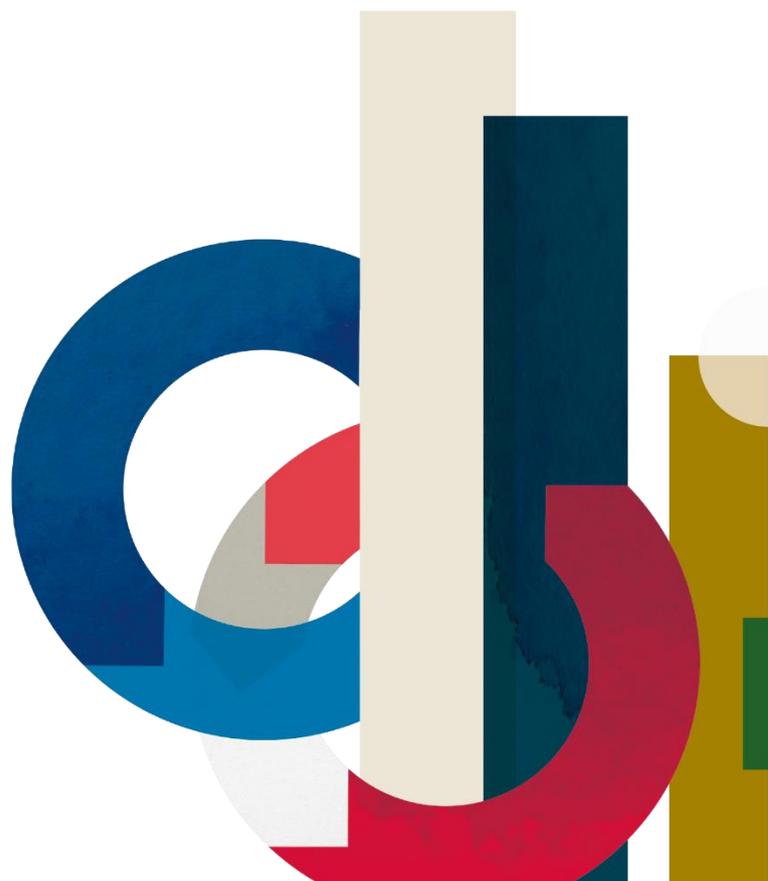


From Bad to Worse:

*How COVID-19 has exacerbated
Social Risk in the Gig Economy*

March 2020



Introduction

As the world grapples with the social and economic impacts of COVID-19, much of the attention in terms of social risk is focused on the medical staff who are on the front line fighting to save lives under challenging circumstances. But there is another category of worker that remains highly active during this crisis: the gig worker¹. And, in particular, drivers and riders for companies such as Uber, Postmates, Lyft, Instacart and Deliveroo, who continue to provide food deliveries, and other key services, to communities during the lockdown. In this paper, we highlight how the risks these workers already face have been exacerbated by the global public health crisis.

Risk Transfer in the Gig Economy

Gig-platform companies typically state that their role is limited to channelling the labour offer and that they are not responsible for directly controlling the performance of gig workers. This is an arrangement that benefits gig-platform companies because workers with employee status are often entitled to additional social protections².

Many gig workers are not classed as employees even though the gig-platform companies steer

and control their performances³ and represent their main source of income. According to a [survey](#) of 200 Uber and Lyft drivers, 64.9% do not have an alternative source of employment or income beyond the work they do for these ride-hailing apps. However, because these workers are not classed as 'employees', the ride-hailing companies do not have major contractual obligations towards them. In essence, the gig-economy model has transferred a significant amount of risk from corporates to individual workers.

The Social and Societal Impact

The current public health emergency poses a difficult dilemma for gig-economy workers. If they follow government advice and cease their economic activity, they cut off a vital source of income. If they continue to work, they risk catching the virus and spreading it to others.

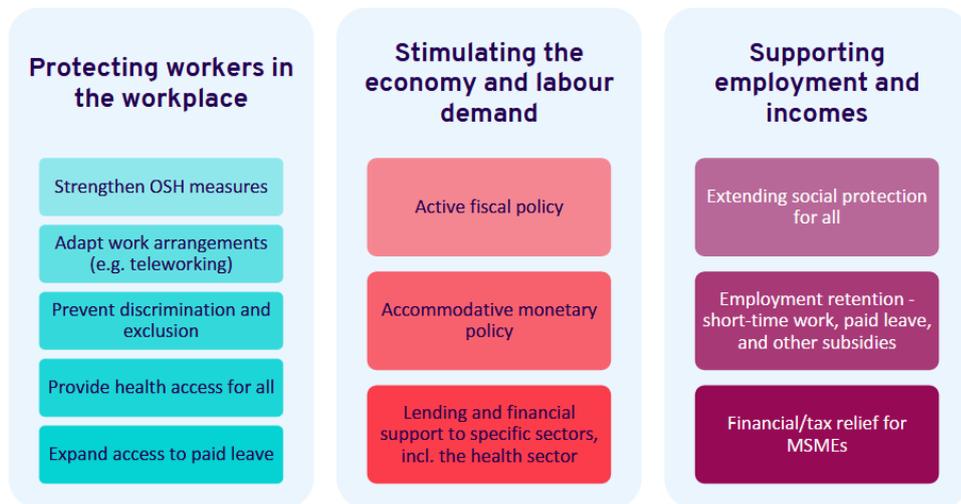
As they are self-employed, drivers and riders are typically not entitled to sick leave, unemployment insurance and other social protections⁴. On top of this, demand for delivery services continues to rise, which provides an additional motivation for these individuals to continue to work. The governments of the world are calling upon citizens to stay at home, but economic pressures, combined with market incentives, are pushing gig-economy workers to do the opposite.

What might we legitimately expect of companies?

In its [preliminary assessment](#) of COVID-19's impact, the International Labour Organisation (ILO) warned: "Unprotected workers, including the self-employed, casual and gig workers, are likely to be disproportionately hit by the virus." The ILO argued that the appropriate policy

response should focus on two immediate goals: health protection and economic support. It also set out a framework based on three key pillars: "protecting workers in the workplace", "stimulating the economy and labour demand" and "supporting employment and incomes".

Policy framework: Three key pillars to fight Covid-19 based on International Labour Standards



Source: ILO (2020), *COVID-19 and world of Work: Impact and policy responses*, ILO Note, 18th March 2020, p. 8

Company Responses

Following public criticism over their silence, Uber and Lyft emailed their couriers and drivers with guidelines on how to protect themselves from COVID-19 while working. Though, in effect, this guidance did not amount to anything more than what health authorities and the media had already been prescribing for weeks (e.g. regular handwashing and self-isolation for those displaying symptoms⁵).

Some companies have introduced “contactless delivery” as an option, guiding couriers to drop off deliveries at customers’ front doors to respect social distancing recommendations⁶. Some operators in the sector are also providing workers with safety equipment. AssoDelivery, the Italian industry association of food delivery companies, has reportedly been distributing free masks to riders working for member platforms⁷, while Lyft is distributing free sanitizer bottles and other cleaning materials to its drivers⁸.

Some ridesharing and food delivery companies have started disclosing the measures they are taking to financially support workers who get infected or who are told to self-isolate.

Uber is offering drivers who are diagnosed with COVID-19 up to 14 days’ worth of financial support, with entitlements being calculated on the basis of a worker’s average daily earnings over the past six months. Lyft is offering pay to drivers diagnosed with COVID-19, but it has not disclosed the amount workers are entitled to. Postmates is offering pay to sick workers and has also introduced a fund to finance medical expenses related to COVID-19. Instacart has gone even further by introducing a sick-pay policy for all workers, in addition to the standard 14 days paid leave in case of Coronavirus contagion⁹. Deliveroo is reported to have introduced insurance for its riders, at least in Italy, whereby it pays 30 euros per day for up to 30 days to infected riders who have connected to the platform in the past 12 months and will work for it until the end of the year¹⁰.

Despite these measures, unions claim that not enough is being done to ensure workers’ safety, and are calling on governments to extend social protections to gig workers in response to the COVID-19 pandemic¹¹

Company	Precautions during service (e.g. Contactless delivery)	Safety equipment (e.g. face mask and hand sanitizer)	Commitment to provide financial support to infected workers	Discloses details on financial support and how to request it
Uber	☒	☒	☒	☒
Lyft	☒	☒	☒	
Deliveroo	☒		☒ (At least in <i>Italy</i>)	
Instacart	☒		☒ ()	
DoorDash		☒	☒	☒
Postmates	☒		☒	☒
Just Eat			☒	☒)

Table 1 What some gig companies are doing to support workers amid the COVID-19 crisis

An inevitable policy response?

This public health crisis represents a crucial moment for an industry that has long faced criticism over its approach to workforce management. In reaction to the immediate reputational and operational risks, some companies have taken action to alleviate the pressures faced by their workforces. The key

question is whether gig workers will have their contributions during the crisis rewarded with stronger social protections or whether we will simply see a reversion to the status quo. A policy shift may be necessary from a sustainability perspective, but it is not inevitable.

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6. Meisenzahl, M. "[8 restaurants and delivery services now offer contactless delivery to slow the spread of coronavirus — here's how to get it](#)", *Business Insider*, 17 March 2020 (accessed 20 March 2020)
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9. Gibbins, P. "[What Are Rideshare Companies Doing to Help Drivers Affected by the Coronavirus?](#)" *Rideshare Guy*, 19 March 2020 (accessed 20 March 2020)
10. "[Deliveroo. Un'assicurazione contro il Covid-19](#)", *Avvenire.it – Redazione romana*, 19 March 2020 (accessed 20 March 2020)
11. See for example Gig Workers Rising's petition "[California Policymakers Must Protect Gig Workers During Coronavirus Health Crisis](#)" (accessed 20 March 2020)

Authors:



Marianna Fatti

ESG Analyst – Finance Cluster

Phone:

+39 02 27 72 71 43

Email: marianna.fatti@vigeo-eiris.com



Elisabetta Colombo

**SDG Product Manager
And Human Resources Expert**

Phone:

+39 390227727147

Email: elisabetta.colombo@vigeo-eiris.com

For more information: www.vigeo-eiris.com

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