unemployment and underemployment, and a growing immigrant population looking for work opportunities, have fuelled a growth in the number of workers who are willing to accept any labour conditions in exchange for a relatively easy source of income.

The gig economy in Ecuador: how big and how fair?

As a new phenomenon, Ecuador's gig economy is still an under-researched area, and we cannot count on reliable and up-to-date statistics on the number of users, workers, sales, and costs. To build such indicators is one of the main challenges for economic analysts in the coming years.

Nonetheless, based on data gathered from public declarations, media reports, and the interviews conducted for this report, we estimate that the platform market before the pandemic comprised around 1.5 million users and a gig labour force of around 40,000 workers nationwide¹². This labour force represents about 1 percent of the

underemployed population¹³.

Given that the current pandemic restrictions have obliged many to turn to mobile apps to provide themselves with food and other essentials, and has pushed many others to engage in these activities as the only available source of income, it is reasonable to expect the number of both users and workers to have increased in consequence.

Regarding these platforms' working conditions, from the evidence collected for this report, we could evidence that most workers earn more than the legal minimum hourly wage before costs (fuel, repairs, etc.). However, in most of the platforms we evaluated, other fair working conditions are still lacking, including risk and health coverage; clear, transparent and locally applicable contracts; fair and transparent management; and the right to be heard and represented collectively. We will discuss each of these points later in this report.

Challenges

The gig economy raises a number of specific issues and challenges in

developing countries such as Ecuador. Barely prepared for the technological transformations introduced by the automation of the economy, these countries struggle not only to catch up with the technological infrastructure and capacities needed to deal with these new industries, but especially with the lack of regulation and institutional tools to frame and manage the development of these activities and their social and economic side effects. In such a context, companies can operate in grey zones regarding taxation and labour conditions¹⁴. Historically characterised by a low level of enforcement of local regulations, the governments in countries like Ecuador need external incentives, such as international observance and cooperation, to develop such instruments and capacities.

Even locally-owned platforms prefer to operate from foreign countries to avoid financial, labour, and taxation obstacles in Ecuador. This increases the risk of abuse of workers, and prevents any regulation that considers local needs and expectations.



The Legal Context

What Makes a Worker an Employee?

In Ecuador, all digital platforms classify workers as independent contractors, and have designed a legal path to circumvent labour law by using contracts covered by civil law. This legal situation creates a scenario that allows platforms to avoid recognising worker's employment rights. It is important that we analyse the working conditions offered by digital platforms in order to develop new forms of regulation and reform policies to protect workers.

Gig workers face a difficult situation in relation to labour rights, volatile income, a lack of social benefits, and precarious and exploitative working conditions. According to platforms, workers are independent entrepreneurs who manage their own time and have no boss. This way, platforms are detached from any employment relationship.

However, most gig workers do not have the freedom to decline work whenever they want, because they are under strict control by platforms over their schedules, routes, and prices. When they choose to exercise such freedom, they become subject to disciplinary actions such as account deactivation, lower ratings, and less work allocation.

Since gig workers are not considered employees, they are only covered by social security benefits if they voluntarily contribute from their own earnings¹⁵.

In the context of the COVID-19 pandemic, the Humanitarian Support Act was approved by the Ecuadorian National Assembly in May 2020. This labour reform allows workers and

employers to reach mutual agreements to change economic conditions, reduce working hours, and create temporary emergency contracts, in order to avoid further layoffs during the pandemic. However, the Act did not consider autonomous workers.

In October 2020, the Ministry of Labour designed new employment contracts: (i) young workers employment contracts (ages 18 to 26)¹⁶; (ii) entrepreneurship contracts¹⁷; and (iii) productive sector special contracts¹⁸. All these new contracts are governed under two working modalities: continuous and discontinuous. Hourly or daily pay can be stipulated if the work is discontinuous – for instance events-based, periodic or seasonal. Payment is by months or weeks if there is a fixed-term employment relationship. In both cases, social security contributions and other legal benefits are paid based on the hours worked and the remuneration agreed with the worker. These new employment contracts may incentivise platforms to change working terms and conditions into new contracts where workers are considered employees

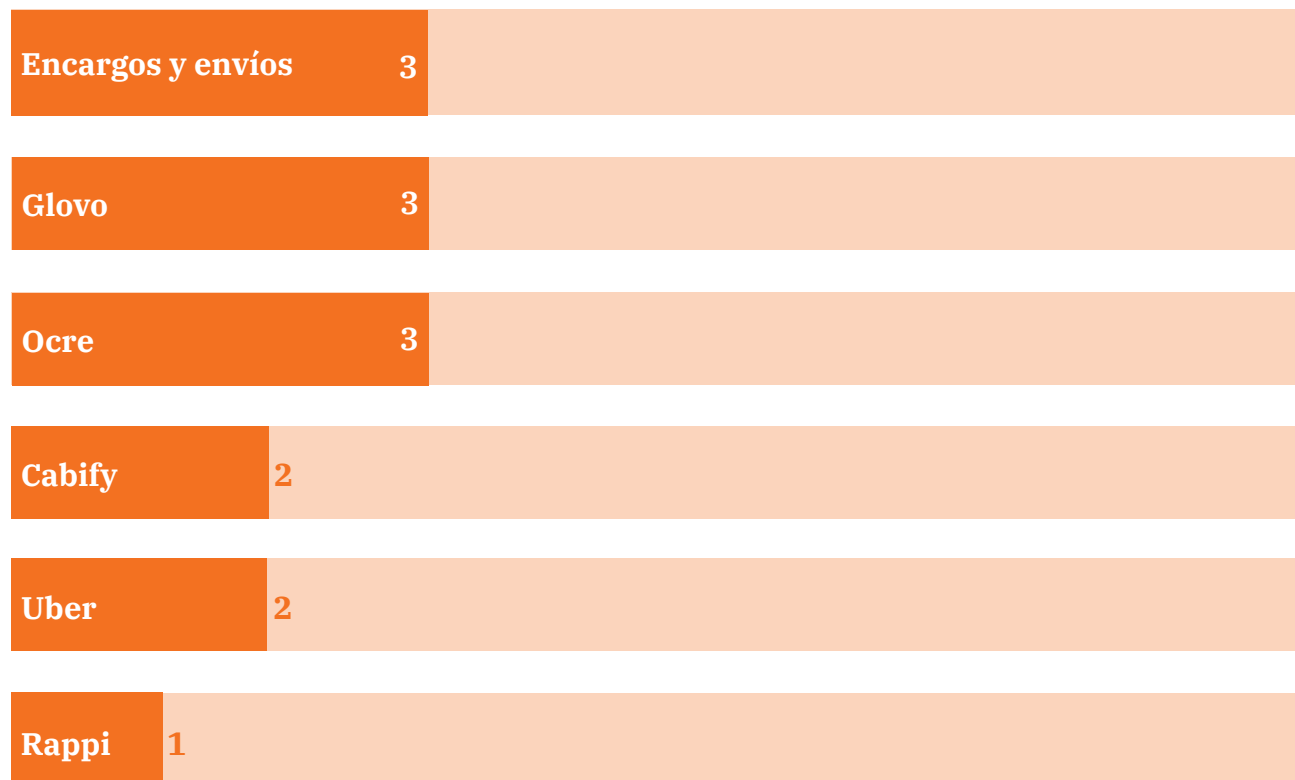
with full social benefits.

In the meantime, delivery workers have joined three international and two national strikes to protest against the harsh working conditions they have had to endure during the pandemic¹⁹ and to fight for real worker autonomy and the right to be rehired as employees.

Platforms often exercise control over many aspects of the labour process but also often refrain from assuming obligations towards workers. In this context, regulating platforms in Ecuador presents a significant challenge: on the one hand, the State, which has hitherto indirectly supported the precariousness of labour; on the other hand, gig worker associations, which face legal limitations as they are not recognised as unions by law.

Fairwork Scores

Score (out of 10)*



* The breakdown of scores for individual platforms can be seen at: www.fair.work/ratings



Fair Pay

The relatively low minimum wage in Ecuador (which is set at 400 USD a month) means that we could evidence gig workers who worked the equivalent of a full-time job²⁰ to receive more than this threshold. However, once work-related costs are factored in, we found evidence from only two platforms that workers take home more than the local minimum wage. Since 2019, some platforms have changed their algorithm, reducing the pay by the mileage and treating group orders as a single order, resulting in workers earning less than before.



Fair Conditions

Only one out of six platforms could be evidenced to have adopted policies to protect workers from risks arising from their work. There is no evidence that any platform is implementing measures to actively improve working conditions beyond mitigating task-specific risks. This may be primarily due to workers being classified as independent contractors. As such,

platforms are incentivised not to protect workers in order not to give the appearance of an employment relationship and therefore not to be legally obliged to give them other benefits as employees.



Fair Contracts

All Ecuadorian platforms provide documented terms and conditions which workers must sign in order to work on the platform. However, many workers find these contracts difficult to understand and are not fully aware of their rights and obligations. We found only two platforms providing terms and conditions in a clear, transparent and accessible form. Moreover, it has to be highlighted that many of the contracts given to workers were governed by overseas jurisdictions, limiting workers' ability to assert their rights through local legal channels.



Fair Management

No platform could be shown to incorporate management processes allowing for due process for decisions

affecting workers. Workers are very concerned that low ratings, and performance falling below the algorithms' standards can lead to temporary suspension and deactivation. We found that workers do not have the ability to appeal deactivations, or even understand why they happened. This is why the Fairwork scoring system stipulates that platforms must document the policies for disciplinary actions and deactivation in their terms and conditions, alongside a transparent process for workers to appeal decisions. We found no evidence that any of the platforms evaluated have active anti-discrimination policies.























Fair Representation

We could not show any platform to have a documented process through which workers can express their voice collectively. There was insufficient evidence that any platform currently recognises or is willing to recognise worker organisations and collective voice of workers. Overall, none of the platforms showed an interest in acknowledging worker collectivisation, which leaves most Ecuadorian platform workers without institutional channels for worker representation.



Platform in Focus:

Glovo

Total						
	Principle 1: Fair Pay		Pays at least the local minimum wage		Pays the local minimum wage plus costs	 1 POINT
	Principle 2: Fair Conditions		Mitigates task-specific risks		Actively improves working conditions	 1 POINT
	Principle 3: Fair Contracts		Clear terms and conditions are available		The contract genuinely reflects the nature of the employment relationship	 1 POINT
	Principle 4: Fair Management		Provides due process for decisions affecting workers		There is equity in the management process	 0 POINTS
	Principle 5: Fair Representation		Includes freedom of association and worker voice mechanism		There is a collective body of workers that is recognised, and that can undertake collective representation/bargaining	 0 POINTS

Glovo's overall score



The ratings achieved by the platforms operating in Ecuador are very low, with no platform scoring above three out of ten. Only three platforms scored three points (Glovo, Encargos y Envíos, and Ocre), two scored two points (Uber and Cabify), and one scored a single point (Rappi). Among the platforms that achieved three points is Glovo, an international platform operating in Ecuador since 2018, and one of the leading delivery platforms in the country.

Since 2019, Glovo has founded a new company in Ecuador so that contracts signed by workers are governed by Ecuadorian law and not by Spanish law. This critical change in contract arrangements allows workers to appeal to local law in case of legal disputes, which improves the mediation of their claims.

According to data provided by Glovo, the vast majority of their workers earn above the Ecuadorian minimum wage with hourly earnings of 3.6 USD²¹. However, pay conditions have changed over the past year. According to Glovo workers we interviewed, the new algorithm used by the platform reduced the fee of each delivery from 1.00 US to 0.30 USD. Workers are also now forced to make group deliveries but only paid for one. The new fee per kilometre is 0.25 USD when the platform charges the client 0.80 USD. Many “Glovers” are demanding to return to the 2019 payment rules.

As part of co-responsibility for workers' health and safety, Glovo provides training in partnership with agencies like the Metropolitan Transit Agency (MTA) to strengthen workers' knowledge of rules, and to foster sound practices and road safety culture.

Despite some positive steps, the platform has yet to design a transparent policy tool for disciplinary actions, which can be easily accessed by workers. Workers therefore lack a transparent process to appeal decisions. Workers' demands are still resolved on an individual basis, and collective bargaining mechanisms have not been developed. The series of international gig workers' protests in Latin America reveals the need of such collective mechanism because of the lack of communication channels and willingness of this and other platforms to process and address workers' demands for better working conditions.

Workers' Stories



Lucía

Uber Driver

Lucía* arrived in Ecuador from Venezuela three years ago and shortly thereafter started working for Uber, thanks to her network of friends. This platform offered her a job opportunity that was difficult to find anywhere else, although she had to rent a car in order to start working. Nevertheless, her migrant status soon presented her with a series of barriers that began to make her working conditions precarious. Not having a work visa, she was subcontracted by the owner of the car she drives, so she does not have a direct relationship with Uber, and she has not signed a contract with the platform.

"There is a very large black market of accounts and profiles on all platforms. I found out that the owner of the vehicle I now drive was looking for a driver and I contacted him thanks to some friends who knew him. I am lucky because I don't pay him 50% of my income. Many other acquaintances have to pay more than me to be able to work."

This situation places her in a vulnerable position before the police, since Uber's legal status in Ecuador is still being negotiated. She must face the continual raids carried out by the

transit agents to admonish Uber's drivers, who are forced to pay a fee of 750 USD if they are stopped by the police. In addition to the fact that she is required to pay 40 percent of her income to the car owner, Lucia must work more than ten hours a day to earn about 400 USD net a month.

Being a woman and a foreigner, she is subjected to many acts of discrimination by customers, who cancel their orders when it is evident that the car's driver is a woman. To avoid personal safety risks, she has chosen to work during the day's peak hours and avoid driving at night. In this context, it has been essential to be part of a WhatsApp chat in which she can learn about the city's police controls, ask for help if she feels in danger, and share information on improving her working conditions. The irregular conditions prevent her from thinking about joining a platform workers' union. She only hopes to obtain a work visa that will allow her to improve her income.

*Names changed to protect worker identity



BlackFarm / Shutterstock.com



Rafael

Uber/Cabify

Driver

Rafael* has worked in the public sector for over 20 years. In 2017, he was fired from his job at a government agency. For several months, he could not get a new job and decided to use his car to earn some money. Now his primary job is divided between Cabify and Uber. He had a hard time understanding how the two platforms work, what the best paid hours are, how to get more passengers and how to reduce spending on gas and car parts. He now works from 3am to 10am, rests for a few hours and then returns to work for the afternoon rush hour. He earns 1,200 USD a month and gets a break on the weekends.

Although he does not receive the same salary as when he worked for the government, he manages to support his family and owns his own time. This job has taught him other aspects of the city that were unknown to him and he shares his knowledge with other friends through WhatsApp. Being connected is the key to avoiding many risks in his job, given the limited support he receives from the platforms. In the case of an accident, he feels more protected by his colleagues, who have immediately come to his aid, rather than

the platforms' emergency support centre. He said to be grateful to have the opportunity to work and earn money, but he does not feel that the platform really cares about his safety, and it's not improving his precarious working conditions. Furthermore, the scoring and performance mechanisms of the platform push him to work long hours without been rewarded with social benefits, freedom and security measures.

*Names changed to protect worker identity

Theme in Focus:

The Rise of an International Gig Workers' Movement?

The COVID-19 pandemic has caused death, suffering, and chaos around the world. It has unveiled the structural problems of an unsustainable and unequal global system and the limits of country-centred frameworks of analysis, regulation, governance, and action. It seems clear that many of the problems faced by nations due to the pandemic result from global trends that need to be addressed globally.

Governments and regulators are slow to implement change. This is not the case for transnational actors such as gig platforms, which can operate globally under different regulatory systems but with the same business models.²² These transnational actors concentrate power and capital through their global value chains, giving them a relative advantage over local actors and states themselves. Hence, by the time a local regulation or policy is implemented, it will be very likely that platforms have already updated their model to avoid it.

Nonetheless, thanks to the very same technologies that have enabled the rise and proliferation of gig economy platforms around the world, many local actors can organise and communicate their problems and complaints about this new labour regime on a global scale. Despite the isolation imposed on workers by these platforms' very design, social media and mobile communication services have enabled

gig workers to find common channels to discuss, organise themselves, and undertake collective actions to demand better working conditions.²³

This is exactly what has happened in Ecuador and other Latin American countries during the global lockdown due to COVID-19. The increased demand for delivery services during this period highlighted this labour force's social and economic relevance, as many platform workers have become essential in this "new normal".

However, the pandemic has also revealed the worsening labour conditions of gig workers, the lack of social benefits and even occupational safety, not to mention the significant health risks to which they are exposed. Social networks have allowed many workers to report and share their complaints about platforms during the pandemic. This creates awareness among workers in other parts of the world about the common issues they face, and the need to act collectively at



“Despite the isolation imposed on workers by the very design of these platforms, social media (...) have enabled gig workers to find common channels to discuss, organise themselves and conduct collective actions to claim for better working conditions”



Isadora Romero, National Geographic (August 2020)²⁴

a local and global scale.

This collective awareness has led to the organisation of several international strikes against the deteriorating working conditions on delivery platforms, and the emergence of the first forms of association and collective organisation of gig workers, not only locally but internationally.²⁵

In Ecuador, several groups of gig workers started to self-organise through WhatsApp groups, creating the basis of a collective organisation. They participated in four cross-platform strikes, three of which were coordinated internationally with other workers' collectives from Latin America (Argentina, Peru, Costa Rica, Guatemala, Mexico, Brazil) and Spain.

These strikes brought together gig workers from Glovo, Uber Eats, Rappi and a number of other platforms. They protested a reduction in the pay rate they receive for each "gig" and the imposition of a new system

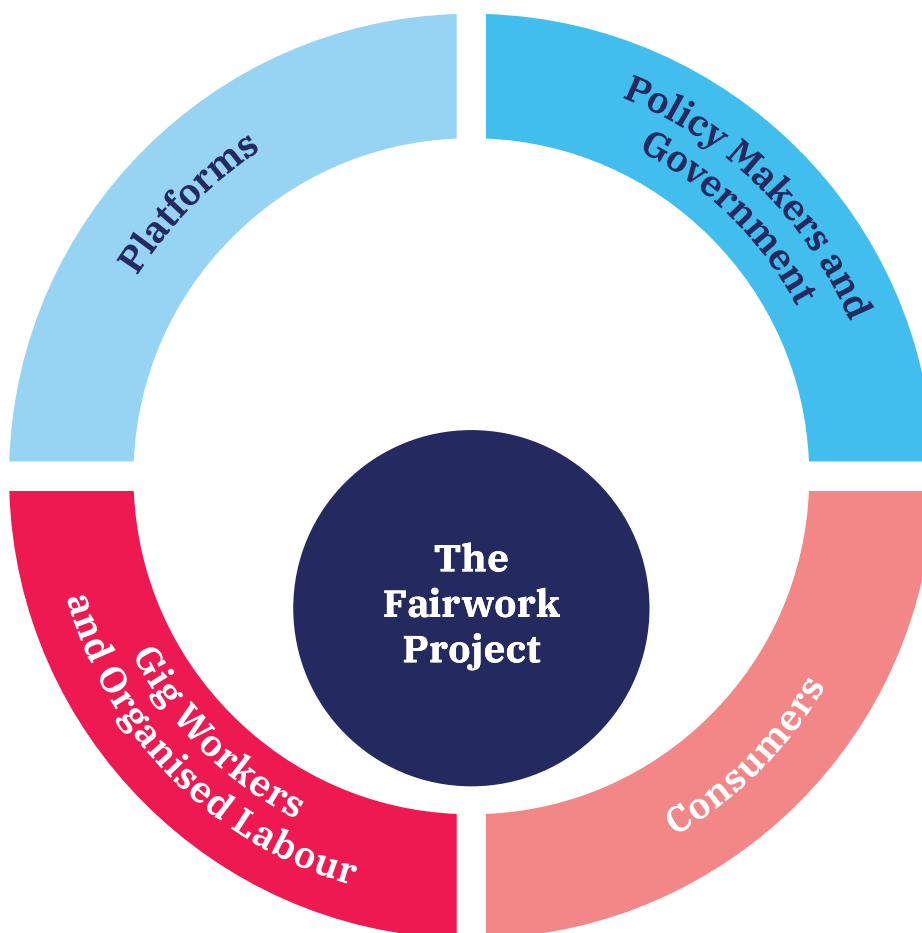
of collective deliveries that made them work more for less money. They also asked for platforms to provide accident and health insurance, personal protective equipment during the pandemic, the reclassification of their status as employees, and the improvement of working conditions.

In the absence of a more dynamic and coordinated response from national governments, this coordinated international action can have a positive impact by creating incentives for the platforms to behave in a more socially responsible manner.

This is precisely one of the Fairwork project's objectives: to introduce incentives through global action for better regulation of the platform ecosystem.²⁶

Impact and Next Steps

This report is the result of a one-year pilot project in Ecuador. We have established a baseline on the current situation of the country's platform economy that will let us study its development and update our ratings on an annual basis. As Fairwork's reach and visibility increases, we see four avenues for contributing to improvements in the conditions faced by Ecuadorian platform workers.



Fairwork's Pathways to Change

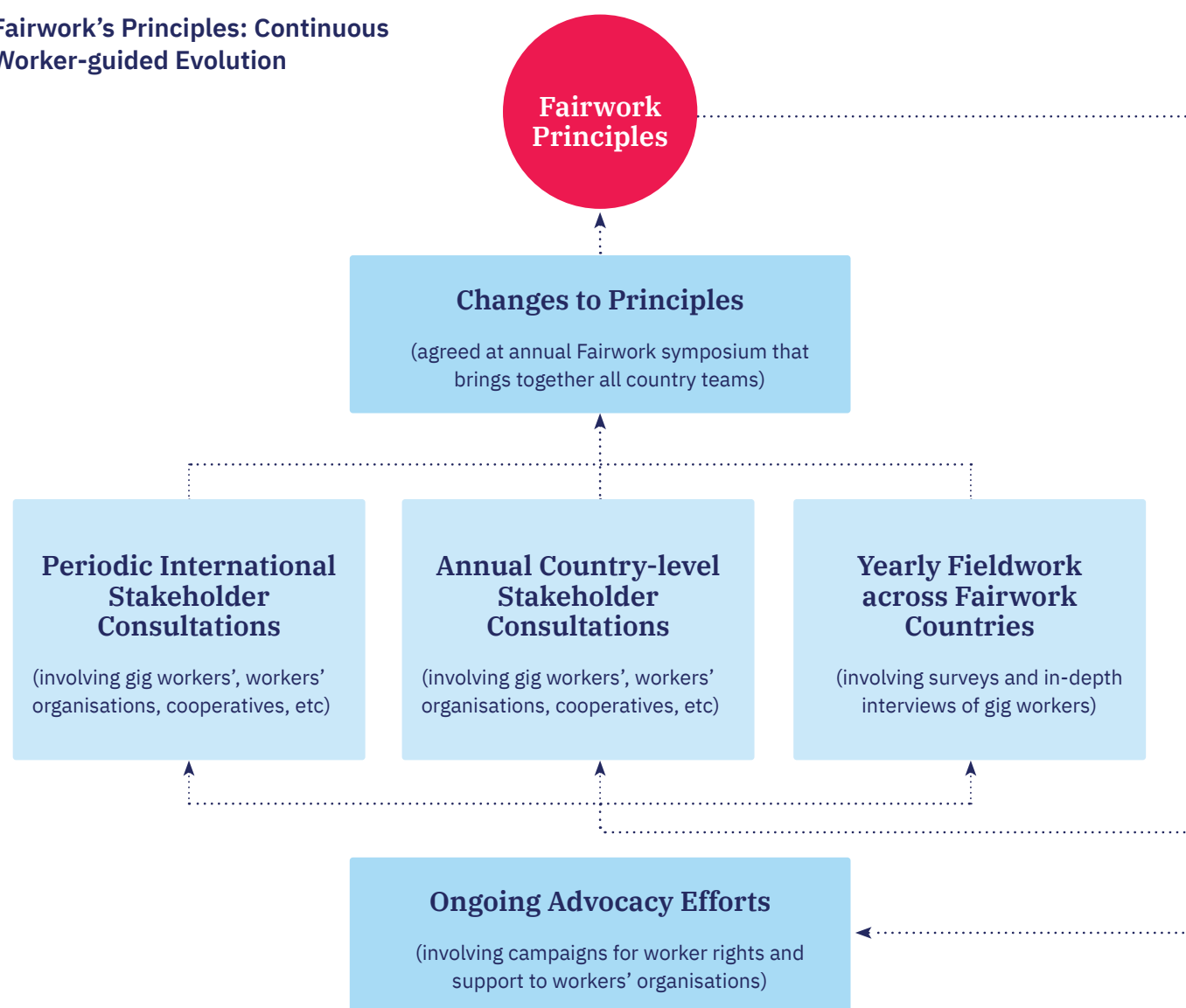
Our first and most direct pathway to improving working conditions in the platform economy is by engaging directly with Ecuador's platforms. Many platforms are aware of the importance of regulating mechanisms such as the Fairwork framework to enhance the platform ecosystem.

They are eager to work with us to improve their Fairwork scores. Guided by our principles, the platforms can easily focus on the conditions that need to be enhanced to provide better job and income opportunities for their workers, while maintaining a growing, safer, and fairer business. Fairwork Ecuador has started to raise awareness among platforms about these principles and succeeded in establishing a collaboration channel with some platforms to get first-hand information about their practices and policies.

Fairwork's theory of change also draws on the understanding that human empathy is a powerful force. Given enough information, many consumers will be intentional about the platforms they choose to interact with. Our yearly ratings give consumers the ability to select the highest scoring platform operating in a sector, thus contributing to pressure on platforms to improve their working conditions and their scores. In this way, we enable consumers to ally with workers to fight for a fairer gig economy.

Beyond individual consumer choices, our scores can help inform larger organisational customers' procurement, investment, and partnership policies. They can serve as a reference for institutions and companies who want to support fair labour practices and more ethical procurement.

Fairwork's Principles: Continuous Worker-guided Evolution



We also engage with policymakers and the government to advocate for extending appropriate legal protections to all platform workers, irrespective of their legal classification. We will continue our policy advocacy efforts in the coming years to help ensure that workers' needs and platforms' business imperatives are effectively balanced.

Finally, and most importantly, workers and workers' organisations are at the core of Fairwork's model. Our principles have been developed and are continually refined in close consultation with workers and their representatives. Our fieldwork data, combined with feedback from workshops and consultations

involving workers, informs how we systematically evolve the Fairwork principles to remain in line with their needs. Through continual engagement with workers' representatives and advocates, we aim to support workers in asserting their rights and requirements in a collective way.

A key challenge in the gig economy is that workers are often isolated, atomised, and placed in competition. The platform work model presents challenges for workers to connect and create networks of solidarity. However, as we have witnessed during recent international strikes led by delivery gig workers, they are starting to organise and push for collective negotiations not just locally but also internationally.

Our principles can provide a starting point for envisioning a fairer future of work, and set out a pathway to realise it. Principle five, in particular, on the importance of fair representation, is a crucial way in which we aim to support workers to assert their collective agency.

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 enjoy. 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 highlights today's gig economy's contours and paints a picture of what it could become.

Appendix I:






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 stakeholder meetings held in India (Bangalore and Ahmedabad), South Africa (Cape Town and Johannesburg) and Germany (Berlin). This document explains the Fairwork Scoring System. Each Fairwork Principle is divided into two thresholds. Accordingly, for

each Principle, the scoring system allows one 'basic point' to be awarded corresponding to the first threshold, and an additional 'advanced point' to be awarded corresponding to the second threshold (see Table 1). The advanced point under each Principle can only be awarded if the basic 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.

Table 1 Fairwork Scoring System

Principle	Basic point		Advanced point		Total
 Fair Pay	1	+	1	=	2
 Fair Conditions	1	+	1	=	2
 Fair Contracts	1	+	1	=	2
 Fair Management	1	+	1	=	2
 Fair Representation	1	+	1	=	2

Maximum possible Fairwork Score





Principle 1: Fair Pay

Threshold 1.1 – Pays at least the local minimum wage (one point)

Irrespective of the employment status of the worker, workers earn at least a local minimum wage, or there is a policy which requires payment above this level.

The threshold for 1.1 is based on the level for a local minimum wage (400 USD).²⁷ Workers on the platform must earn more than the minimum wage rate in their working time,²⁸ and this can be evidenced by either:

- A policy that guarantees the workers receive at least the local minimum wage in their working time; or
- The provision of summary statistics of transaction data.

In the case of (b), the platform is asked to submit a weekly earnings table (see Table 2) that averages worker earnings and worker hours for any three-month period over the previous twelve

months.

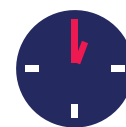
Threshold 1.2 – Pays the minimum wage plus costs (one additional point)

Workers earn at least the local minimum wage after work-related costs, or there is a policy which requires payment above this level.

The threshold for the minimum wage plus costs varies between different kinds of platform work. In order to establish a threshold, the platform is asked to provide an estimate for work-related costs, which are then checked (by the Fairwork team) through worker interviews.³¹ To be awarded this point, there must be either:

- A policy that guarantees workers earn at least the local minimum wage plus costs; or
- Evidence from the platform that workers earn at least the local minimum wage plus costs.

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



Principle 2: Fair Conditions

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

There are policies to protect workers from risks that arise from the processes of work.

This threshold requires the platform to ensure that there are safe working conditions, and that potential harms are minimised.³² For 2.1, this means identifying the task-specific risks for the worker when, for example, a vehicle is used, or there is interaction with customers. The specific practices leading to the awarding of this point may vary by the type of work and the risks involved.

To be awarded a point for 2.1, the platform must demonstrate that:

- There are policies or practices in place that protect workers' health and safety from task-specific risks

Threshold 2.2 – Actively improves working conditions (one additional point)

Table 2 Weekly earnings table

Weekly earnings	<X	X to (X+(X/2))	(X+(X/2)+1) ²⁹ to 2X	>2X
Active hours less than 40 hours/week (part-time)	%	%	%	%
Active hours between 40 and 48 hours/week (full-time)	%	%	%	%
Active hours more than 48 hours/week (full-time plus overtime)	%	%	%	%

Note: X = the local minimum wage, calculated at 45 hours per week. This row is filled out by the Fairwork team, before submitting it to the platform for completion.³⁰

There are proactive measures to protect and promote the health and safety of workers or improve working conditions.

For 2.2, the threshold is higher, involving practices that go beyond addressing the task-specific risks addressed by 2.1. This means a policy that goes beyond ameliorating the direct task-specific risks, by promoting greater health and safety or improvements in working conditions, beyond what is specified by local regulations for employment. For example, an insurance policy that covers workplace accidents would meet the threshold for 2.1, while one that also covers the worker or their family outside of work would meet 2.2. As policies and practices may be focused on the specific form of work, the examples that meet the threshold may vary by the type of work.

To be awarded a point for 2.2, the platform must demonstrate that:

- There is a documented policy (or policies) that promotes the health and safety of workers or improves working conditions, going beyond addressing task-specific risks



Principle 3: Fair Contracts

Threshold 3.1 – Clear terms and conditions are available (one point)

The terms and conditions are transparent, concise, and provided to workers in an accessible form.

The threshold for 3.1 involves demonstrating that the terms and conditions of the contract issued to workers are available in an accessible form.³³ Platforms must demonstrate that the contracts are accessible for workers at all times, whether through the app itself or direct communication with the worker.

This is necessary for workers to understand the requirements of their work. The contracts should be easily understandable by workers, and available in the language/languages commonly spoken by the workers on the platform.

To be awarded a point for 3.1, the platform must demonstrate all of the following:

- The contract is written in clear and comprehensible language that the worker could be expected to understand; and,
- The contract is issued in the language/languages spoken by workers on the platform; and,
- The contract is available for workers to access at all times.

Threshold 3.2 – The contract genuinely reflects the nature of the employment relationship (one additional point)

The party contracting with the worker must be subject to local law and must be identified in the contract. If workers are genuinely self-employed, the terms of service are free of clauses which unreasonably exclude liability on the part of the platform.

The threshold for 3.2 involves the platforms demonstrating that the contract issued to workers accurately describes the relationship between the platform, the workers, and the users. In the case where there is an unresolved dispute over the nature of the employment relationship, a point will not be awarded.

If workers are genuinely self-employed,³⁴ platforms must be able to demonstrate that the contract is free of clauses that unreasonably exclude liability on the part of the platform for harm caused to the workers in the course of carrying out their duties.

To be awarded a point for 3.2, the platform must demonstrate that:

- The employment status of the workers is accurately defined

in the contract issued by the platform; and,

- There is no unresolved dispute about the nature of the employment relationship; or,
- The self-employed status of the worker is adequately demonstrated and free from unreasonable clauses.



Principle 4: Fair Management

Threshold 4.1 – There is due process for decisions affecting workers (one point)

There is a documented process through which workers can be heard, can appeal decisions affecting them, and be informed of the reasons behind those decisions. There is a clear channel of communication to workers involving the ability to appeal management decisions or deactivation.

The threshold for 4.1 involves a platform demonstrating the existence of clearly defined processes for communication between workers and the platform. This includes access by workers to a platform representative, and the ability to discuss decisions made about the worker. Platforms must be able to evidence that information about the processes is also easily accessible to workers.

To be awarded a point for 4.1, the platform must demonstrate all of the following:

- The contract includes a documented channel for workers to communicate with a designated representative of the platform; and,
- The contract includes a documented process for workers to appeal disciplinary decisions or deactivations; and,
- The platform interface features

a channel for workers to communicate with the platform; and,

- The platform interface features a process for workers to appeal disciplinary decisions or deactivations; and,
- In the case of deactivations, the appeals process must be available to workers who no longer have access to the platform.

Threshold 4.2 – There is equity in the management process (one additional point)

There is evidence that the platform is actively seeking to prevent discrimination against workers from disadvantaged groups.

To be awarded a point for 4.2 the platform must demonstrate the following:

- It has a policy which guarantees that it will not discriminate against persons on the grounds of race, gender, sex, sexual orientation, gender identity, disability, religion or belief, age or any other status which is protected against discrimination in local law; and,
- Where persons from a disadvantaged group (such as women) are significantly under-represented among its workers, it has a plan to identify and remove barriers to access by persons from that group, resulting in improved representation; and
- It takes practical measures to promote equality of opportunity for workers from disadvantaged groups, including reasonable accommodation for pregnancy, disability, and religion or belief; and
- 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; and

- It has mechanisms to reduce the risk of users discriminating against any group of workers in accessing and carrying out work.



Principle 5: Fair Representation

Threshold 5.1 – There are worker voice mechanisms and freedom of association (one point)

There is a documented process through which worker voice can be expressed. There is no evidence of freedom of association being prevented by the platform. There is no evidence that platforms refuse to communicate with designated representatives of workers.

The first step for the justification of 5.1 is establishing the platform's attitude towards and engagement with workers' voice. This includes both listening to and responding to worker voice when raised with the platform, as well as documenting for workers the process for engaging the platform in dialogue. Workers should be able to organise and associate with one another, regardless of employment status. Workers must not suffer discrimination for doing so. This includes the freedom to associate beyond the remit of organisational spaces (for example, via instant messaging applications).³⁵

To be awarded a point for 5.1, a platform must demonstrate that:

- There is a documented process for the expression of worker voice.

Threshold 5.2 – There is a collective body of workers that is recognised, and that can undertake collective representation and bargaining (one additional point)

There is a collective body of workers that is publicly recognised and the

platform is prepared to cooperate with collective representation and bargaining (or publicly commits to recognise a collective body where none yet exists)

This threshold requires the platform to engage with, or be prepared to engage with, collective bodies of workers that could take part in collective representation or bargaining. The collective body must be independent of the platform. It may be an official trade union, or alternatively a network or association of workers. Where such organisations do not exist, the platform can sign a public statement to indicate that they support the formation of a collective body.

To be awarded a point for 5.2, the platform must:

- Publicly recognise an independent, collective body of workers or trade union and not have refused to participate in collective representation or bargaining;

If such a body does not exist, it must:

- Sign a public statement of its willingness to recognise a collective body of workers or trade union.

Credits and Funding

Fairwork draws on the expertise and experience of staff at the CTS Lab of FLACSO Ecuador, the American University of Cairo, the Centre for Social Innovation Studies at the Chinese University of Hong Kong, De La Salle University, the International Institute of Information Technology Bangalore (IIITB), the Centre for Labour Research, Ghana Institute of Management and Public Administration (GIMPA), iSocial, Public Policy Research Center (CENTAR), the Technical University of Berlin, Tu Wien, Universidad Adolfo Ibáñez, Universidad del Rosario, 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, the University of Cape Town, University of Leuven, the University of Manchester, University of Oxford, the University of the Western Cape, Weizenbaum Institut, WZB Berlin Social Science Center, and XU Exponential University.

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Please cite as: Fairwork. (2021). *Fairwork Ecuador Ratings 2021: Labour Standards in the Gig Economy*. Quito, Ecuador; Oxford, United Kingdom.

Please note that this report contains sections in common with other Fairwork reports, notably the Fairwork Framework, parts of the Impact and

Next Steps section and the Appendix.

Designers: One Ltd., Oxford.

Funders: This publication arises from research funded by the International Development Research Centre (IDRC) through the Future of Work in the Global South (FOWIGS) project, and the Federal Ministry for Economic Cooperation and Development (BMZ), commissioned by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). The FOWIGS project is coordinated by the Centro de Investigación y Docencia Económica (CIDE) and Fundación Centro de Implementación de Políticas Públicas para la Equidad y el Crecimiento (CIPPEC).

Special Thanks to: We want to thank Mounika Neerukonda at the International Institute of Information Technology Bangalore and Kelle Howson at Oxford University for their careful reading and feedback on this report. Finally, we would like to acknowledge a very large number of workers and platform managers in Quito for taking the time to help us build our platform ratings. All of the work in this project was shared not just amongst our research team, but also with the stakeholders who are ultimately affected by our ratings.

Conflict of interest statement: None of the researchers have any connection with any of the platforms, 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.

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 27. 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.
 28. According to the ILO's (2018) report on "Digital Labour Platforms and the Future of Work", for every hour of paid work, workers spend 20 minutes on unpaid activities, including, for example, searching for tasks and researching clients. In order to account for this additional time spent on searching for work, as well as time spent between work tasks, we define 'working time' as including both direct (completing a task) and indirect (travelling to or waiting between tasks) working hours.
 29. The "+1" is one unit of the lowest denomination of the currency, to ensure a boundary between the two figures.
 30. The table contains four columns of data. The first is the percentage of workers earning less than the minimum wage (X). The rows represent less than full time, full time, and full time with overtime.
 31. Taxes are not considered to be a work-related cost.
 32. The starting point is the ILO's Occupational Safety and Health Convention, 1981 (C155). This stipulates that employers shall be required "so far as is reasonably practicable, the workplaces, machinery, equipment and processes under their control are safe and without risk to health", and that "where necessary, adequate protective clothing and protective equipment [should be provided] to prevent, so far as is reasonably practicable, risk of accidents or of adverse effects on health.
 33. 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.
 34. ILO's Employment Relationship Recommendation, 2006 (R198) recommends that member countries develop legal and regulatory frameworks containing specific indicators that speak to the existence of an employment relationship, which might include: (a) the fact that the work is carried out according to the instructions and under the control of another party; involves the integration of the worker in the organization of the enterprise; is performed solely or mainly for the benefit of another person; must be carried out personally by the worker; is carried out within specific working hours or at a workplace specified or agreed by the party requesting the work; is of a particular duration and has a certain continuity; requires the worker's availability; or involves the provision of tools, materials and machinery by the party requesting the work'; (b) periodic payment of remuneration to the worker; the fact that such remuneration constitutes the worker's sole or principal source of income; provision of payment in kind, such as food, lodging or transport; recognition of entitlements such as weekly rest and annual holidays; payment by the party requesting the work for travel undertaken by the worker in order to carry out the work; or absence of financial risk for the worker'.
 35. 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 organizations 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' organizations 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.



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