

THE SOLIDARITY CENTER PODCAST

My Boss Is A Robot: A Special Series on App-Based Workers

Host: Shawna Bader-Blau, Solidarity Center Executive Director

Guests: Yuli Ramírez, president, FRENAPP; Arianna Jiménez, journalist, scholar

21st Century Workplace: Exploitation by App

Yuli Ramírez:

You were just a robot. You had a phone that told you what to do and where to go.

Shawna Bader-Blau:

Welcome to My Boss Is a Robot. It's a podcast series about the gig economy and the rise of the apps, how so-called platform workers are only being supervised by a phone, and how this is wreaking havoc everywhere, especially in developing economies.

I'm Shawna Bader-Blau. I'm the executive director at the Solidarity Center. Thank you for joining us on our mission to empower workers and make sure they have a voice, are treated fairly and have dignity on the job.

So, we're talking about platform workers. You know, people who get their jobs over the course of the day, opening their phone, turning on an app and getting a ping that says, "A client is waiting for you. If you pick them up in the car and drive them to the airport, you'll make some cash." Or you open your app later in the day and it says, "If you go to this restaurant and pick up Thai food and deliver it to your neighbor down the street, you'll get 20 bucks." Platform workers, people who get jobs that way and are supervised by a phone.

To understand the problem, we're going to give you two case studies. Two Venezuelans facing similar challenges. Their names are Yuly and Ahisa. Both Yuly and Ahisa were forced to leave their country, so they downloaded an app to support themselves and their families. Then we will investigate one company, Rappi, with the labor activist, Arianna Jiménez. Why do Glovo and Rappi eagerly take on workers like Yuly and Ahisa? What do they gain from this relationship? Are they outliers or is something else going on? First we have Yuly Ramírez who describes herself as 100 percent humanist.

Yuly Ramírez:

I just love to help others and I've always been very aware of that concept, that of being a humanist. I came into contact with it when I read *The Little Prince*. It says something like, "We are so many people and there's such little humanity."

Shawna Bader-Blau:

She once was practicing law as a criminal defense attorney in Venezuela. Then her country's economy collapsed. This is her story told through a translator.

Yuly Ramírez

I'm 39 years old, and I came to Ecuador five years ago and I led a very normal life. And then, in 2013, 2014, the situation worsened considerably. Even though people might have money, there's no food to buy. If you want to buy a part for your car and they tell you, "Okay, it's going to be this much." You go

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get the money, and when you come back three hours later, they will tell you that the price is different because it's already gone up.

Shawna Bader-Blau:

This is an all too common problem of what happens when a country's economy breaks. Hyperinflation. Then what usually comes next? Political unrest.

Yuly Ramírez:

Inflation was devouring Venezuela, was eating away at people's savings. And there were no meds, there were no car batteries, nothing that you could buy, really.

Shawna Bader-Blau:

Having to navigate a situation like hyperinflation is one thing I can't even imagine. But then one day, Yuly became a target for her human rights activities. Her own health and livelihood were threatened.

Yuly Ramírez:

So, I knew that I had to leave. It was not safe for me anymore. My family had been threatened, my life was in danger, so I decided to leave Venezuela. And I had to leave my family behind. It was one of the hardest decisions I've ever made. My youngest, when I left, was three-years-old.

Shawna Bader-Blau: Yuly flees to Ecuador, the best place she could believe she could rebuild a life and provide for her family. But as we all know, getting a job ain't easy, even if you are skilled like Yuly and especially if you're not a legal citizen.

Yuly Ramírez:

So, I started working for Uber. I was using a bicycle with them and I would work sporadically only, and mostly at night because I had a daytime job. I was working with a few lawyers in Ecuador. And then, Glovo showed up and someone told me that they were paying up to \$2 per hour just for you to be online. So, I decided to quit Uber and start working for Glovo, and then I decided to quit my daytime job with the lawyers.

Shawna Bader-Blau:

She couldn't get a fair rate for her legal work, so signing up to Glovoapp.com was an obvious solution. Glovo didn't care if she was a legal citizen. It's an app company currently active in over 200 cities in 26 countries.

Yuly Ramírez:

It was very easy, right? It was like filling up a form. You would just download the app and then go through the terms of conditions without reading them really, because it was a little bit like in the bank, when they give you that huge stack of paper and they tell you, "These are our policies," nobody really reads them. You just click 'Accept,' and that's what we did. In the very beginning, a lot of Ecuadorians

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started quitting their daytime jobs and joining the apps because they thought that they would make more money this way. So, it was not just us migrants.

Shawna Bader-Blau:

But soon the \$2 incentive of being online went away.

Yuly Ramírez:

They dropped our rates. We used to have a base salary of \$1 per hour. Our rates were cut down almost by half. We found out that we could not make nearly as much as we were making before, not even working 12 hours a day, seven days a week.

Shawna Bader-Blau:

When Yuly and others wanted answers about the changes in working terms or wanted any other information about the app, they couldn't find answers.

Yuly Ramírez:

Very soon we found out that there was no office where you could really go and talk to your colleagues or talk to your bosses. You were just a robot. You were not an employer, you were just a robot. You had a phone that told you what to do and where to go.

Shawna Bader-Blau:

It's not surprising that having a robot as a manager would also make Yuly feel like a robot.

Yuly Ramírez:

I remember there was this day, I was on a bike, it was raining and I didn't have my rain poncho on me, so I was completely soaked through, and I went into the building to deliver the order. And I remember that elevator had a huge mirror. And I glanced up and I saw myself and I was so shocked, because I saw myself and I thought, "God, you used to be Yuly Ramírez. You used to be a criminal attorney. You used to be loved and respected. Everybody knew you. And now you are soaked. You have a really heavy backpack. Your hands are completely wet. You look horrible. Your hair is a mess." I looked up and I started crying. I wonder, "Who am I? What did I do?"

Shawna Bader-Blau:

Conditions continually worsened for Yuly. As Glovo kept changing the terms and conditions of their working arrangement, she decided to do something about it.

Yuly Ramírez:

We organized our first strike in 2019. We called it "Hour Zero." It was basically an association that a few of us had created because we wanted to protect each other and be able to give each other advice, and just protect each other through our WhatsApp chat group.

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Shawna Bader-Blau:

While Yuly rallied her fellow delivery workers through WhatsApp and social media, she also changed her mindset.

Yuly Ramírez:

I said, "Okay, I'm going to hop on this motorbike and I'm going to feel like a superhero. I'm going to be 'Yuly Ramírez delivering food and meds to those who need it, to those who can't leave their office, or those who can't leave their house because they have kids or they are working and they can't go anywhere. Here comes Yuly Ramírez. I'm just going to help those who need help'."

Shawna Bader-Blau:

Yuly's passion for organizing delivery workers became noticed, especially by the app's executives.

Yuly Ramírez:

On the 20th of October of 2020, and this is an important date for us, we actually staged a march. We went up to the National Assembly of Ecuador and then we demanded the government to create some kind of regulation, some kind of framework, because they do whatever they want.

Shawna Bader-Blau:

She was asked to sit down with Glovo's executives as a mediator between the workers and the tech company.

Yuly Ramírez:

We asked them to cut the rates, to at least establish a minimum salary to create certain guarantees because, as it is right now, these companies do whatever they want with us.

Shawna Bader-Blau:

Yuly found her calling and put some of her legal training to work. She now spends all of her time helping gig workers join together and stand up for their rights. Once being a criminal defense attorney in Venezuela to now fighting for the rights of app-based workers in Ecuador, Yuly is making a difference.

Yuly Ramírez:

Right now, I'm not delivering anymore. I'm devoting my time, a hundred percent, to just be the president of this union. And we have a very wide and ambitious union plan. We go through every city in Ecuador, raising awareness amongst our fellow workers, explaining why they should join, what their rights are...

Shawna Bader-Blau:

If you meet Yuly, you can see it right away. She exudes bravery, courage, honesty. She's direct and she's full of energy and power. Yuly Ramírez went through a lot, and now she's making sure other app-based

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workers are granted the dignity they deserve. Now we'd like to introduce you to Arianna Jiménez. She's an expert in Latin American labor affairs. In 2019, she became interested in the Venezuelan migrant crisis. She traveled to South America to get a sense of what was happening. She discovered the story of another Venezuelan woman.

Arianna Jiménez:

Ahisamac Mar Campela was a young woman. She comes from a middle class family in Venezuela. Her mother was a chemical engineer. Her father was a mechanical engineer.

Shawna Bader-Blau:

Like Yuly Ramírez, Ahisa's living situation in Venezuela had become dire. She also became a target. Her life threatened.

Arianna Jiménez:

And her family sent her out. Within a week she was gone. So, just imagine, within a week her whole life is turned upside down.

Shawna Bader-Blau:

Instead of Ecuador, Ahisa landed in Colombia and suddenly had to support herself.

Arianna Jiménez:

She had never cooked before. She'd never lived on her own. She'd never held a job. And then she's in a foreign country trying to make her way in the world for the first time in her life without her parents.

Shawna Bader-Blau:

Like Yuly, Ahisa had studied law in Venezuela. However, she didn't graduate before she was forced to leave.

Arianna Jiménez:

She worked in a discotheque where she was propositioned for prostitution. She was kind of lured to do a job, and then she realized that the group of people were involved in the drug trade. So, she's just navigating all of these challenges, makes her way back to Medellín.

Shawna Bader-Blau:

And then, the pandemic happened.

Arianna Jiménez:

And at that point, she started to work for Rappi.

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Shawna Bader-Blau:

Rappi is a Colombian delivery platform app company where people can order food, groceries, and even cash. Its workforce is mostly immigrants like Ahisa. This is especially true during the middle of the pandemic where there are only layoffs and everyone is locked at home. Companies like Rappi where some of the only businesses hiring.

Arianna Jiménez:

Here's a young woman with a bright future who had just imagined a very different life for herself, and that future is completely pulled out from under her. And she says it's just not possible to imagine being able to afford to go to law school in Colombia with the cost of education. It was free for her in Venezuela. It's not free in Colombia. And so, she's trying to make her way in the world. I think it was a very telling story.

Shawna Bader-Blau:

Will Rappi be the answer to Ahisa's woes? Seems unlikely. We take a look at Rappi in just a moment. So, Yuly escapes Venezuela and goes to Ecuador and works for Glovo. Ahisa also flees Venezuela, relocates to Colombia and works for Rappi. Both platform app companies, without hesitation, are happy to welcome them and engage in a working relationship. But why are Glovo and Rappi so seemingly eager to accept these vulnerable workers who have no other options? That should give us pause. Let's take a look at Rappi.

Arianna Jiménez:

Rappi was founded in 2015, which coincides very much with the collapse of the economy in Venezuela. 1.8 million of the 5 million Venezuelans who've left, have gone to Colombia. So, there is a timing there that works in Rappi's favor.

Shawna Bader-Blau:

Ariana Jimenez has been covering the rise of Rappi as part of her master's degree research for NACLA, the North American Congress on Latin America. Her research is published in an article entitled, "They Give Us Work, but They Abuse Us."

Arianna Jiménez:

It is estimated 70, 80 percent of the workforce are these Venezuelan immigrants or migrants.

Shawna Bader-Blau:

Since 2015, along with the rise of Rappi, so has Colombia's unemployment rate, rising from 8.3 percent to almost 15 percent today. And now, with desperate refugees seeking work as well, one can only imagine how tight the labor market is, how difficult it is to find work, especially for the immigrants, especially for the most vulnerable.

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Arianna Jiménez:

One of the things I heard over and over and over again from the people I talked to were the different ways they were exploited. One worker talked to me about working all day, 12 hours, and being paid a sixth of the minimum wage for the entire day. Other workers would talk to me about just being refused employment outright and being told, "We would rather hire a Colombian."

Shawna Bader-Blau:

On the bright side, platform companies like Rappi don't discriminate. Anyone in an instant can easily download their app and get to work immediately. But there's another side of that too.

Arianna Jiménez:

From Rappi's perspective, they have this kind of captive workforce, if you will, this extremely vulnerable population that is desperate for any kind of work at all.

Shawna Bader-Blau:

Rappi was founded by three entrepreneurs, Simón Borrero, Sebastián Mejía, and Filipe Villamarín, two of whom went to elite schools in the United States, MIT and Stanford University, and the other who got an economics degree from a prominent university closer to home. Inspired by the gig worker models that made tech giants like Uber, DoorDash, and Postmates in America, they decided to introduce a similar model to Latin America. Fortunately for them, they already had a much larger vulnerable workforce.

On Rappi's website, it gives the impression of a small family friendly business. There are photos of the three young handsome gentlemen smiling. They say their mission is to drive economic development across Latin America. It riffs off a familiar Facebook ethos, driving development by connecting people.

Arianna Jiménez:

They have these very, kind of, corny videos of Rappi drivers dressed in the orange jacket with the orange backpack, high-fiving each other, going down the freeway in Bogotá with very few cars on the road, so it looks very safe and easy.

Shawna Bader-Blau:

But the reality is much grimmer, especially if you're not on the receiving end of these apps. The trio raised hundreds of millions of dollars in a short period and quickly scaled up during the pandemic. Colombia's aggressive lockdown policies helped business. Rappi is currently valued at 5.25 billion dollars.

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Arianna Jiménez:

What is clear is that this model that we've developed in the U.S. of undercutting the welfare state, transferring risk to the workforce and maximizing profit to the business owning elite is something that we have intentionally or unintentionally exported to Latin American and globally.

Shawna Bader-Blau:

Rappi desires to be the "deliver everything" company. From delivering cash to your personal taxes, and everything in between.

Arianna Jiménez:

Rappi claims 7,400 employees, which I suppose are the business side and the engineering side of the team. There's about 45... Upwards of 45,000 drivers that they do not consider employees. So, the drivers, who are really the bulk of the workforce, don't have health care, they don't have pensions, they don't have sick days, they don't have vacation time.

Shawna Bader-Blau:

According to one source from August 2020, Rappi accounts for more than 200,000 independent couriers throughout South America, so this is a huge operation. Meanwhile, Glovo raised 450 million euros in funding in 2021, reflecting the huge demand for delivery services through these apps. Both companies exploded during the pandemic. I mean, Glovo was fined by the Spanish government in 2022 for violating its labor laws. And companies like Global and Rappi have grown their profit margins at the expense of workers.

Arianna Jiménez:

So, the individual, in addition to not having benefits, also has to assume the cost of the cell phone plan that you have to have, the motorcycle or bicycle, whatever vehicle you're using to transport the goods around, filling the gas tank, auto insurance, maintaining your data plan. All of those costs that are fundamental to this application functioning are transferred to the individual. The restaurant or the grocery store with which they have the contractual relationship, and they're getting a percentage from the client who makes the order.

So, they're gaining profit from all sides and maximum cost is transferred to the individual. So, let's just look at the disparity that's created. For your average worker, they are working seven days a week, eight to 12 hours a day. By the time that you deduct, follow the things that I listed previously, they're making double minimum wage, which comes out to be about \$400 monthly. People are barely getting by with that.

Shawna Bader-Blau:

According to Ariana, the company has publicly stated that its margins are too thin to provide any kind of benefits to drivers. She says the company says it would have to go bankrupt if they provided traditional labor packages to their full-time drivers.

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Arianna Jiménez:

Well, if that's the case, then do you really have a profitable business model without being heavily subsidized by foreign capital and high level of exploitation to the workforce?

Shawna Bader-Blau:

That's the business model for Glovo, Rappi and other app-based platforms. Exponential growth without investment in its workforce. What's worse? Rappi is a company seemingly always mired in controversy, accused of all kinds of misdeeds and misconduct from the very beginning. Rappi drivers have been staging organized protests since as early as 2018, only a few years after its launch. And recently, during the worst parts of the pandemic in Colombia, Rappi made its drivers compete for vaccines, if you can believe it.

They only gave them to the "best and fastest drivers." It sounds horribly dangerous. But this hasn't hurt its bottom line, far from it. Since Colombia's new president, Gustavo Petro, introduced new legislation that protects migrant workers, the company has only gotten bigger. Take for example the temporary protection status for Venezuelan migrants passed into law in early 2022. It allows migrants to work legally in Colombia along with some benefits and access to education. But a case can be made that companies like Rappi, they're ones who have most benefited from these new laws.

Arianna Jiménez:

Government acts like a business when they think about their role to attract foreign capital. Rappi, for example, when they were first starting, attracted a lot of money, \$1.5 billion from the U.S. and Japan, and the Colombian government then is creating by allowing Venezuelans to come into the country and work legally. I absolutely think a case can be made that Rappi's success is attributable to this captive migrant population.

And I think, one of the things that I looked at in my research was the ways in which this population lives precarious lives. So, in this particular case of the Venezuelan migrants, returning home is extremely difficult, both because the economy is in shambles and there are no opportunities for them there, and because crossing of the border itself is so dangerous. So, in a real sense, there is a physical sense of captivity. They have no political voice in the country.

So, even though Colombia has established migration laws that allow this population to work in the country legally for a period of up to 10 years, for which Colombia should be applauded, those protections do not correspond to political participation the way we would think about it in terms of voting or other political mechanisms.

Shawna Bader-Blau:

Next time on My Boss Is a Robot, we get into the nitty-gritty of this global, highly unregulated market of platform apps. What makes them tick? And just what do we call those workers that use them? Thank you for listening. I'm Shawna Bader-Blau.