

# Chapter 11

## Rapacious Capitalism? Considering the Ride–Hailing Application Business in Jakarta, Indonesia

**Yoshifumi Azuma**

*Ritsumeikan University, Japan*

**Dian Wahyu Utami**

 <https://orcid.org/0000-0002-0238-8462>

*BRIN, Indonesia*

### ABSTRACT

*This chapter examines the nature of soft power management of ride-hailing applications (RHA), namely Grab, through a quantitative data survey of 453 drivers and 500 passengers during the Covid-19 pandemic in Jakarta in 2021-2. The empirical study explores the co-existing and at times, conflicting relationships between passengers and drivers within the same residential area of Jakarta. RHA has led to the marginalization of drivers due to contemporary digitalization. Unreasonable demands from passengers can be interpreted as bullying, harassment and human rights violations. Furthermore, even a slightly negative review from a harsh passenger can result in a driver being excluded from the assignment by the algorithm.*

*Conversely, the system in which drivers' rate passengers tend to eliminate the few bad ones. Here an irony lies in the conflict and emphasis between two principal agents: the driver and the passenger. The party who gained the maximum dividends was the RHA company in charge of control, such as Grab, which allocates managerial resources to enhance passenger customer satisfaction. This indicates a tendency to prioritize this aspect. However, it is imperative to stress the importance of considering a more decent working environment for drivers. This requires a balanced approach that simultaneously addresses passenger satisfaction and recognizes the importance of ensuring optimal working conditions for drivers.*

### INTRODUCTION

At present, the ride-hailing applications (RHA) industry is one of the fastest growing global digital economies in Southeast Asia. RHA is a mobile phone application that makes it very easy for people to

DOI: 10.4018/979-8-3693-0250-7.ch011

## ***Rapacious Capitalism?***

move around and place orders (Riyadi Putra et al., 2022). Over the past decade, RHA has undoubtedly had the most significant impact on the urban transport business (Chalermpong et al., 2023). Millions of urban dwellers use mobile phones and internet applications to place orders for various travel-related needs, including in Indonesia (ibid). As a result, people can now travel more easily to their destinations.

Numerous debates have scrutinized prevalent labour conditions within the gig economy (De Ruyter & Rachmawati, 2020; Novianto, 2023). However, previous scholarship has predominately discussed the operating systems intrinsic to RHA platforms, how the gig economy works and an appraisal of the magnitude of its impact upon workers (De Ruyter & Rachmawati, 2020; Silaban et al., 2021; Yasih, 2023). Yet, citing the platform's attractive characteristics, several scholars have suggested that both flexible and convenient services have the potential to benefit both the platform workforce and their consumers as well as facilitate more effortless mobility and economic empowerment (De Ruyter & Rachmawati, 2020). As such, the actual working circumstances of individuals confronting are rarely investigated (Stewart & Stanford, 2017). To address, the former, this chapter focuses on the driver's perspective to develop an understanding of their working conditions and perceptions.

To date, most studies have concentrated on how satisfied users are with RHA with numerous focusing on user behaviour (Sanny et al., 2019; Waworundeng et al., 2022). These included those that examined the degree of client satisfaction of Grab over the Gojek application during the pandemic (Waworundeng et al., 2022). Other studies (Marwiyah et al. 2022) compared how frequently students used Grab and Gojek. Studies in Thailand (Thaithatkul et al. 2002) and Yogyakarta, Indonesia, (Irawan et al. 2002) also found that people had a predisposition to prefer RHA based on either cars or motorcycles. In the latter part of this chapter, interactions between drivers and passengers will also be covered along with how a system increasingly operating putting drivers in a tight spot accommodates it.

This chapter is composed as follows: The next section provides a literature review on RHA and information on Grab's online taxi service in Indonesia. In section 3 a comprehensive methodology is outlined, encompassing both the study area and approach employed in the survey. Section 4 engages in a discussion from drivers' perspectives and section 5 presents both results and a descriptive analysis from the passenger's perspective. Section 6 examines the conditions of both Grab drivers and passengers within the context of avaricious capitalism and explores how passenger behaviour is linked to driver algorithms. The conclusion provides new directions for future research in this area.

## **LITERATURE REVIEW**

In recent years RHA has come to lead a breakthrough in information and communication technologies (ICT) that has seen widespread adoption in the transportation industry (Safira & Chikaraishi, 2022). As a relatively new, disruptive transportation option, it has emerged as part of a broader transformation of urban transportation (Brail, 2022). Through the convergence of wireless networks, GPS technology, and software applications, as well as the growing popularity of cell phones, the RH industry has become a viable force (ibid). RHA relies on motorbike or automobile drivers as transportation fleets to provide online (motorbike or car) transportation services as well as other everyday essential services such food delivery (FD), grocery and non-grocery shopping agency delivery services, cleaning services, massage services, and so on (Safira & Chikaraishi, 2022). Undoubtedly, these advancements significantly simplify individual's abilities to mobilize, enabling them to assess a multitude of travel options (ranging from cars to motorcycles) and choose the one that best suits their needs for any given trip (Thaithatkul et al., 2023).

25 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:

[www.igi-global.com/chapter/rapacious-capitalism/332152](http://www.igi-global.com/chapter/rapacious-capitalism/332152)

## Related Content

---

### Contemporary Change Management and Leadership in Local and International Businesses

Aytaç Gökmen (2019). *Handbook of Research on Contemporary Approaches in Management and Organizational Strategy* (pp. 405-430).

[www.irma-international.org/chapter/contemporary-change-management-and-leadership-in-local-and-international-businesses/217194](http://www.irma-international.org/chapter/contemporary-change-management-and-leadership-in-local-and-international-businesses/217194)

### The Effects of the Reformed C.A.P. to Cereal Crops

Theodoros Markopoulos, Sotirios Papadopoulos, Christos Karelakis, Konstantinos Galanopoulos and Konstadinos Mattas (2017). *International Journal of Food and Beverage Manufacturing and Business Models* (pp. 1-12).

[www.irma-international.org/article/the-effects-of-the-reformed-cap-to-cereal-crops/196167](http://www.irma-international.org/article/the-effects-of-the-reformed-cap-to-cereal-crops/196167)

### E-marketing for SMEs

Neeta Baporikarand Rosalia Folela (2018). *International Journal of Applied Management Sciences and Engineering* (pp. 11-28).

[www.irma-international.org/article/e-marketing-for-smes/196584](http://www.irma-international.org/article/e-marketing-for-smes/196584)

### The Impact of Turkish Agricultural Policy on Competitiveness of Cotton Production

Betül Güner, Berna Türkekul, M. Necat Ören, Canan Abayand Burhan Özalp (2017). *International Journal of Food and Beverage Manufacturing and Business Models* (pp. 20-30).

[www.irma-international.org/article/the-impact-of-turkish-agricultural-policy-on-competitiveness-of-cotton-production/185528](http://www.irma-international.org/article/the-impact-of-turkish-agricultural-policy-on-competitiveness-of-cotton-production/185528)

### Public Policy Issues in Pricing: Strategies and Initiatives

Pratap Chandra Mandal (2019). *International Journal of Applied Management Theory and Research* (pp. 17-30).

[www.irma-international.org/article/public-policy-issues-in-pricing/232710](http://www.irma-international.org/article/public-policy-issues-in-pricing/232710)