

# **“Mercedes in Two Years?” Grab Workers’ Mounting Discontent and Wildcat Strikes in Vietnam**

Thursday 9 March 2023, by [LE Toan](#) (Date first published: 3 February 2023).

**In a country in which traditional motorbike services, colloquially known as *xe om*, are a popular mode of transport, Grab Vietnam found a ride-hailing and food delivery market that was fertile ground for the taking [1].**

In Vietnam, at the end of 2013 and the beginning of 2014, a market for passenger transportation services delivered via software applications first appeared in the country. Among them, Grab (Grab Vietnam) and Uber vied for dominance in the new marketplace.

Attracted by the “flexible” work arrangement and generous payment rate at the time, many Vietnamese workers signed up to work for Grab. By August 2018, [Grab domination](#) led Uber to sell its shares in the Vietnamese market to Grab. It is estimated that in the first half of 2020, Grab had about a 75% ride-hailing market share in Vietnam.

However, as Grab’s services spread from transportation to food delivery services, discontent among its workers also mounted. Frequent wildcat strikes have surfaced with increasing regularity. Unstable incomes and low pay were the main grievances of workers, however, harsh working conditions and a belief that Grab has taken the “worker-partner” for granted were other outcries.

## **Unstable Incomes, Low Pay, Harsh Working Conditions and a Weak Voice and Representation**

Grab promoted the flexible nature of its work arrangement and the attractive payment rates as providing opportunities for its partner-workers to “live the dream” whilst earning decent pay.

So successful was its public relations campaign, ordinary Vietnamese came to believe that gig work was a well-paid job. An example of this prevailing upbeat view was [an online article](#) stating that ride-hailing platform workers could buy a Mercedes in two years and that working for a ride-hailing platform service was a highly desirable job.

However, research conducted in 2020 and 2021 points the other way.

For example, a soon-to-be-published report conducted for Friedrich-Ebert-Stiftung (FES) [2] in which I am a co-author, found that the average income of workers from regular full-time work of eight hours per day and 26 days per month is only 6,210,672 VND (264 USD), 16.6% below the liveable wage rate of 7,446,294 VND (317 USD) in 2020, excluding overtime pay.

Further, although platform workers’ earnings remain higher than the Ho Chi Minh City (HCMC) minimum wage for work requiring training of 4,729,400 VND per month, [employees on a minimum wage](#) are provided with benefits that platform workers are not entitled to. The income of Grab’s

workers has been declining and unstable for some years because of many factors.

Firstly, the rate of payment income earned for each trip is completely determined by Grab. According to some workers in the above FES report, these rates are sometimes fixed so low that workers are not able to cover the fuel expenses.

Secondly, research shows that since starting operations, Grab has adjusted the proportion of the fee it deducts from workers' incomes six times, mostly by increasing the amount it takes from workers for organising rides for them from 15% in 2015 to 20% in 2020.

Thirdly, Grab has tightened its bonus payment policies which account for 17.36% of workers' incomes, causing the workers to work harder and lose control of their work time flexibility which impacts on their health.

Finally, greater competition for rides, health restrictions imposed during the COVID-19 pandemic and a surge in petrol prices resulting from the Russia-Ukraine war have gravely impacted the earnings of workers. One worker revealed that he is paid only 4,000 VND (0.17 USD) for each kilometre of a five kilometre ride and he pockets only 30% of the payment received from a customer for a typical ride after deducting expenses and fees paid to Grab. Further, the same worker earns only 9,000 VND (0.34 USD) in total for a three kilometre ride before consideration of other costs including fuel expenses, maintenance, labour, time and enduring the heat.

Our FES report also found that unstable incomes and low pay forces workers, including those working for Grab, to work without fixed rest times, through sickness and holidays. The survey for FES indicates that , while few took time off work on public holidays (11.8%). Although not all workers worked on public holidays, on average 80% of public holidays in a calendar year are worked. While survey respondents provided different reasons for the need to work without taking breaks and holidays, low incomes were the common cause behind accepting limited rest times and holiday leave.

Harsh working conditions have had various adverse impacts on workers' health and wellbeing, including respiratory health (61.7%), followed by joint health (62.8%) and digestion (48.30%). During the pandemic, platform workers assessed Grab's implementation of health protection rules, sharing health protection information and offering regular health check-ups to be worse than competitors Baemin and Be.

Finally, Grab's workers have been unable to resolve their grievances via internal mechanisms. Platforms such as Grab have broad powers to terminate a worker's service. More specifically, the contract typically requires the platforms to give a worker only three days advance notice for the termination of service; and if a worker violates the contract terms or regulations, no notice is required.

Moreover, platform entities deprive workers of procedural fairness measures, such as providing an opportunity to explain their action. Workers stated that platforms made non-negotiable decisions without consultations. A Grab worker stated in our interview:

[Working for Grab], there is no discussion or negotiation when the platform company judges that a worker has violated the code of conduct [or before the new policy issuance]. They shut down the app whenever they want.

[Another study](#) conducted for FES led by labour researcher Do Quynh Chi also substantiates the claim that in comparison to other platform providers in Vietnam, with workers citing ineffective communication channels, individual workers' voices often being neglected and retaliation by the

platform providers as key reasons.

Faced with an ineffective internal dispute resolution mechanism and unequal bargaining powers, Grab's workers have conducted wildcat strikes and used social media outlets such as Facebook to create solidarity and shape public and policy narratives.

### **Mobilising and Protesting Against Grab**

Like their counterparts [in China](#) and other places, Grab's workers in Vietnam have taken advantage of the platform's data-powered systems, and cleverly used mass social media groups to organise mass demonstrations to disrupt Grab's business.

In December 2020 with the coronavirus pandemic already significantly impacting the take-home pay of bikers, Grab increased its commission from 20% to 27.7% following the government issuing Decree 126 on the VAT obligations of ride-hailing entities.

Decree 126 determined that ride-hailing businesses such as Grab were to be treated like traditional taxi companies and were subject to 10% VAT on *all revenues* from the business cooperation activities, whereas previously, Grab had to declare and pay 10% VAT based on the *commission* percentage it received for each ride. The effect of the new law was to increase Grab's VAT obligations, whilst reducing VAT obligations faced by the workers.

The attempt by Grab to make the workers pay for Grab's VAT obligations angered the latter and united them to resist against it.

Lacking a common workplace meeting ground, Grab workers [utilised social media](#) as the main communication channel and organised a struggle that lasted for days in many parts of the country (Hanoi, Da Nang, Saigon and even Binh Duong). Facebook and other media group pages were used to communicate their anger and encourage each other to join the protest. It provided a space where bikers could interact with each other and together build and nurture a collective identity and solidarity.

Social media not only makes up for the lack of physical connection between workers, it is also a powerful tool for workers to build solidarity and has the advantage of allowing them to gather and organise the fight quickly and effectively, compensating for the absence of independent and effective representative organisations.

Grab workers organise strikes by creating their own group pages. Through the common experience of sharing the green uniform, Grab workers interact with one another freely on this page to share grievances, discuss plans, and call for action. In particular, workers have used ethical discourses to argue that Grab has a moral obligation to "take care of its soldiers, of the family", whose work has made Grab into the company it is now.

Another worker also referred to moral discourses mocking the terminology of "worker-partner" that Grab assigned to them, stating "it sounds like an important person, but in reality it is empty of any privilege (có tiếng mà không có miếng)".

The use of moral discourse by Grab workers to build solidarity and galvanise public empathy has a long tradition as it is also a core discourse employed by factory workers found in previous studies by labour researchers Angie Ngoc Tran, Joe Buckley and Tu Phuong Nguyen. [3]

The tactics employed by Grab workers were relatively successful in winning the hearts and minds of the public and some government. After initially taking a cautious approach, the General Department

of Taxation publicly revealed their views in favour of bikers, that the 10% VAT is the responsibility of Grab, not the employee.

Further, since the above protest, the Ho Chi Minh City Federation of Labour recently established “syndicates” (*nghiệp đoàn*) for the workers. For its part, there are divergent opinions within the Vietnam General Confederation of Labour (VGCL). Nevertheless, some senior VGCL officers have recently spoken in favour of ride-hailing workers. In a recent interview, Ngô Duy Hiếu – VGCL’s deputy president – [strongly argued](#) for these workers to be treated as employees. He said:

[Notwithstanding that] the owners of ride-hailing platforms always consider workers their partners, the fact that the workers have to obey the directions of the platforms in respect of booking allocation [and] disciplinary measures as well as [labour] safety, [work] uniforms and [working] time clearly indicates [the existence of] employment relationships in enterprises.

Our interviews with labour and union officials at central and local levels from 2019 to 2021 suggest increasing support for recognising ride-hailing workers as employees.

Finally, it should be noted that the use of social media to organise strikes has shortcomings such as a greater potential for infiltration and leakage of information and is no substitute for a well-organised unionised workforce. Although the above is positive progress, the workers do not have the right to represent their members in bargaining, consultation, and other forms of dialogue with platform entities.

The lack of a union that truly represents the interests of workers has circumscribed the capacity of workers to defend and further their occupational interests. And this would, in turn, reinforce the precariousness and vulnerability of these workers.

In our report, several platform workers expressed their fervent wish to be represented by a labour union. As a Grab biker expressed in our interview:

I really want to have a representative organisation. All workers want this. [However,] as motorbike workers (*xe ôm*) we don’t have such an organisation. We don’t have a trade union. This is why [we] have to put up with miserable conditions. If there was a trade union [for motorbike workers], all of us would support it.

### **A Fully Independent Union Needed**

After riding a wave of popularity, Grab’s transportation and delivery services in Vietnam are facing strong headwinds. Grab’s popularity appears to be waning, and its workers are increasingly frustrated by Grab’s treatment.

A series of multi-regional wildcat strikes conducted by workers in protest of Grab’s heavy-handed actions to change the workers’ take-home pay have exposed Grab’s claim that its “flexible” work arrangement empowers its workers to protect themselves without the need to rely on traditional collective bargaining rights and other rights associated with industrial relations.

Despite an absence of labour unions and despite antiquated labour laws, Grab’s workers in Vietnam have employed effective means to resist Grab’s hegemony. It turns out that social media has provided the workers with a powerful tool to develop solidarity in organising strikes, rebut Grab’s narratives, shape public opinion and influence government policies.

However, the use of social media has its own limitations. Until Grab workers have a fully

independent union by their side which works to represent their interests, Vietnamese Grab workers will continue to be acutely vulnerable.

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## **Toan Le**

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## **P.S.**

Asian Labour Review

<https://labourreview.org/grab-workers-in-vietnam/>

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## **Footnotes**

[1] This article has been compiled from a bigger multi-authored project, which will appear on two forthcoming articles; Do Hai Ha, Toan Le, Dinh Thi Chien and Luong Minh Son, David, Goliath and the State: A Battle for Workers' Rights in Vietnam's Gig Economy (2021) [manuscript submitted for publication]; Do Hai Ha, Toan Le 'Platformisation as Informalisation: The Decomposition and Recomposition of Platform Workers in Vietnam' [forthcoming submission].

[2] Ha Do, Toan Le, Dinh Thi Chien, Huynh Thi Ngoc Tuyet, Nguyen Thi Minh Chau, Luong Minh Son, Nguyen Quoc Thang, 'Behind the Myth of a Business Partnership: Vulnerable Platform Workers In Urgent Need of Legal Protection in Vietnam', Friedrich-Ebert-Stiftung, in the press.

[3] See Angie Ngoc Tran, Ties that Binds: Cultural, Identity, Class and Law in Vietnam's Labour Resistance, Cornell University Press, 2013; Joe Buckley, Vietnamese Labour Militancy: Capital-labour Antagonisms and Self-organised Struggles, Taylor and Francis, 2021; Tu Phuong Nguyen, Workplace Justice Rights and Labour Resistance in Vietnam, Springer, 2019.