

Gig workers will get workplace injury compensation like regular employees, right to collectively bargain for wages and benefits

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- An advisory committee on platform workers laid out several proposals to help enhance these workers' welfare
- One set of recommendations involved ensuring that these workers are fairly compensated if they are injured during work
- The committee also proposed that these workers be allowed to collectively bargain on issues such as earnings and work progression

SINGAPORE — Gig workers such as food delivery riders, who often have modest incomes and uneven access to work injury compensation, will soon gain protections similar to those required for regular employees.

Right now, the financial compensation for workplace injuries that are available to gig workers is at lower levels than what employees are entitled to under the Work Injury Compensation Act.

Soon, platform companies, such as those providing ride-hailing and food delivery services, will be required to provide the same scope and level of compensation as employees' entitlement under the Act.

These were among several recommendations laid out by the advisory committee on platform workers in a report on Wednesday (Nov 23), including a proposal for mandatory Central Provident Fund (CPF) contributions for this group of workers.

The announcement follows a report by the Institute of Policy Studies (IPS) earlier this month, which found that more than a third of gig workers who rode for 51 hours and above each week had met with at least one accident.

Under another recommendation, gig workers may soon be able to seek formal representation through a new framework designed for them, that could be enacted under a new legislation.

The advisory committee on platform workers was set up by the Ministry of Manpower (MOM) last year to look into strengthening protections in the gig work sector here and it consulted several platform companies, platform users and more than 20,000 workers, among others.

The welfare of delivery riders was among the issues raised by Prime Minister Lee Hsien Loong in his National Day Rally address last year, where he said that the Government will be looking at the problem of delivery workers who lack basic job protection.

MOM said that all recommendations have been accepted by the Government.

WHO BENEFITS FROM THE CHANGES?

These recommendations apply to gig workers, since they face different challenges from typical self-employed persons who may have greater autonomy over what assignments to accept or how much to charge for their services.

Gig workers are subject to control over the jobs they receive and accept, as well as fees for their services.

For example, private-hire car drivers and taxi drivers working with platform companies operating ride-hail services are automatically assigned to commuters, while food delivery platforms generally determine the effective service fee for their delivery riders.

The committee thus concluded that the "combination of being subject to control without a standard level of basic protections and having modest incomes" puts these workers in a "precarious situation".

At the same time, in providing workers with more protection, the committee also established that the platform workers should not be considered as full-time employees.

"Platform workers are engaged under a contract for service as self-employed persons... This is reflective of platform workers enjoying more flexibility and autonomy than typical employees," the report stated.

Taxi drivers who engage in street-hailing are also not covered under the recommendations.

This is because there is "limited evidence" of any control by the company for street-hail rides, other than the earning rates set by taxi operators.

For instance, the taxi driver has full control of where he chooses to pick up his passengers, and keeps all of the fare.

"Most fundamentally, companies that only operate street-hail rides generally do not play a role in matching the taxi driver to the customer," the committee said.

Responding to questions from reporters on Wednesday, Dr Danny Quah, vice-chairperson of the committee, said that there is a "profound difference" in the business models between street-hail taxis and platform companies.

"For the ride-hailing model, there's a certain amount of directed control but in the street-hailing model, there isn't.

"So in the ride-hailing model, that directed control then attracts a kind of relationship that is akin to ordinary employer-employee relationships," Dr Quah added.

FAIR WORKPLACE INJURY COMPENSATION

Compared with workers in sectors such as logistics, the financial protections for gig workers when they get injured on the job is currently inadequate, the committee said.

It noted that although some platform companies voluntarily provide platform workers with compensation for work injuries, such as through personal accident insurance, coverage is uneven across companies.

"Furthermore, the platform companies that do offer coverage today do so at lower levels than what employees are entitled to under Work Injury Compensation Act," the committee added.

For example, platform companies' coverage for death or permanent disability is largely in the S\$10,000 to S\$30,000 range, compared with employees' entitlement under the Act of up to S\$289,000.

From its engagements, the committee said that gig workers are concerned about the inadequate coverage that they receive for work accidents, the lack of speedy access to pay-outs, as well as the lack of a mechanism such as that under the Work Injury Compensation Act to adjudicate disputes in claims.

The IPS study published earlier this month also found that fewer than half of platform workers polled said that they were satisfied with the medical benefits, personal accident coverage and insurance benefits provided by platform companies.

This was why the committee proposed a requirement for platform companies to provide the same scope and level of work injury compensation as employees' entitlement under the Work Injury Compensation Act.

The scope of what platform companies will have to provide includes the following, with the same minimum and maximum limits as for employees under the Act:

- Medical expenses
- Compensation for income loss when issued medical or hospitalisation leave
- Lump-sum compensation for permanent disability or death

To determine the amount of income loss and lump-sum compensation, the committee recommended that the amount equals the platform worker's total net earnings that he would have earned from the platform sector were it not for the injury.

This is also similar to how work injury compensation amounts are calculated for employees under the Act.

Speaking at a press conference on Wednesday, Dr Koh Poh Koon, Senior Minister of State for Manpower who is the committee's adviser, said: "While we want to give (the workers) better financial protection in case of injuries at work... we should try to prevent as many of these accidents from happening in the first place."

He added that the Workplace Safety and Health Council has been working closely with the National Delivery Champions Association and companies in the delivery industry to produce safety guidelines for delivery workers.

These delivery safety guidelines will be released soon, Dr Koh added.

WHO COMPENSATES?

The platform company that the worker was working for at the point of injury will be required to fully compensate the worker, and the company would have to fully compensate based on the total earnings from the platform sector in which the injury was sustained, the committee proposed.

For instance, if a gig worker works for three food delivery companies, and sustains an injury while completing a delivery for one company, then that company will have to pay for the total income loss across all three firms.

This would address one of the concerns previously raised by economists that the provision of these benefits may be hard to keep track for delivery workers, given the unequal amount of work they do across different platforms.

Overall, this is still fair to each company because it "fairly accounts for varying levels of risk exposure by platform companies", the committee said.

For instance, a firm with 10 per cent of all gig workers working for it would likely be required to make pay-outs 10 per cent of the time. This is assuming that the same rate of work injuries apply across platform companies.

Platform companies will not be required to pay for income lost outside of the sector, such as if the food delivery rider does freelance work in a different industry.

In addition, the committee recommended that there be sector-specific definitions of when a gig worker is at work, so as to better assess the injured worker's eligibility for work injury compensation.

For example, a food delivery worker should be considered to still be "at work" for a certain duration after he delivers the food and completes his job, so as to account for the waiting periods between jobs.

This fixed duration will be determined by the Government after taking into account data on the waiting time, the committee said.

Another recommendation is that the provision of work injury compensation insurance is through the existing open and competitive insurance market.

This means that platform companies with better safety records would likely pay lower premiums.

COLLECTIVE BARGAINING

The report also noted that platform workers want to be able to negotiate collectively on issues such as earnings, contractual terms and benefits, workplace safety or future work prospects. This was based on engagement sessions held by the committee, along with independent surveys.

They also desire for a group that represents them to be able to resolve disputes concerning them.

For now, there are associations for platform workers, but these associations do not have the legal mandate to collectively bargain for such concerns.

Therefore, the committee recommended giving platform workers the right to seek formal representation through a new representation framework designed for them, which will require a new legislation to be enacted.

Such a move is in keeping with the spirit of Singapore's tripartite approach, where the employers, employee unions and the Government work together to resolve differences.

The committee had in August formed a tripartite workgroup consisting representatives from the Government, labour movement and the Singapore National Employers Federation, to engage gig workers on the creation of a representation framework for the platform sector.

The workgroup aims to submit its recommendations to the Government before the end of 2023 and its deliberations are ongoing, the report said.