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The Current Status of Job Quality for Technology Drivers in Vietnam

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Abstract

In the current context, technology has become a driving force for initiating and transforming the quality of employment. Industry 4.0 has given rise to a trend in which many workers are shifting towards jobs that operate on online platforms, such as passenger transportation, delivery services, food delivery, and connecting through mobile applications like Grab, Gojek, Be, and others. The profession of technology drivers has become a primary occupation for thousands of workers, most of whom hope for high incomes from low-stress work and flexible working

hours. However, with the proliferation of new technology-based ride-sharing companies, coupled with a significant drop in the number of customers, technology drivers have become disheartened due to drastically reduced incomes that are insufficient to cover their household expenses. Through qualitative and quantitative research methods, along with the synthesis of secondary data, this article provides a comprehensive overview of the current employment quality situation for technology drivers in Vietnam.

Keywords: Job Quality, Technology Drivers, Vietnam

1. Introduction

The rapid growth of e-commerce and online shopping in recent years has given rise to a slew of technology-driven transportation companies and a significant labor force in society. This has introduced a new line of work, a new profession: transportation providers, also known as technology drivers or shippers. Technology drivers are individuals who operate vehicles (motorcycles or cars) to provide passenger transportation or deliver food and goods, all managed through technology platforms. It can be asserted that the technology-driven transportation service in Ho Chi Minh City is an attractive sector with the emergence of a multitude of businesses in the last five years, especially after Uber sold its stake to Grab and withdrew from Vietnam in 2018. To date, more than 10 companies are operating technology-driven transportation business models. The technology-driven transportation market is bustling with a diverse range of businesses, from foreign-invested companies (such as Grab, Gojek) to joint ventures and domestically invested businesses (Be, Vato, and more). In addition to professional transportation companies for passengers, goods, and food operating on technology platforms like Grab, Gojek, Be, and Xanh SM, a variety of e-commerce platforms like Shopee and Lazada have also organized direct delivery services to customers who order online through their applications. The presence of various technology-based transportation services from 2014 to the present day has created a diverse economic landscape in Ho Chi Minh City. This service has provided customers with more transportation options and increased competition among businesses providing technology-based transportation services, while simultaneously challenging traditional transportation models. With a revenue of approximately 2.4 billion USD in 2021 and an average annual growth rate of about 30-35% from 2015 to the present, the online ride-hailing (technology-driven ride-hailing) market in Vietnam is often likened to a delectable pie that has been attracting both domestic and international investors. Undeniably, the convenience that technology-driven transportation brings to consumers and its contributions to society are significant. However, alongside these benefits, there are still various issues within the operations of these businesses, and the workforce of technology drivers, which have implications for social order and security. Most notably, the profession of technology drivers is no longer as lucrative as it used to be, and this has affected the income of the labor force in this sector.

2. Theoretical Foundation

Job quality is an essential concern for individuals, organizations, and nations alike. UNECE (2015) ^[1] emphasizes that job quality should be a concern at all levels, across all sectors, for individuals and collectives. Job quality is seen as the key to

economic and social development, reflecting the level of ensuring the quality of life for a nation's workforce.

The concept of job quality, as explored by labor researchers and practitioners, is considered a multidimensional and complex concept (Burchell, B., *et al.*, 2013) [2]. In this context, each specific dimension allows for the identification or reflection of one or several characteristics surrounding the status of job quality. Depending on the research purpose, the dimensions of the concept may be separated or integrated, but all dimensions aim to identify what contributes to better job conditions for workers.

There are currently four trends in approaching job quality, including: 1) the perspective of workers; 2) that of labor users; 3) policy designers; and 4) other social partners. Each trend often encompasses three levels of approach, including: 1) the individual level; 2) the sectoral level; and 3) the national level. However, an additional level is being proposed today, which is international research at the global level to construct more globally comparative images. Due to the variety of different approaches, it is important to gain more consensus on the choice of approach and the components of the concept that reflect job quality at the national level from labor and social community partners. The dimensions of the concept of job quality also need to be localized from the perspective of workers in Vietnam. This adjustment process aims to ensure compatibility of labor data between Vietnam and international labor standards. Therefore, the tasks to be performed in designing research on job quality are as follows: Identify appropriate dimensions to reflect job quality; determine the level of awareness within the labor community regarding these dimensions.

From the seven dimensions that the United Nations (2015) [3] recommends for measuring job quality, five dimensions have been proposed for studying job quality in Vietnam, including: (1) Working conditions and workload; (2) Income and benefits from work; (3) Health and safety at work; (4) Work-life balance; (5) Other basic rights of workers. The OECD (2015) [4] provides a framework for measuring and evaluating job quality around three factors: income quality, labor market security (including unemployment risk and unemployment insurance), and the quality of the working environment (including physical health risk factors, long working hours, inflexible working hours, job autonomy, and opportunities for learning and career advancement). UNECE (2015) [1] offers a consistent set of indicators for measuring job quality, divided into seven main aspects and twelve sub-aspects: (1) Labor safety and ethics (workplace safety; child labor and forced labor; equal treatment at work); (2) Income and benefits from work (income; non-wage benefits); (3) Working hours and work-life balance (working hours; time arrangement; work-life balance); (4) Job security and social protection (job security; social protection; social dialogue; development and skill training); (5) Work-related relationships and work motivation (work-related relationships; work motivation).

In general, the job quality measurement frameworks in the various studies all originate from the essence of the job quality concept, which includes both financial and non-financial benefits to workers. This research focuses on the aspects reflecting job quality, including: (1) income and benefits; (2) working conditions and the work environment; (3) working hours and workload; (4) access to social security policies.

3. Research Methodology

To achieve the research objectives, the author utilized the following data sources:

Secondary Data: Reports from the General Statistics Office and the Ministry of Labor, Invalids and Social Affairs regarding wages, income, working conditions, and social welfare policies for technology drivers. Based on the collected secondary data, the author analyzed and assessed the current employment status of technology drivers.

Primary Data: This data was collected from qualitative research results through in-depth interviews. The interviewees included labor management officials of the state and laborers working as technology drivers for companies like Grab, Be, Gojek, etc. Each interview lasted for 10 minutes. The purpose of the interviews was to gain insights into the actual wage income, working conditions, working hours and intensity, and the level of access to social welfare policies. Additionally, quantitative research methods were also applied. 330 questionnaires were sent to technology drivers, and 325 questionnaires were returned. After screening the questionnaires, 315 valid questionnaires were used for the study.

4. Results and Discussion

As of now, there are approximately 200,000 technology drivers across the country, individuals who operate motorcycles or cars to provide passenger transportation or deliver food and goods, all managed through technology platforms. Nearly 50% of these technology drivers are working in Hanoi and Ho Chi Minh City. The majority of technology drivers come from outside the provinces they work in, with women accounting for 5% of the workforce. A survey of 315 technology drivers currently working in Hanoi revealed the following results regarding job quality:

Table 1: Evaluation of Job Quality for Technology Drivers

S. No	Content	Number of Responses	Percentage (%)
1	Low income	298	94.6
2	Low safety level	175	55.6
3	Insufficient social insurance coverage	311	98.7
4	High average working hours	204	64.8

The results from the survey of 315 technology drivers working in Hanoi indicate several significant findings related to job quality. The majority of respondents reported low income, with 94.6% expressing this concern. A substantial portion also highlighted issues such as low safety levels (55.6%), low labor quality (32.4%), insufficient social insurance coverage (98.7%), high job instability (85.4%), and high average working hours (64.8%). These findings reflect the challenges and shortcomings in the job quality for technology drivers in Vietnam.

The survey results clearly indicate that the criteria reflecting job quality for technology drivers are assessed to be quite low. The level of support for the criteria ranges from as low as 32.4% to as high as 98.7%. Specifically:

4.1 Income

Out of the 315 surveyed technology drivers, 298 of them, which accounts for 94.6%, agreed that their income is low. This is an exceptionally high percentage, indicating that the

majority of technology drivers are dissatisfied with the income they receive.

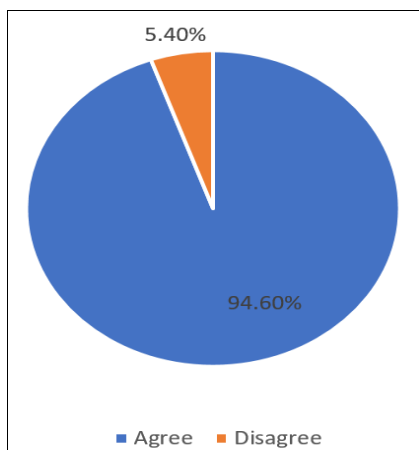


Fig 1: Opinions on the "Low Income" Perspective of Technology Drivers

The opinions expressed in this evaluation align with the practical reality. Two-thirds of technology drivers are married, and 60% of them are responsible for supporting two or more people in their families. However, the income derived from technology-driven driving is relatively low, and they must manage their daily lives with tight budgets. On average, daily earnings for motorcycle drivers, after deducting fees and fuel expenses, amount to 318,000 Vietnamese dong per day and 7 million Vietnamese dong per month. Car drivers earn about 564,000 Vietnamese dong per day and 12 million Vietnamese dong per month. In addition to their regular income, there are occasional "bonuses," "allowances," and support programs from service providers, but these are not consistent and are relatively low (Center for Health and Community Development (CHD) & Vietnam General Confederation of Labor (2021) [5]).

The statement from the representative of the Vietnam General Confederation of Labor highlights the challenging working conditions and low income that technology drivers face. They work in harsh weather conditions, navigate difficult roadways, encounter accidents, deal with customer pressures, and may face issues such as damaged goods or even instances of sexual harassment and other dangerous behaviors.

Despite these challenges, the commission rates imposed by technology companies are relatively high. For technology drivers, the average commission rate per transaction is 24.4%. This means that the workers only retain about 75% of their earnings. However, out of this 75%, 30% is used for vehicle expenses and depreciation, and only the remaining portion is the actual income for labor. A ratio of 40-45% allocated to labor income is considered quite low.

One technology-driven driver shared their experience, saying, "I receive a ride request with a fare of 36,000 Vietnamese dong per trip. After deducting fees, I only earn nearly 23,000 Vietnamese dong per trip. That's right, sitting for almost 2 hours only gets me this amount. Before the pandemic, almost everyone doing technology-driven rides could live comfortably, earning over ten million dong per month was normal. Now, I only make about 4-5 million dong per month, and I earn just enough for daily expenses". Another driver shared their experience, stating, "In the past three weeks, I've been earning only about 25,000 - 30,000

Vietnamese dong per hour. There are times when I can sit for 1-2 hours without receiving any ride requests. Not only me, but many other colleagues are also facing similar situations. Some even told me that they are earning just over 20,000 Vietnamese dong per hour, a 50% decrease in income."

In addition to the recent income reductions, technology drivers and delivery workers face numerous other risks. In terms of welfare, most workers do not have access to meal allowances, vacation leave, regular health checkups, holiday bonuses, or Tet bonuses. Workers mainly receive two main forms of compensation: bonuses/commissions for exceeding targets and tips from customers.

4.2 Working Conditions and Environment

Out of the 315 ride-sharing drivers who participated in the survey, 175 individuals (55.6%) reported that this job has low safety standards. This result reflects the level of satisfaction among ride-sharing drivers regarding their working conditions and environment. In practice, ride-sharing drivers often have to work in challenging conditions, including dealing with unpredictable weather, road conditions, traffic accidents, pressure from customers, the risk of losing or damaging cargo, and even issues related to sexual harassment and other dangerous behaviors.

Furthermore, motorbike taxi and taxi drivers are regularly exposed to dust, adverse weather conditions, and other environmental factors. Due to the nature of their profession, which involves prolonged sitting and limited physical activity, they are susceptible to various common health issues.

Specifically, when it comes to skin conditions, constant exposure to sunlight can make these drivers more prone to skin conditions such as sunburn, dermatitis, sun allergies, or even an increased risk of skin cancer. Symptoms may include redness, swelling, or itchy and irritated skin in cases of allergies and changes in skin pigmentation.

Regarding respiratory diseases, the exposure to dust and pollution, particularly in major cities with high air pollution levels, puts these drivers at a significant risk of respiratory conditions. Furthermore, a relatively high smoking rate among this group further increases the likelihood of developing throat and respiratory issues. As a result, frequent cases of chronic sore throat, allergies, and sinusitis are common, with a higher risk of pneumonia when facing sudden changes in weather conditions. Middle ear infections, outer ear infections, and hearing loss are also prevalent among them.

In terms of digestive health issues, ailments such as gastric ulcers, gastrointestinal disorders, constipation, and hemorrhoids are frequently encountered due to irregular and rushed eating patterns, inadequate meal times, or hurried meals. Common symptoms include upper abdominal pain, belching, heartburn, indigestion, appetite loss, difficulty passing stool, hard stools, and protruding hemorrhoids. These gastrointestinal problems significantly impact the long-term health and work capacity of the drivers.

In terms of musculoskeletal issues, the prolonged sitting and extended periods of driving that characterizes the work of motorbike taxi drivers often lead to problems with muscle and joint pain. These issues can include back pain, neck pain, shoulder pain, wrist pain (carpal tunnel syndrome), and leg fatigue. To address these problems, it's important to balance driving time with rest periods, avoid excessive wrist

extension when gripping the handlebars, maintain proper posture for the back and shoulders (which may involve using a back or shoulder brace as advised by a medical professional), engage in regular physical exercise, and seek timely medical attention for any symptoms of pain or discomfort.

Furthermore, motorbike taxi drivers also face the risk of violence and disease transmission. The gig economy associated with ride-sharing services is a relatively new and rapidly growing sector. However, it exposes drivers to various hazards, including the risk of physical assault, theft, and disputes. The frequent contact with passengers makes them susceptible to respiratory infections, and adequate preventive measures must be taken to minimize the risk of disease transmission. Technology drivers, despite not being exposed to the same weather conditions as motorbike taxi drivers, still face the risk of various health issues. These include musculoskeletal problems such as spine and joint conditions, which often manifest as pain in the neck, back, shoulders, wrists, arms, hips, or knees due to prolonged sitting and driving positions.

In addition to these issues, they may also experience gastrointestinal problems (e.g., gastric ulcers, constipation, hemorrhoids), respiratory conditions (e.g., sinusitis, pneumonia), cardiovascular and endocrine disorders (e.g., atherosclerosis, hypertension, diabetes, increased risk of heart attacks or strokes if not promptly diagnosed and treated), and mental health issues (e.g., stress, depression, insomnia) due to irregular working hours and the frequent use of stimulants like coffee and tobacco. It's essential for taxi drivers to be aware of these potential health risks and take appropriate measures to maintain their well-being. This can include regular health check-ups, adopting healthier habits, and seeking medical attention when needed.

4.3 Working Hours and Intensity

According to the survey results, 204 out of 315 technology-based taxi drivers consider their average working hours to be high (68.8%). This aligns with the findings from the Ministry of Labor, Invalids, and Social Affairs, which show that this group of workers has extremely long working hours. Six percent of those surveyed work more than 12 hours per day, and 40% work seven days a week. This indicates that these workers are under very high work intensity, which affects their ability to recover.

Despite not having high incomes, technology-based taxi drivers, in general, face significant stress. Motorcycle taxi drivers work an average of 9.2 hours per day, while car drivers work 11.2 hours per day. There appear to be no days off during holidays and weekends, and drivers face the pressure to deliver passengers early or on time. These drivers work continuously throughout the year, often working seven days a week and even on holidays because the earnings are typically higher on these days (1.5 to 2 times more). On average, the actual time spent on driving work (including waiting for passengers and meals, excluding rest time) for motorcycle drivers is 9.9 hours per day and 11.5 hours per day for car drivers.

The high intensity of working hours is also reflected in the actual hours spent driving daily, weekly, including holidays. The distribution is as follows: Driving for 8-10 hours per day: 20.8% for motorcycle drivers and 34.7% for car drivers. Driving for 10-12 hours per day: 36.8% for motorcycle drivers and 28.9% for car drivers. Driving for

12-14 hours per day: 17.9% for motorcycle drivers and 6.1% for car drivers. Driving for more than 14 hours per day: 9.4% for motorcycle drivers and 2.4% for car drivers. These figures demonstrate the intense work hours and workload that technology-based taxi drivers face in their daily activities.

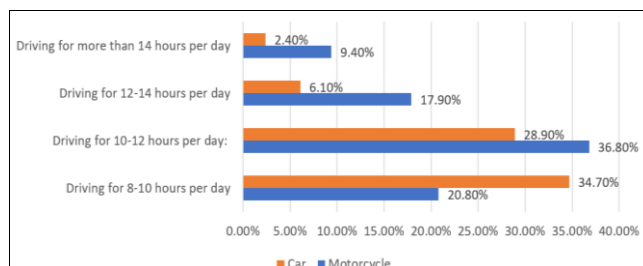


Fig 2: Work Intensity of Technology-Based Taxi Drivers

This group of workers experiences extremely high working hours and very limited rest time compared to other labor sectors. They work with almost no fixed schedule and no days off due to income-driven objectives. Their motivation stems from offering high-quality services during holidays and special occasions, as well as receiving positive reviews (earning high ratings) to increase their chances of getting more ride requests and, in turn, boosting their income.

4.4 Access to Social Welfare Policies

This is the most prominent criterion among the criteria discussed, which is the level of access to social welfare policies. Among the 315 technology-based taxi drivers surveyed, a staggering 311 individuals, or 98.7% of them, believe that their employment is not adequately protected by social insurance policies.

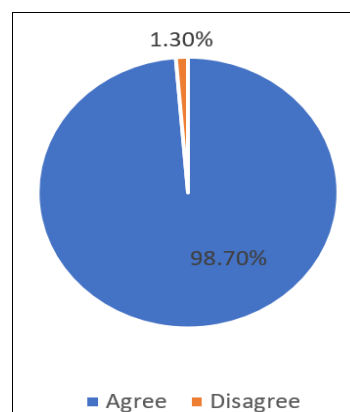


Fig 3: Evaluation of the Level of Access to Social Welfare Policies by Technology-Based Taxi Drivers

"Their biggest difficulty is the lack of social welfare benefits and perks like regular salaried workers. Basic social welfare policies are essential for any profession, especially for professional technology-based taxi drivers," as stated in a report by the Municipal Party Committee in Ho Chi Minh City. "To enter the technology-based taxi driving profession, workers have to invest their economic resources in equipping vehicles and spend the majority of their time driving to earn money".

The research results also indicate that due to the nature of their work, technology-based drivers and delivery personnel face high work intensity and risks, including workplace

accidents, the risk of abuse/harassment, and robberies. Their income and work schedules are mostly controlled.

However, the majority of them only have service contracts/partner contracts without formal labor contracts, with 79.26% having service contracts, and only 2% having formal labor contracts. This means that workers are not guaranteed labor rights and social security benefits when they face risks.

Workers also have limited access to social welfare, relying mainly on personal savings for sudden risks and during disease outbreaks, as they have low participation rates in insurance. They show more interest in health insurance, with 51.11% participating, while only 8.15% have mandatory social insurance, 5.56% have voluntary social insurance, and 9.26% have occupational accident insurance. The reasons for not participating in voluntary social insurance are cited as insufficient funds (68%), perceived lack of benefits (21%), and lack of understanding or need (11%). According to the survey, 66.7% of drivers wish to access social welfare programs, 24.2% hope for local support, and 53% wish to join a group or association for drivers. Significantly, 45.5% of drivers hope to receive advice and support for participating in social insurance from their companies. Based on these findings, the Vietnam General Confederation of Labor recommends further in-depth research to enhance access to social welfare programs for this group. The percentage of workers receiving support from government agencies/local authorities is very low. Only 11.65% received support due to job loss from COVID-19, 1.52% received job counseling and referrals, and less than 1% received other types of support such as vocational training, job creation loans, labor dispute resolution assistance, and more.

In addition to low income, drivers participating in the sharing economy have reported that they do not receive benefits similar to regular employees, such as company contributions to social welfare, maternity leave, annual leave, or overtime pay. They also do not receive various allowances for lunch, transportation, etc. While there are no official statistics available, according to a report from the Vietnam General Confederation of Labor, access to social welfare programs and health insurance remains low among young technology drivers.

5. Conclusion

In recent years, due to the impact of the Fourth Industrial Revolution, new informal economic models have emerged, such as the "circular economy," "sharing economy," "gig economy" based on online platforms and technology applications, including online sales, delivery services (shippers), and technology-driven ride-sharing services like Grab, Be, and Xanh SM. These new forms of employment are increasingly growing and have created a large workforce in the informal sector in our country. However, employment in the technology-driven ride-sharing industry has not received the appropriate level of attention, particularly in terms of access to social security policies.

It is essential to continue amending and improving the Social Insurance Law, Health Insurance Law, and other relevant legal documents to align with the Party's policies and the State's legal framework for enhancing access to social security programs for freelancers and specifically for drivers in the technology-driven ride-sharing sector. This should be done in a way that is open, flexible, and suitable

for the characteristics and actual conditions of their employment and income.

The Social Insurance Agency, in collaboration with banks and companies providing technology platform services to support technology drivers, should facilitate their registration and access to social insurance and health insurance benefits, taking into account the convenience and the specific nature of their profession.

Furthermore, there should be a continued effort to increase information dissemination and communication about social security policies to technology drivers. Based on the research results, the Vietnam General Confederation of Labor (VGCL) should cater to the practical needs of technology drivers and develop attractive and appropriate forms to engage them effectively, expanding the grassroots trade union network, enhancing support for this group to improve their awareness, capabilities, working conditions, and access to and participation in social security programs, especially social insurance and health insurance.

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