

App-based motorbike taxi driver: The career trend in Ho Chi Minh City, Vietnam from 2021-2026

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Abstract

Recently, app-based motorbike taxi drivers have been one of Vietnam's most popular jobs, especially in Ho Chi Minh City. This is a job with simple requirements and a stable income, and it makes travelling convenient for city dwellers and is a source of livelihood for many people of this largest city. The aim of this paper is to prove that app-based motorbike taxi driver is the career trend in Ho Chi Minh City from 2021 to 2026 by using a literature review method because the method used in this paper is supported by relevant sources. Although severely affected by the outbreak of the Covid-19 pandemic during the past two years like other occupations, technology motorbikes taxi driver will still attract many people in the next five years.

Keywords: app-based motorbike taxi, driver, Ho Chi Minh City, career trend, from 2021 to 2026.

Introduction

Motorbike taxis have been an integral part of the transportation systems in many cities throughout the Global South as a flexible, highly accessible, relatively fast, and inexpensive mode of transport. The term "Global South" generally refers to low- or middle-income countries in Asia (including Vietnam), Africa, Oceania, and Latin America. Motorbike taxis can travel on narrow streets or streets with poor surface conditions, provide door-to-door service, and operate effectively in areas where public transportation is unavailable. They are also faster due to their ability to filter through congested traffic, are less expensive than car taxis, and are generally used for short to medium-distance trips [1].

App-based motorbike taxi drivers (or technology motorbike drivers) refer to people who do the same service as motorbike taxi drivers: they transport people in need to where they want to go and will get back a fee for their effort. The most significant difference is that app-based motorbike taxi drivers will not have to find customers by themselves; customers will connect with drivers through an application on smartphones. Customers will provide basic information such as departure point, destination, and phone number to contact. When that technology motorbike taxi driver accepts the trip, there will be information about the person who needs to go to contact and pick up the passenger, start the journey, and complete the trip upon arrival. Technology motorbike taxi drivers and customers do not have to pay because the price of the ride has been calculated based on the shortest distance according to the location of the map and converted into money – the two parties based on the price on the application to pay each other. The app-based taxi driver is responsible for deducting part of the ride fee that has been run for the application provider called the commission cost. The percentage is high or low, depending on the application [2].

This paper will focus on the following five things to prove app-based motorbike taxi driver as a career trend in the next five years:

- Ho Chi Minh City context
- Advantages of app-based motorbike taxi
- The process of becoming an app-based motorbike taxi driver
- An app-based motorbike taxi driver's income
- Lateral expansion of established firms

Methodology:

The literature review method is used in this paper because relevant theories and sources support the methods. During the first stage of this paper's research, fifteen articles were found from 2014 to 2021 using the keywords "motorbike taxi driver" in a Google search. This method aims to delve deeper into the issues raised to understand better the topics being discussed.

Literature review:

1. Ho Chi Minh City context:

Ho Chi Minh City, formerly and colloquially known as Saigon, is Vietnam's largest city in the south. The city, which covers approximately 2,061 square kilometers, is located in the southeastern region and surrounds the Saigon River [3].

1.1. The population:

According to the World Population Review website, the population of Ho Chi Minh City reached 8,837,544 people in July 2021. Ho Chi Minh City is home to 8.34 percent of Vietnam's population. Within the city, there are 4,097 people per square kilometer (approximately 10,610 people per square mile), according to the population density [4].

1.2. The public transport:

Although there are many means of transportation in Ho Chi Minh City such as airplanes, trains, ships, buses, taxis, etc., motorbikes are still the most popular and most effective means of transport when transportation system still riddles and there are the huge network narrow back alleys in Ho Chi Minh City. According to the Department of Transport of Ho Chi Minh City, as of June 15, 2019, Ho Chi Minh City had 8.12 million motorbikes, an increase of 6.14% compared to 2010. Thus, on average, each resident has a motorbike. This is one of the reasons for the complicated traffic situation in this city [5]. At the same time, this is also a resource for motorbike taxi drivers, especially app-based motorbike taxi drivers.

2. Advantages of app-based motorbike taxis [6]:

2.1. For customers:

They can call a motorbike taxi faster, book a motorbike taxi 24/24, and have a motorbike taxi quickly and be picked up. The price is very affordable, and travel is more secure because the drivers are managed very tightly. The customers can evaluate the service, know the price, travel route, change the route, etc.

2.2. For drivers:

They can take advantage of the leisure time to earn more income if running full-time, the income is quite good, the number of users is large, covering all districts, customers are received through the application. Therefore, the drivers do not have to find consumers and take the initiative in time, and the procedure is not too complicated.

3. The process of becoming an app-based motorbike taxi driver [7]:

Many ride-hailing apps are currently on the market in Ho Chi Minh City to help people become app-based drivers and increase their income, such as Grab Bike, Gojek, Be, T.net, Vato, Didi, Xelo, Mailinh bike, etc. However, the number of customers of the apps is not the same, and there are apps with many customers; there are apps with little known customers.

Becoming an app-based motorbike taxi driver is also very easy as long as the people have a basic profile: ID card, driver's license, motorbike (still in good condition, almost any vehicle can be registered), motorbike insurance, other documents such as student card, resume or criminal record, so they can register to become an app-based motorbike taxi driver. People have to learn one or more sessions to use the app and communicate with customers to activate the app. When the application is activated, the drivers can start driving. Then, depending on the company, they have advanced lessons, self-study sessions or exchanges with drivers, etc., to help drivers be more convenient and safer on trips. When the person becomes an app-based taxi driver, he will be granted the right to use the application, use the uniform when driving and comply with the operating principles of the specified applications.

As a rule, becoming an app-based motorbike taxi driver in Vietnam, especially in Ho Chi Minh City, is very simple.

4. An app-based motorbike taxi driver's income:

According to a reporter's survey, the income of an app-based motorbike taxi driver ranges from 350 USD to 500 USD/month. With this income level, the income of an app-based motorbike taxi driver can be 3-4 times higher than the basic salary of current state employees. For example, Trinh Thi Bau (born 1977) - a Grab Bike rider, said she had been registered as a Grab Bike for more than three years. Previously, she was a shopkeeper, earning only about 4 million/month. In her free time, she used to work as an app-based motorbike taxi driver. However, after seeing the potential of this profession, about four months ago, she switched completely to Grab Bike. On average, she earns from 9 to 13 USD per day after deducting all expenses paid to Grab, gasoline, etc.; her monthly income is about 350-450 USD/month. Her husband, who used to work as a security guard, also switched to Grab Bike. Mai Van Dong (born in 1989), working for Go-Viet, said that he was previously an office worker of a private company. However, in the past four months, he has completely switched to being a driver of Go-Viet. On average, he works 8-12 hours a day, including passenger, delivery, food delivery, etc.; his total monthly income is from 530-650 USD. Similarly, Ha Van Dinh (born in 1991), Be's driver, also said that he has been doing this job for about seven months, working 8-10 hours a day, his monthly income is about 350 USD [8].

Contrary to the thought that "there is no job to do to become a technology driver," the job of an app-based motorbike taxi driver has opened up a new option, bringing life-changing opportunities with high income for many laborers. Moreover, especially during social distancing due to the COVID-19 pandemic in Ho Chi Minh City, when many other jobs are "frozen," app-based motorbike taxi drivers still have a regular income, helping their families overcome difficult times [9].

It can be seen that, just working hard the elderly, retired, women, or people who only do manual labor can make a lot of money as a motorbike taxi driver is entirely possible.

5. Lateral expansion of established firms [10]:

The most powerful strategy used by established firms to maintain their market position has been to expand into related services such as food delivery, package delivery, and shopping services. Grab Vietnam, for example, announced a shopping service as well as a 'driver-for-hire' service in 2020. Besides, GoJek currently has 80,000 restaurant partners.

Vietnam's rising digital economy provides lucrative opportunities for ride-hailing companies to diversify into other digital industries while maximizing their investments in digital infrastructures such as apps and e-wallets.

This strategy is motivated by the belief that consumer networks primarily determine competitive positions. As a result, consumer networks are likely to grow if new products and services are introduced.

Result and discussion

By reviewing the literature, it is clear that app-based motorbike taxi driver is a job that attracts many people in Ho Chi Minh City today. This job has contributed to solving the problem of jobs, reducing the unemployment rate, providing a decent income for the people of Ho Chi Minh city, and helping them support their families. With a growing population, the country's economic development, and expanding internet economy, and the highest number of motorcycles in Southeast Asia, the job of app-based motorbike taxi driver will be the most chosen job in Vietnam, especially in Ho Chi Minh City from 2021-2026.

However, there are still many problems for today's app-based motorbike taxi drivers in Ho Chi Minh City.

1. The tension between app-based motorbike taxi drivers and "xe om" drivers:

There are two types of motorbike taxis in Ho Chi Minh City: app-based motorbike taxi drivers and "xe om" drivers. Everywhere the new "sharing" sendees go, they seem to end up in a squabble. Many of these are related to existing

service competition. This is, predictably, the case with the introduction of app-based services into Hanoi's moto-mobility system. As the popularity of Grab has grown, there has been considerable tension between traditional "xe om" drivers and app-based drivers. According to Grab Vietnam, there were 130 "incidents" in 2017 between traditional "xe om" drivers and GrabBike drivers, ostensibly due to many "xe om" drivers claiming the competitor is stealing customers. Some of the most infamous cases are from Ho Chi Minh City and include numerous violent episodes, but similar incidents have occurred in Hanoi, with frequent tension between the two groups of drivers. Clashes between drivers garner a lot of attention in the Vietnamese media. However, interviewees explained that these fights were the exception and that peaceful coexistence was the norm. Despite this, the tensions were palpable, and several of them mentioned how they made a concerted effort to avoid incidents with the other drivers. In addition, traditional xe om drivers had strong feelings about GrabBike affecting their livelihoods, but they did not see this as a reason to fight their drivers [11].

2. The disadvantages of app-based motorbike taxi drivers:

Currently, app-based motorbike taxi drivers face the following disadvantages:

- The relationship between drivers and automakers is not between employees and employers but between partners. However, in practice, in this relationship, the drivers do not have the power to make demands or negotiate contract terms or change the terms of the contract. They only have two options, agree or disagree with these terms and sign or not sign the partnership agreement. Therefore, the Vietnam Labor Code will not protect the driver's interests, such as paid leave, social insurance, health insurance, etc [12].
- The source of income of drivers is always unstable, depending on the number of rides they receive or is affected by many other conditions (travel costs, meals, vehicle repairs, etc.). In addition, the application of new policies by companies providing ride-hailing applications also has a significant impact on drivers' incomes. For example, if the company cuts the bonus, also known as the bonus squeeze, it threatens the driver's income [13].
- Sometimes, customers cancel the ride even though they have booked and don't pay for it.

3. Many dangers "lurk" for app-based motorbike taxi drivers:

Although more modern and convenient than traditional motorbike taxis, app-based motorbike taxis have certain dangers. Recently, app-based motorbike drivers are becoming victims of more serious and complex robberies and murders, especially at night [14]. On July 30, 2019, in Thai Hoa ward (Tan Uyen Town, Binh Duong province), the robbers hired the victim as a GrabBike driver to drive at 9 pm, leading the victim to an empty road, then stabbed him with a sharp intersection to rob the motorcycle and then flee. Due to excessive blood loss, the victim died later. On December 6, 2019, a young man was suspected of being killed and robbed of property in a costume of an app-based motorbike taxi driver in Vinh Loc commune, Binh Chanh District, Ho Chi Minh City [15].

Conclusion

Since Grab, an online ride-hailing company, launched its 'GrabBike' service in Ho Chi Minh City at the end of 2014 [16], more than 2,000 app-based motorbike taxi drivers from all social classes have been present in the city. The job of an app-based motorbike taxi driver has improved the city's unemployment rate and traffic congestion. With the population growth and the incomplete transport system of HCMC, a decent income, the process of becoming a motorbike taxi driver easily, the constant investment and expansion of the service types of companies; technology motorbike taxi driver will still be a career trend in the next five years in Ho Chi Minh City. However, with so many students and intellectuals choosing to follow this job, it is an alarm bell for the lack of proper career direction and undervalued career theories. In addition, this also shows that the treatment and salary regime of the Ho Chi Minh City government for intellectuals and people with advanced degrees is still inadequate, which has not helped them stabilize their lives.

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